HÖEGH AUTOLINERS

Q1 2024
Quarterly report

Content

Highlights Q1 2024

Key figures consolidated accounts (USD million)	Q1 2024	Q4 2023	Q1 2023	FY 2023	FY 2022
Total revenues	328	382	354	1 446	1 270
EBITDA	162	199	170	736	447
Profit for the period	115	197	117	590	299
EBITDA adjusted	163	199	171	736	448
Earnings per share, basic	0.60	1.03	0.61	3.09	1.57
Cash and cash equivalents	207	458	253	458	184
Cash flow from operations	165	203	175	746	405
Net interest bearing debt	338	52	310	52	379
Equity ratio	62%	69%	62%	69%	61%

- Operating profit (EBITDA) of USD 162 million and net profit after tax of USD 115 million.
- Gross freight rate increased by 3% compared to Q4 2023 to USD 98.3 per cbm.
- Höegh Chiba sold for USD 61 million. Will be delivered to new owners by August.
- Purchase option declared for Höegh Jeddah. Transaction to be completed in September.
- New and long-term financing secured at attractive terms into 2030.
- Q4 2023 dividend of USD 360 million paid in March 2024.
- A dividend of USD 109 million declared and will be paid out in May 2024.

Directors' report

Financial performance

Freight revenues in Q1 2024 were USD 328 million compared to USD 382 million in Q4 2023 and USD 354 million in Q1 2023. EBITDA in Q1 2024 was USD 162 million compared to USD 199 million in Q4 2023 and USD 170 million in Q1 2023. Adjusted EBITDA in Q1 2024 was USD 163 million compared to USD 199 million in Q4 2023 and USD 171 million in Q1 2023. See the section Alternative Performance Measures for reconciliation between EBITDA and adjusted EBITDA.

Main impact on the Q1 numbers is coming from the volume reduction of 0.7m cbm (17.5%) compared to both Q1 2023 and Q4 2023. The situation in the Red Sea leading up to the decision to avoid Red Sea/Suez transits led to disruptions to several trades and it took time to restabilise the trade systems. The continuous volume loss, as long as the situation remains, is estimated to 0.3m cbm per quarter. In addition, we had lower utilisation for some of the trades early in the quarter and the full volume effect of the Höegh Bangkok sale in Q4 2023. Freight rates stayed at record high levels through the quarter, and we recorded net freight rate of USD 83.5 per cbm which is highest on record.

Net profit after tax in Q1 2024 was USD 115 million, compared to a net profit after tax of USD 197 million in Q4 2023 and a net profit after tax of USD 117 million in Q1 2023.

Cash flow and financing

Cash flows from operations were USD 165 million for Q1 2024 compared to USD 203 million for Q4 2023 and USD 175 million for the same quarter last year. Capital expenditures in Q1 2024 were USD 35 million, where USD 26 million relate to the Aurora newbuilding program and USD 9 million relate to dry dock expenses and vessel upgrades.

Cash and cash equivalents were USD 207 million at the end of Q1 2024 compared to USD 458 million at the end of Q4 2023. Dividend for Q4 2023 of USD 360 million was paid out in March.

The book equity ratio was 62% at the end of Q1 2024, down from 69% at the end of Q4 2023 and the same as the end of Q1 2023. The decrease is reflecting the dividend distribution of USD 360 million made in March 2024.

Net interest-bearing debt was USD 338 million at the end of Q1 2024 compared to USD 52 million at the end of Q4 2023 and USD 310 million at the end of Q1 2023.

Höegh Autoliners entered into two new credit facilities in March 2024; a USD 720 million credit facility for the purpose of refinancing the existing USD 810 million Credit Facility, and a new USD 200 million Revolving Credit Facility for general corporate purposes. The refinancing included extended maturity until March 2030, reduced annual amortisations, reduced interest rate and reduced the amount of pledged vessels. The refinancing has been accounted for as a debt modification, resulting in a debt modification loss of USD 11 million recognised in Q1 2024. See also note 4.

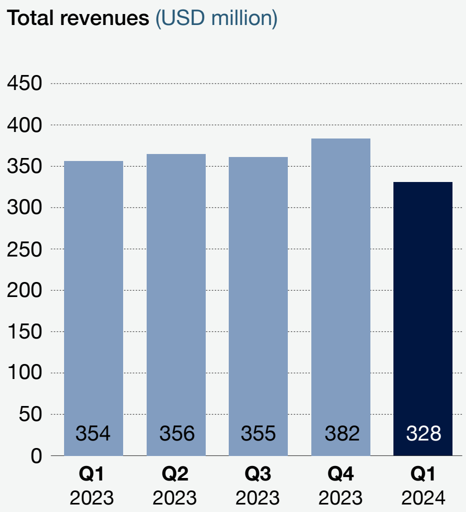
Of the new USD 720 million credit facility, USD 90 million will be drawn in connection with the purchase of Höegh Jacksonville and Höegh Jeddah in April and September 2024, and USD 280 million will be drawn in connection with the delivery of the Aurora newbuilds number 1, 2, 5 and 6.

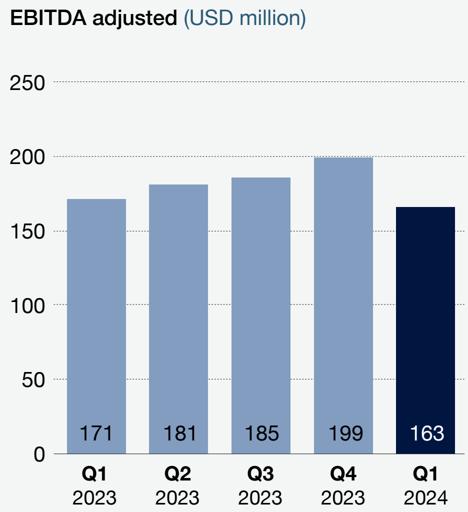
The new USD 200 million Revolving Credit Facility is non-amortising with maturity in 2028. The facility is currently undrawn and will serve as an additional liquidity reserve and provide flexibility for future capital allocation.

