Q2 2024
Quarterly report

hoeghautoliners.com

Content

Highlights Q2 2024

Consolidated results and key figures (USD million)	Q2 2024	Q1 2024	Q2 2023	YTD 2024	YTD 2023
Total revenues	341	328	356	669	709
EBITDA	174	162	181	336	351
Profit for the period	174	115	133	289	250
EBITDA adjusted	174	163	181	337	352
Earnings per share, basic	0.91	0.60	0.70	1.51	1.31
Cash and cash equivalents	195	207	306	195	306
Cash flows from operations	169	165	168	333	343
Net interest bearing debt	354	338	226	354	226
Equity ratio	65%	62%	64%	65%	64%

Highlights

- Operating profit (EBITDA) of USD 174 million and net profit after tax of USD 174 million.
- Gross freight rate decreased by 2% compared to Q1 2024 to USD 96.3 per cbm due to lower surcharges (BAF).
- Höegh Kobe sold for USD 59 million. It was delivered to new owners in July.
- Höegh Jacksonville purchased for USD 43.2 million.
- Significant Enova funding of NOK 255 million secured for four Aurora Class vessels.
- Signed a 5-year contract with major international car producer.
- Q1 2024 dividend of USD 109 million paid in May 2024.
- A dividend of USD 127 million declared and will be paid out in August 2024.

Letter from CEO

"With great pleasure, I can announce that Höegh Autoliners has achieved solid financial results for the second quarter of 2024. The Company reported gross revenue of USD 341 million, operating profit (EBITDA) of USD 174 million and net profit after tax of USD 174 million."

The second quarter saw a slight improvement in volume compared to the previous quarter. However, the persisting tension in Red Sea area continued to negatively impact available capacity and transported volume. High numbers of drydock and increasing waiting times/delays also further constrained capacity. Despite these challenges, all vessels were full, and net rate remained on a high level of USD 83.2 per CBM (flat Q-o-Q). The high net rate was primarily driven by higher rates achieved on contract volumes, reflecting the success of our ongoing contract renewal efforts. Gross rate reduced by 2% to USD 96.3 per CBM, mainly attributed to softer bunker compensation from cargo mix and stabilised bunker prices.

The Company took advantage of the tight capacity market to further optimise the fleet by declaring the sale of Höegh Kobe – a 18 year-old mid-size vessel for USD 59 million. The vessel is debt free, and ownership was transferred in July 2024. Höegh Autoliners also took delivery of vessel Höegh Jacksonville for USD 43.2 million, with purchase option declared in October last year. Additionally significant progress was made on the newbuilding program