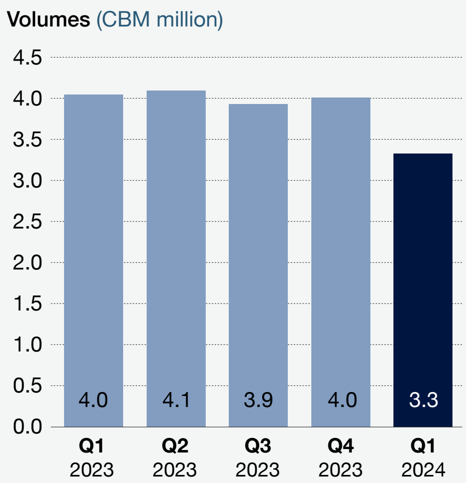
The refinancing was provided by a syndicate consisting of reputable banks.

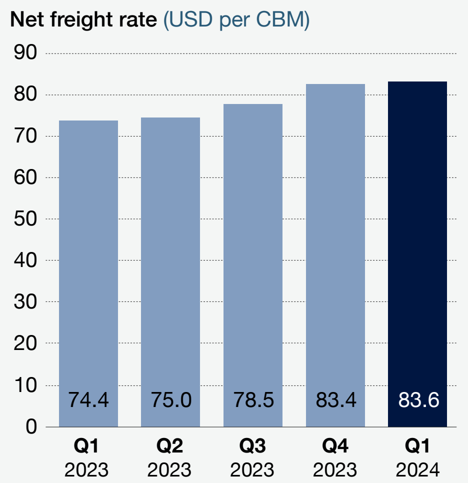
A dividend of USD 109 million is declared and will be paid in May 2024, consisting of around 100% of the net cash generation after amortisation of debt facilities, capital expenditures and payable taxes.

Financial performance – graphs









Operational performance

Market update

Global light vehicle sales increased by 5% in Q1 2024 compared to the same quarter in 2023. The auto demand continues to demonstrate remarkable resilience. With the production supply constraints improved, vehicle demand should continue its recovery, albeit at a slower rate as the lingering pent-up demand plays out. The 2024 forecast projects a mild increase from 2023.

Höegh Autoliners' main markets:

Automotive

Vehicle sales in key Höegh Autoliners destination markets expanded in Q1 2024 by an estimated 4% y-y, and were flat Q-Q. The underlying pent-up demand remained robust in Q1. Inventory levels continued to increase during the quarter.

Asia outbound

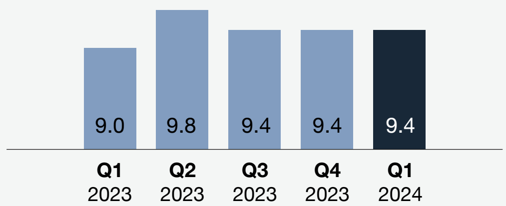
Asia's vehicle exports in Jan-Feb expanded by 18% y-y, driven by strong Chinese shipments (up 30% y-y). Shipments from Japan and S. Korea have also contributed to the growth – up 13% and 5% respectively. China continues to cement its position as the largest vehicle exporter by volume with Jan-Feb exports of 0.8 million units, compared to 0.65 million units exported from Japan. In Jan-Feb, China's exports to Europe grew by 4% y-y. Japan's vehicle exports expanded by 13% whereof shipments to Europe were up 40% while to the U.S – up 14%. In the same period, S. Korean vehicle shipments strengthened to USA - up 30% y-y but were down 9% to Europe. 2023 vehicle exports from Asia increased by 30% y-y.

High & Heavy (H&H) markets

All Höegh H&H destination markets continued to perform steadily in Q1 2024. The key drivers supporting equipment sales remained massive energy transition and decarbonization investments across the world, strong manufacturing and infrastructure construction activity, particularly in the U.S. (driven by CHIPS Act and IRA), as well as still sizeable order backlogs and the need for OEMs to replenish stocks.

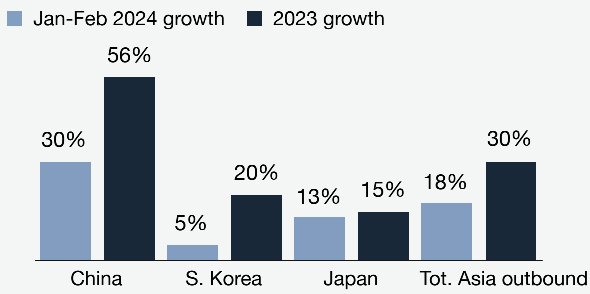
In Jan-Feb, Asia's core construction equipment shipments increased by 1% y-y, and by 72% when compared to the same period in 2019. China dominated shipments (55% of total exported volume) with volumes up 2% y-y and up a massive 240% vs. 2019. Continuous Chinese exports expansion was driven by weak domestic market, and oversized domestic production capacity. Forecast for 2024 demand is for a slight market softness, but from historically high levels.

Quarterly light vehicle sales in key HA destination markets*
2023-2024 (million units)



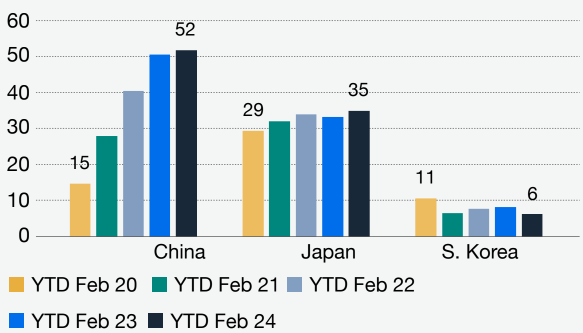
** destination markets: Western/Central Europe, N. America, Middle East, Oceania Source: S&P Global – Apr 2024 forecast*

Vehicle exports from Asia in 2023 & YTD 2024 (% change y-y)



Source: JAMA, KAMA, CAAM

Exports of core construction equipment from Asia
Jan-Feb (thousand units)



Source: S&P Global Trade Atlas - all cargo sizes

Operational performance

Capacity / Fleet update

Time charter rates continue to increase to new record levels as there is still limited tonnage available in the spot market.

The rerouting of vessels from the Red Sea via Cape of Good Hope is still ongoing. We must do strict prioritizing of cargo in this situation and serving our core strategic customers has top priority. The tragic accident outside the port of Baltimore, one of the major ports in the US for import and export of cargo on the US East Coast, is expected to have less impact on our ability to serve our customers as we will divert the cargo to other ports in the area. Höegh Chiba (6 000 CEU) was sold in February for USD 61 million and will be delivered to her new owners by August 2024. An option to purchase the vessel Höegh Jeddah (6 500 CEU) from Ocean Yield for a purchase price of USD 43.2 million, was declared in February 2024. The transaction will be completed in September 2024.

The Aurora newbuilding program is progressing as planned with launching of the first vessel during the quarter, where the vessel was moved from dry-dock to the water. Delivery of the first two Aurora Class vessels is planned for August and September 2024.

Sustainability

Planet

Technical upgrades and newbuilding program:

Our newbuilding program has processed as expected during Q1, with a scheduled delivery of our first two Aurora class vessel during third quarter this year. This quarter was no exception on our journey to reduce our environmental footprint, and we have continued to follow up on our planned initiatives of technical upgrades to our fleet. At the end of the quarter, we are having 20 technical upgrade initiatives on order across 11 vessels. A new propeller including a propeller boss cap fin (PBCF) has also been installed for one vessel during the quarter.

Technical upgrades to improve carbon efficiency	FY22	FY23	Q1 24	On order
Upgrades installed (# of vessels)	2	3	1	11*

** In addition we will install LED lights on 30 of our vessels*

In Q1 2024, we have placed one additional order for a similar propeller including PBCF for one vessel. These propellers are optimised propellers tailored to our operational requirements, which accompanied by a PBCF yield potential fuel savings of up to 5-6% per vessel. In addition, we have placed turbo charger derating orders for four of our vessels. This will improve the vessel's speed range, enabling the vessel to reduce fuel consumption while holding the same operational speed and might yield potential fuel savings of 2-3% on a vessel basis. The upgrades on order will be installed as part of their next dry dock.

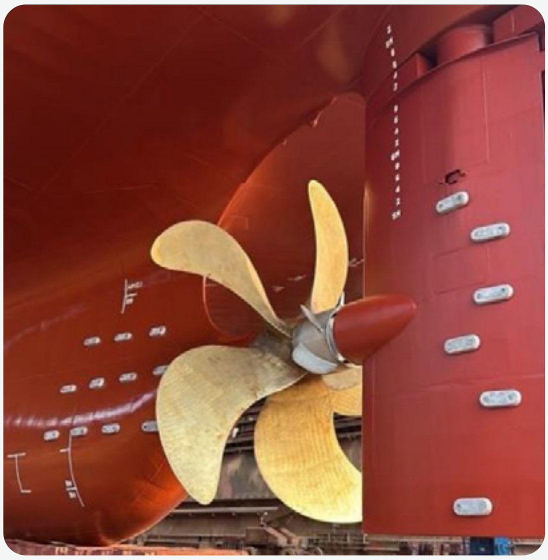
Hoegh Autoliners is considering to launch vessel 9-12 as dual-fuel (Ammonia/MGO) vessels capable of running on Ammonia straight from the yard. As one in a few global shipping companies, Höegh Autoliners announced in Q1 2024 that it has secured access to four of the first 2-stroke ammonia engines produced and delivered in cooperation between MAN Energy Solutions and Hyundai Heavy Industries. This is a significant milestone on our path to zero.

Environmental performance:

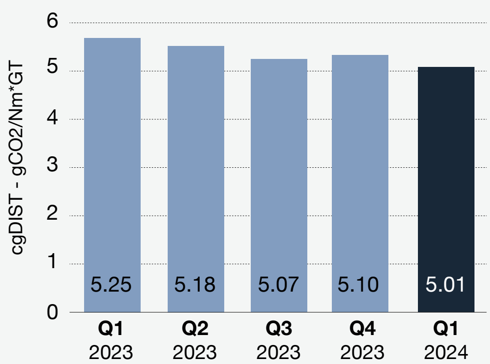
We continue to disclose our quarterly fleet carbon intensity (cgDIST) data, including data from all our owned and/or technically managed vessels. The graph to the right illustrates the cgDIST for the past five quarters, indicating an improvement of our fleet-wide carbon intensity in the current quarter. The improvement is driven by timing of completed dry-docks and the continued use of biofuel. In addition, the situation in the Red Sea has increased sailing distances and reduced the number of port calls for affected vessels, resulting in more efficient sailings.

As part of our efforts in supporting our customers to decarbonise their supply chains, we continued to offer our customers the option of transporting cargo from Europe using advanced biofuels that adhere to the highest sustainability standards throughout the quarter. During the first quarter of the year, we have ordered around 2 100 MT of sustainable biofuel, with another 2 700 MT ordered during the first week of Q2. When consumed, this will reduce the well-to-wake carbon emissions by approximately 85% compared to conventional fuel.

Going forward, we continue to be strongly committed to achieving our carbon intensity reduction target by 2030, and we will continue to explore innovative ways and new partnerships to optimise our fleet's efficiency and to further reduce our environmental impact.



Carbon intensity*



**Carbon intensity for the current year and quarter is calculated based on unverified data from the International Maritime Organization's Data Collection System (DCS) and is subject to change after the final verification, which is carried out by DNV and ABS in the first half of each calendar year.*

Sustainability

People

Health and safety

Höegh Autoliners has a strong focus on avoiding accidents and negative incidents of all types. We have extended our focus on the safety of our crew, and the continuous efforts in identifying risk and mitigating risk prior to commencement of work.

Near accident reporting

Near accident reporting is considered as the main tool to identify potential hazards and prevent hazards from re-occurring in the future. By analysing the root cause of near accidents, we are able to determine what is the basic cause of a near accident and we can implement actions to create barriers that will prevent the hazards from re-occurring. We saw two effects of the increase of focus on near accident reporting in H1, stabilisation in the near accidents reporting in Q3 and no near accidents involving power tools.

Lost time reporting

We see that, despite the increased focus on personal safety, the loss time is increasing and the LTIF is showing a negative trend. Our focus on preventing incidents related to use of power tools has resulted in zero new incidents, however we have had some incidents involving crew having their fingers caught between door and frames causing minor injuries to crew. We are focusing on our safety awareness as well as continuing to focus on proper safety awareness when using power tools as part of our campaign for 2024. Currently, we are well above our KPI target of 0.7, however, among the reported incidents there are no serious injuries.

Improved sickness reporting was initiated in 2022, at the same time we initiated a close dialogue with our pre-embarkation medical centers with focus on identifying pre-illness indicators. For first quarter of 2024, we have seen a continued downward trend and achieved a LTSF of 1.15. None of the illness experienced were categorised as serious.

Employment and human capital

The year was kicked off with the first quarter goal setting process funded in our long-term company goals within the three pillars People, Planet, Prosperity. We ran cross-functional goal workshops using engaging and fun materials to help people reflect on their contributions so far to our long-term goals and how they, together with their colleagues, can contribute on our ambitious strategy. Thereafter everyone created their individual quarterly goals based on the corporate and functional goals.

During Q1 we welcomed 24 new joiners to Höegh Autoliners, of which 9 are women and 15 are men. To make sure they get the best start we continue improving the onboarding process.

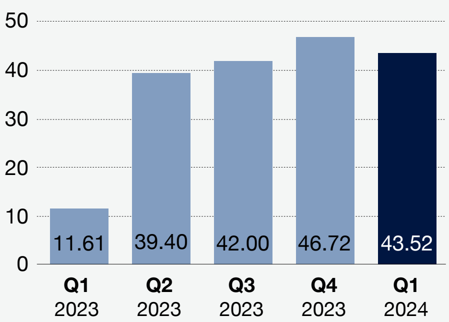
We celebrated International Women's Day in collaboration with Leqture. We invited all colleagues across time zones to participate in live, inspiring online keynote sessions featuring exceptional global expert speakers. We recognise the importance of fostering an inclusive workplace and have chosen to join Leqture's International Women's Day event to continue building our skills around diversity, equity, and inclusion.

Our gamified IT Security Awareness training for all employees was launched in March. It is designed to enhance our collective awareness on specific aspects of IT Security such as passwords and authentication, email and phishing, and reporting security incidents. This training is included in our mandatory training library and is continuously being monitored to ensure compliance.

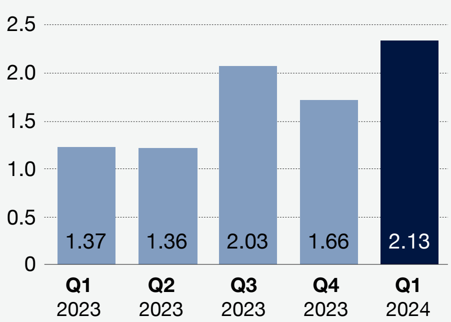
DNV has completed the audit related to our ISO 45001 Occupational health and safety management system certification in March, and provided some small areas for improvement which are being actioned.

A new bonus scheme has been introduced for 2024 to link reward closer to the Company's profitability and achievement of our long-term strategy.

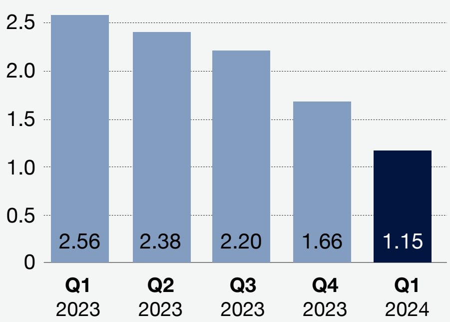
Near Accident Frequency
(near accidents per million hours past 12 months)



Lost Time Incident Frequency
(incidents per million hours past 12 months)



Lost Time Sickness Frequency
(cases per million hours past 12 months)



Prosperity

We are committed to sustaining the profitability of our operations and generating long-term value for our shareholders but also promoting prosperity for the planet and society. Our strategy is centered around continuous improvement, operational excellence, and strong customer relationships, which are essential for building resilience for the future.

Höegh Autoliners continues to distribute dividends on a quarterly basis, consistent with our dividend policy where we target to distribute quarterly dividends to shareholders of around 100% of cash generation after amortisation of debt facilities, capital expenditure and payable taxes. In March 2024, a dividend of USD 360 million was paid out based on Q4 2023 results. The declared dividend for Q1 2024 of USD 109 million will be paid out in May 2024.

In January 2024, we signed a 5-year contract with a major East Asian car producer for the transport of cars, mainly electric vehicles (EVs), from Asia to Europe. The contract is valid for shipments until the end of 2028.

Höegh Autoliners is even closer to launch the world's first ammonia-powered PCTC vessel, as we announced in Q1 that we have been granted a NOK 146 million funding from Enova supporting our goal of sailing on ammonia in 2027. This support marks a significant step towards both our 2030 goal of reducing our carbon intensity by more than 30% compared to a 2019 baseline, and towards our goal of reaching net zero by 2040.

In February, Höegh Autoliners declared the option of purchasing Höegh Jeddah (6 500 CEU), recognised as one of our fleet's best-performing vessels. The purchase price of USD 43.2 million is considerably lower than the average market value for the vessel of USD 91 million. At the same time, we announced the sale of a debt-free Höegh Chiba (6 000 CEU) at a price of USD 61 million, which will be delivered to her new owners by August 2024. These transactions represent good opportunities for us to further optimise our long-term fleet composition, both in terms of maximising our capacity, strengthening our capital structure, and reducing our environmental footprint.

Outlook

The decision not to sail through the Red Sea led to a significant drop in volumes in Q1 2024 due to rescheduling and recalibration of the Trade Systems. This has now stabilised, and we expect more stable and higher volumes going forward. The estimated annual loss of volume if the situation persist is around 800 000-900 000 cbm, due to longer voyages leading to reduced capacity.

The general market is still tight, and our priority is to serve strategically important customers in our main trades.
The combination of a higher share of cargo transported under repriced contracts and a healthy spot market is expected to continue through Q2.

The recent escalation of the tension in the Middle East has so far not impacted our business or our availability to serve our customers, but this and the general geopolitical and macro situation is something we closely monitor.

Oslo, 23 April 2024

The Board of Directors of Höegh Autoliners ASA

Leif O. Høegh,
Chair

Morten W. Høegh,
Deputy Chair

Jan B. Kjærvik,
Board member

Martine Vice Holter,
Board member

Kasper Friis Nilaus,
Board member

Kjersti Aass,
Board member

Johanna Hagelberg,
Board member

Gyrid Skalleberg Ingerø,
Board member

Consolidated interim financial statements

Interim consolidated statement of comprehensive income

(USD 1 000)	Notes	Q1 2024	Q1 2023	2023
Total revenues	2	328 188	353 658	1 446 075
Bunker expenses		(60 817)	(64 326)	(241 937)
Voyage expenses		(72 800)	(87 379)	(340 037)
Charter hire expenses		(766)	(1 121)	(9 480)
Running expenses		(25 800)	(25 616)	(100 076)
Administrative expenses		(5 565)	(4 754)	(19 035)
Operating profit before depreciation, amortisation and impairment (EBITDA)		**162 440**	**170 461**	**735 510**
Profit from associates and joint ventures		-	-	735
Gain on sale of assets	3	141	1	35 835
Depreciation	3	(33 351)	(37 502)	(145 565)
Operating profit before financial items		**129 230**	**132 960**	**626 515**
Interest income	4	6 010	1 929	12 218
Interest expenses	4	(5 870)	(8 452)	(33 338)
Income from other financial items		-	96	196
Expenses from other financial items	4	(16 640)	(2 763)	(7 727)
Profit before tax		**112 730**	**123 770**	**597 864**
Tax expense		(62)	(3 120)	(10 076)
Change in deferred tax		2 437	(3 460)	1 798
Profit for the period		**115 106**	**117 190**	**589 585**
Other comprehensive income *Items that may be reclassified to profit and loss:*				
Currency translation differences		(283)	(308)	(171)
Items that may be reclassified to profit and loss:				
Remeasurement on defined benefit plans		-	-	(134)
Changes in fair value of equity investments		-	-	(87)
Other comprehensive income, net of tax		**(283)**	**(308)**	**(392)**
Total comprehensive income for the period		**114 823**	**116 882**	**589 193**
Earnings per share basic (USD)	7	**0.60**	**0.61**	**3.09**
Earnings per share diluted (USD)	7	**0.60**	**0.61**	**3.07**

Interim consolidated statement of financial position

(USD 1 000)	Notes	31.03.2024	31.03.2023	31.12.2023
Assets				
Non-current assets				
Deferred tax asset		864	776	864
Vessels	3	1 011 067	1 061 298	1 032 499
Right-of-use assets	3	168 558	203 819	142 216
Newbuildings and projects	3	309 048	151 624	269 853
Equipment	3	13 396	15 185	13 913
Investments in associates and joint ventures		4 476	4 652	4 960
Other non-current assets		813	966	859
Other non-current financial assets		1 088	1 138	977
Total non-current assets		**1 509 310**	**1 439 457**	**1 466 140**
Current assets				
Bunker		37 591	35 928	43 416
Trade and other receivables		124 360	89 995	87 291
Prepayments		4 040	2 763	4 164
Other current financial assets		3 097	-	-
Cash and cash equivalents		207 008	253 185	458 333
Total current assets		**376 096**	**381 871**	**593 203**
Total assets		**1 885 406**	**1 821 328**	**2 059 344**
Equity and liabilities				
Equity				
Share capital	7	443 898	443 898	443 898
Share premium reserve		289 384	289 384	289 384
Other paid-in equity		1 217	645	1 067
Retained earnings		432 203	402 069	677 380
Total equity		**1 166 702**	**1 135 996**	**1 411 730**
Non-current liabilities				
Pension liabilities		2 771	2 258	2 739
Deferred tax liabilities		34 616	39 899	37 053
Other non-current liabilities		1 102	90	90
Non-current interest bearing debt	5	329 533	289 264	296 198
Non-current lease liability	5	63 098	122 502	82 270
Total non-current liabilities		**431 120**	**454 013**	**418 350**
Current liabilities				
Current interest bearing debt	5	25 840	46 140	49 589
Trade and other payables		43 493	26 292	41 867
Income tax payable		3 746	7 454	5 566
Current accruals and provisions		87 517	46 429	50 452
Current lease liability	5	126 988	105 004	81 790
Total current liabilities		**287 584**	**231 319**	**229 264**
Total equity and liabilities		**1 885 406**	**1 821 328**	**2 059 344**

Interim consolidated statement of changes in equity

(USD 1 000)	Share capital	Share premium reserve	Other paid-in equity	Retained earnings	Total
Equity 01.01.2023	443 898	289 384	504	329 187	1 062 973
Share bonus program	-	-	141	-	141
Dividend	-	-	-	(44 000)	(44 000)
Profit of the period YTD 2023	-	-	-	117 190	117 190
Other comprehensive income YTD 2023	-	-	-	(308)	(308)
Equity 31.03.2023	**443 898**	**289 384**	**645**	**402 069**	**1 135 996**
Equity 01.01.2023	443 898	289 384	504	329 187	1 062 973
Share bonus program	-	-	563	-	563
Dividend	-	-	-	(241 000)	(241 000)
Profit of the year	-	-	-	589 585	589 585
Other comprehensive income	-	-	-	(392)	(392)
Equity 31.12.2023	**443 898**	**289 384**	**1 067**	**677 380**	**1 411 730**
Share bonus program	-	-	150	-	150
Dividend	-	-	-	(360 000)	(360 000)
Profit of the period YTD 2024	-	-	-	115 106	115 106
Other comprehensive income YTD 2024	-	-	-	(283)	(283)
Equity 31.03.2024	**443 898**	**289 384**	**1 217**	**432 203**	**1 166 702**

Interim consolidated statement of cash flows

(USD 1 000)	Notes	Q1 2024	Q1 2023	2023
Cash flows from operating activities				
Profit before tax		112 730	123 770	597 864
Financial (income) / expenses		16 500	9 190	28 651
Share of net income from joint ventures and associates		-	-	(735)
Depreciation and amortisation	3	33 351	37 502	145 565
(Gain)/loss on sale of tangible assets		(141)	(1)	(35 835)
Tax paid (company income tax, withholding tax)		(2 050)	(612)	(5 931)
Cash flows from operating activities before changes in working capital		**160 390**	**169 849**	**729 578**
Changes in working capital				
Trade and other receivables		(37 069)	2 508	5 633
Bunker		5 825	11 872	4 384
Prepayments		123	(118)	(1 940)
Trade and other payables		1 626	(11 263)	4 312
Accruals and provisions		37 066	1 953	5 976
Other changes to working capital		(3 105)	51	(1 687)
Net cash flows provided by operating activities		**164 856**	**174 853**	**746 256**
Cash flows from investing activities				
Proceeds from sale of tangible assets	3	142	2	62 483
Investment in vessels and other tangible assets	3	(35 072)	(53 614)	(178 210)
Investments in joint ventures and associates		200	273	838
Interest received		6 010	1 929	12 211
Net cash flows used in investing activities		**(28 719)**	**(51 410)**	**(102 678)**
Cash flows from financing activities				
Proceeds from issue of debt	5	9 960	82 500	130 000
Repayment of debt	5	(9 272)	(12 122)	(51 228)
Repayment of lease liabilities		(11 122)	(67 883)	(161 022)
Interest paid on mortgage debt		(6 455)	(5 461)	(26 824)
Interest paid on lease liabilities		(3 523)	(5 179)	(15 368)
Other financial items		(6 762)	(1 147)	(3 380)
Dividend to shareholders		(360 000)	(44 000)	(241 000)
Net cash flows used in financing activities		**(387 175)**	**(53 293)**	**(368 821)**
Net change in cash during the period		**(251 038)**	**70 150**	**274 757**
Cash and cash equivalents beginning of period		458 333	183 940	183 940
Exchange differences in cash and cash equivalents		(287)	(905)	(364)
Cash and cash equivalents end of period		**207 008**	**253 185**	**458 333**

Notes

Note 1 Basis of preparation and accounting policies

Principal activities and corporate information
Höegh Autoliners ASA is a public limited liability company, registered and domiciled in Norway, with its head office in Oslo. The consolidated interim accounts for the Group include Höegh Autoliners ASA with its subsidiaries.

The Group is a fully integrated RoRo entity. It is one of the world's largest operators in the transportation of vehicles and high/heavy rolling cargo and operates a fleet of 36 vessels in global trading systems from a worldwide network of offices.

Basis of preparation
The Group's financial reporting is in accordance with IFRS® Accounting Standards as adopted by the European Union (EU) ("IFRS"). The consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not contain all the information and disclosures required in an annual financial report and should be read in conjunction with the Group's annual report for 2023.

The interim consolidated financial statements have been prepared in accordance with the accounting principles followed in the Group's annual financial accounts for the year ended 31 December 2023. The interim financial information for 2024 and 2023 is unaudited.

All presented figures in this interim report have been rounded and consequently, the sum of individual figures can deviate from the presented sum figure.

Use of judgements and estimates
The preparation of the interim financial statements requires the use of evaluations, estimates and assumptions that affect the application of the accounting principles and amounts recognised as assets and liabilities, income and expenses. Actual results may differ from these estimates.

The important assessments underlying the application of the Group's accounting policies and the main sources of uncertainty are the same for the interim financial statements as for the consolidated financial statements for 2023.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM), defined as Management and the Chief Executive Officer (CEO), and are assessed, monitored, and managed on a regular basis.

Tax
The effective tax rate for the Group will, from period to period, change depending on the gains and losses from investments inside the exemption model and tax-exempt revenues from tonnage tax regimes.
Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

Earnings per share
Calculation of basic earnings per share is based on the net profit or loss attributable to ordinary shareholders using the weighted average number of shares outstanding during the year after deduction of the average number of treasury shares held over the period.

The calculation of diluted earnings per share is consistent with the calculation of basic earnings per share, while giving effect to all dilutive potential ordinary shares that were outstanding during the period.

Note 2 Total revenues

Category of services (USD 1 000)	Q1 2024	Q1 2023	2023
Net freight revenues	279 052	298 688	1 242 701
Other surcharges	49 136	53 921	199 389
Freight revenues	328 188	352 609	1 442 090
Terminal related revenues	-	1 049	3 985
Total revenues	**328 188**	**353 658**	**1 446 075**
Other income	-	-	-
Total income	**328 188**	**353 658**	**1 446 075**

Recognition principle	Q1 2024	Q1 2023	2023
Services transferred over time	328 188	352 609	1 442 090
Services transferred at point in time	-	1 049	3 985
Total revenues	**328 188**	**353 658**	**1 446 075**

Revenue from contracts with customers are recognised upon satisfaction of the performance obligation by transferring the promised good or service to the customer. Performance obligations for Freight revenues are satisfied over time through the progress of the voyage. As the service is delivered, the customer is receiving and consuming the benefits of the transport services the Group performs. Other surcharges are primarily bunker surcharges, and surcharges related to handling of cargo. Performance obligation for TC revenue is satisfied over the period the vessel is available to the lessee. Terminal related revenues are recognised at a point in time as the performance obligation is satisfied when the service delivery is complete.

Note 3 Vessels, newbuildings, equipment and right-of-use assets

2024 (USD 1 000)	**Vessels**	**Newbuildings & Projects ***	**Equipment**	**Right-of-use Assets**	**Total**
Cost at 01.01	2 117 067	269 853	25 771	312 919	2 725 610
Additions	248	34 621	203	-	35 072
Transfer from newbuilding and projects	147	(147)	-	-	-
Newbuilding interest	-	4 722	-	-	4 722
Remeasured leases	-	-	-	37 148	37 148
Disposals	(28 091)	-	(15)	(1 058)	(29 164)
Cost at 31.03	**2 089 371**	**309 048**	**25 960**	**349 009**	**2 773 387**
Accumulated depreciation and impairment at 01.01	(1 084 568)	-	(11 858)	(170 703)	(1 267 130)
Depreciation	(21 827)	-	(718)	(10 806)	(33 351)
Disposals	28 091	-	13	1 058	29 163
Accumulated depreciation and impairment at 31.03	**(1 078 304)**	**-**	**(12 563)**	**(180 451)**	**(1 271 318)**
Net carrying amount at 31.03	**1 011 067**	**309 048**	**13 396**	**168 558**	**1 502 069**
Book value sold assets	-	-	1		1
Sales price	142	-	-		142
Gain / (loss)	**142**	**-**	**(1)**		**141**

**Newbuildings & Projects include instalments related to the Aurora newbuilding program. Remaining equity instalments for the 12 newbuilds are USD 40 million.*

One option to extend a vessel lease has been exercised in Q1 2024, for Höegh Brasilia. Additionally, one purchase option has been declared in Q1 2024, for the vessel Höegh Jeddah.

Note 3 Vessels, newbuildings, equipment and right-of-use assets *cont.*

2023 (USD 1 000)	Vessels	Newbuildings & Projects *	Equipment	Right-of-use Assets	Total
Cost at 01.01	2 061 803	138 725	31 869	466 840	2 699 237
Additions	149 167	134 623	821	5 591	290 202
Transfer from newbuilding and projects	12 488	(12 488)	-	-	-
Newbuilding interest	-	9 114	-	-	9 114
Remeasured leases	-	-	-	27 802	27 802
Reclassification to assets held for sale	-	-	-	-	-
Disposals	(106 391)	(122)	(6 919)	(187 314)	(300 745)
Cost at 31.12	**2 117 067**	**269 853**	**25 771**	**312 919**	**2 725 610**
Accumulated depreciation and impairment at 01.01	(1 073 175)	-	(16 213)	(192 866)	(1 282 254)
Depreciation	(91 259)	-	(2 563)	(51 743)	(145 565)
Disposals	79 866	-	6 918	73 905	160 689
Accumulated depreciation and impairment at 31.12	**(1 084 568)**	**-**	**(11 858)**	**(170 703)**	**(1 267 130)**
Net carrying amount at 31.12	**1 032 499**	**269 853**	**13 913**	**142 216**	**1 458 480**
Book value sold assets	26 525	122	1		26 648
Sales price	62 481	-	2		62 483
Gain / (loss)	**35 955**	**(122)**	**1**		**35 835**

**Newbuildings & Projects include first instalments related to the Aurora newbuilding program.*

Two leased vessels, Höegh Berlin and Höegh Tracer, were purchased in Q1 2023, and a third leased vessel, Höegh Trapper, was purchased in Q2 2023. These purchases are reflected above as disposals of right-of-use assets and additions to vessels. One more purchase option was declared in 2023, for the vessel Höegh Jacksonville, which will be purchased in Q1 2024. Höegh Bangkok was delivered to new owners in Q4 2023.

Impairment/Reversal of impairment

Fleet

All Ro-Ro vessels in the Group operate in one cash generating unit with the purpose of maximising profit as a total. The impairment assessment is therefore based on the value in us principle for all the vessels in operation, and not vessel-by-vessel.

Market values of the vessels higher than the vessels carrying values, is an indication that impairment loss recognised in prior periods may no longer exist or has or has been reduced. The carrying values for vessels, equipments and right-of-use assets are at 31 March 2024 without any impairment. Market values for the vessels have continued to increase in Q1 2024 and are 115% higher than book values, up from 107% at year-end 2023.

Based on an assessment made at 31 March 2024, there are no indications that the vessels may be impaired.

Note 4 Financial income and expenses

Interest income (USD 1 000)	Q1 2024	Q1 2023	2023
Interest income from banks	6 010	1 886	11 666
Other interest income	-	43	552
Total	**6 010**	**1 929**	**12 218**

Interest expenses (USD 1 000)	Q1 2024	Q1 2023	2023
Interest mortgage debt	6 933	5 506	27 085
Capitalised interest on newbuildings	(4 722)	(2 233)	(9 114)
Interest on lease liabilities	3 523	5 179	15 368
Other interest expenses	135	-	-
Total	**5 870**	**8 452**	**33 338**

Other financial items

Expenses from other financial items (USD 1 000)	Q1 2024	Q1 2023	2023
Loss on currency exchange	1 088	1 113	1 665
Debt modification loss*	11 029	-	-
Other financial items (expense)**	3 183	1 650	6 062
Total	**15 300**	**2 763**	**7 727**

**The debt modification loss is related to the refinancing in March 2024, where the modifications to the debt were accounted for as an adjustment to the existing liability. The liability was restated to the net present value of the revised cashflows discounted at the original effective interest rate. See note 5.*

***Expenses from other financial items for 2024 consist mainly of arrangement fees, commitment fees, and amortisation of debt modification gain from 2022. Expenses from other financial items for 2023 consist mainly of commitment fees and amortisation of debt modification gain from 2022.*

Note 5 Non-current and current interest bearing debt

Interest bearing debt (USD 1 000)	31.03.2024	31.03.2023	31.12.2023
Non-current interest bearing mortgage debt	319 443	289 264	296 198
Non-current other interest bearing debt	10 090	-	-
Non-current lease liabilities	63 098	122 502	82 270
Current interest bearing mortgage debt	25 192	46 126	49 360
Accrued interest mortgage debt	648	201	229
Current lease liabilities	126 988	105 004	81 790
Total interest bearing debt	**545 459**	**563 098**	**509 847**
Cash and cash equivalents	207 007	253 185	458 333
Net interest bearing debt	**338 451**	**309 913**	**51 514**

Höegh Autoliners entered into two new credit facilities in March 2024; a USD 720 million credit facility for the purpose of refinancing the existing USD 810 million Credit Facility, and a new USD 200 million Revolving Credit Facility for general corporate purposes.

The refinancing included extended maturity until March 2030, reduced annual amortisations, reduced interest rate and reduced the amount of pledged vessels. The refinancing has been accounted for as a debt modification, resulting in a debt modification loss of USD 11 million recognised in Q1 2024. See also note 4.

Of the new USD 720 million credit facility, USD 90 million will be drawn in connection with the purchase of Höegh Jacksonville and Höegh Jeddah in April and September 2024, and USD 280 million will be drawn in connection with the delivery of the Aurora newbuilds number 1, 2, 5 and 6.

The new USD 200 million Revolving Credit Facility is non-amortising with maturity in March 2028. The facility is currently undrawn and will serve as an additional liquidity reserve and provide flexibility for future capital allocation.

Höegh Autoliners complies with all loan covenants at 31 March 2024.

Repayment schedule for interest bearing debt (USD 1 000)	Mortgage debt	Leasing commitments	31.03.2024
Due in 2024	20 171	117 500	137 671
Due in 2025	25 923	26 160	52 084
Due in 2026	25 923	6 900	32 823
Due in 2027	25 923	3 511	29 434
Due in 2028 and later	254 674	36 014	290 688
Total repayable interest bearing debt	**352 615**	**190 086**	**542 700**
Arrangement fee	(7 332)	-	(7 332)
Book value interest bearing debt	**345 283**	**190 086**	**535 369**

Note 5 Non-current and current interest bearing debt *cont.*

Reconciliation of liabilities arising from financial activities

Liabilities 2024 (USD 1 000)	31.12.2023	Cash flows	Non - cash changes			31.03.2024
			Fair value changes**	Other changes*	New liability	
Non-current interest bearing mortgage debt	296 198	-	8 342	14 904	-	319 443
Current interest bearing mortgage debt	49 589	(9 272)	2 687	(17 164)	-	25 840
Non-current other interest bearing debt	-	-	-	130	9 960	10 090
Non-current lease liabilities	82 270	-	-	(19 172)	-	63 098
Current lease liabilities	81 790	(11 122)	-	56 320	-	126 988
	509 847	**(20 394)**	**11 029**	**35 018**	**9 960**	**545 459**

**Other changes relate mainly to reclassifications of non-current and current portions of lease liabilities and interest bearing debt and remeasured lease liabilities due to changes in index, rates and exercised options to extend and purchase leased vessels.*

***Fair value changes relate to debt modification from the refinancing, see note 4.*

Reconciliation of liabilities arising from financial activities

Liabilities 2023 (USD 1 000)	31.12.2022	Cash flows	Non - cash changes			31.12.2023
			Fair value changes	Other changes*	New liability	
Non-current interest bearing debt	227 894	-	-	(48 550)	116 853	296 198
Current interest bearing debt	36 626	(51 228)	-	51 044	13 147	49 589
Non-current lease liabilities	133 505	-	-	(55 100)	3 865	82 270
Current lease liabilities	165 287	(161 022)	-	75 798	1 726	81 790
	563 312	**(212 249)**	**-**	**23 193**	**135 591**	**509 847**

**Other changes relate mainly to reclassifications of non-current and current portions of lease liabilities and interest bearing debt, remeasured lease liabilites due to changes in index, rates and exercised purchase option.*

Mortgage debt (USD 1 000)	Maturity	Outstanding amount
USD 720 million senior secured	March 2030	350 000
Total mortgage debt 31.03.2024		**350 000**

Security

The USD 720 million senior secured term loan and revolving credit facility is secured by mortgages in six of the Group's vessels, with a current book value of USD 308 million. Additional vessels will be pledged upon delivery and drawing of debt.

In addition, the debt is secured by an assignment of earnings and insurances.

Note 6 Segment reporting

The Group has two operating segments, Shipping services and Logistics services. The Logistics segment represents less than 10% of the Group's total revenue, profit or loss and assets. The Group has decided that the segment is not material to the Group for the period ended 31 March 2024 and has reported information as one combined segment.

Note 7 Share information and earnings per share

Earnings per share takes into consideration the number of outstanding shares in the period.

Basic earnings per share is calculated by dividing profit for the period after non-controlling interest, by average number of total outstanding shares (adjusted for average number of own shares). The Company has no own shares at 31 March 2024.

A share bonus program was introduced for certain key employees in 2021, to promote the long-term growth and profitability of the Company by providing an opportunity to acquire an ownership interest in the Company. The program is a share bonus scheme where award shares are assigned on certain terms and conditions, and after a vesting period of three years are converted to shares. The award shares are used in the award calculation method for determining the number of bonus shares which shall be granted after the vesting period. Based on the calculation, a total number of potential bonus shares as of 31 March 2024 are 1 578 090, resulting in a diluting effect of USD 0.001 per share for the three months ended 31 March 2024.

Basic earnings per share for the first quarter was USD 0.60 compared with USD 0.61 in the same quarter last year. Diluted earnings per share for the first quarter was USD 0.60 compared to USD 0.61 in the same quarter last year.

The Company's share capital is as follows:

Share capital	Share capital 31 March 2024
Number of shares	190 769 749
USD million	443.9
NOK million	2,823.4

Note 8 Contingent liabilities

Update on alleged breaches of anti-trust regulations in Brazil

On 23 March 2022, The Administrative Council for Economic Defence (CADE) in Brazil issued a fine of approximately BRL 26 million (USD 5.2 million) to Höegh Autoliners for alleged breaches of anti-trust regulations dating back to 2000-2012. Since Höegh Autoliners did not have any turnover in Brazil in the relevant period, the fine is calculated on a "virtual turnover" principle, based on Brazil's relevance in the worldwide PCTC market. The decision (including the "virtual turnover" calculation) may be challenged before the Appellate Court in Brazil. Höegh Autoliners disagrees with CADE's decision and after reviewing its merits, the Company will proceed with an appeal. As of 31 March 2024, there has been no material development in this matter. No provision has been made in the financial statements as of 31 March 2024.

Note 9 Events after the balance sheet date

Fleet update

On 2 April 2024, Höegh Autoliners ASA, through its subsidiary Höegh Autoliners Shipping Pte. Ltd, reached an agreement for the sale of the owned vessel Höegh Kobe for the price of USD 59 million. Höegh Kobe (6 000 CEU) was built at DSME shipyard in 2006. She is sailing under the Singapore flag and is debt-free. The vessel will be delivered to the new owner by July 2024. Estimated financial gain from the sale is USD 25 million.

Dividend

On 23 April 2024, the Board of Directors resolved to declare a dividend of USD 0.5714 per share. The dividend will be paid out in May 2024.

Alternative Performance Measures

Höegh Autoliners presents certain financial measures, which, in accordance with the “Alternative Performance Measures” guidance issued by the European Securities and Markets Authority, are not accounting measures defined or specified in IFRS and are, therefore, considered alternative performance measures. Höegh Autoliners believes that alternative performance measures provide meaningful supplemental information to the financial measures presented in the consolidated financial statements prepared in accordance with IFRS and increase the understanding of the profitability of Höegh Autoliners’ operations. In addition, they are seen as useful indicators of the Group’s financial position and ability to obtain funding. Alternative performance measures are not accounting measures defined or specified in IFRS and, therefore, they are considered non-IFRS measures, which should not be viewed in isolation or as a substitute to the IFRS financial measures.

Definitions of Alternative Performance Measures (APMs)

This section describes the non-GAAP financial alternative performance measures (APM) that are used in the quarterly and annual reports.

EBITDA is defined as Total revenues less Operating expenses. EBITDA is used as an additional measure of the Group’s operational profitability, excluding the impact from depreciation, amortisation, financial items and taxes.

Adjusted EBITDA is defined as EBITDA excluding items in the profit or loss which are not regarded as part of the underlying business. Example of such costs are redundancy costs, cost related to anti-trust investigation and other non-recurring one offs.

Net interest-bearing debt (NIBD) is defined as interest-bearing liabilities less cash and cash equivalents.

Reconciliation of Total revenues to EBITDA and Adjusted EBITDA (USD million)	Q1 2024	Q1 2023	2023	2022
Total revenues	328	354	1 446	1 270
Operating expenses	(166)	(183)	(710)	(824)
EBITDA	162	170	736	447
Anti-trust expenses	1	1	-	1
Adjusted EBITDA	163	171	736	448

Net interest bearing debt (USD million)	31.03.2024	31.12.2023
Non-current interest bearing debt	330	296
Non-current lease liability	63	82
Current interest bearing debt	26	50
Current lease liability	127	82
Less Cash and cash equivalents	207	458
Net interest bearing debt	338	52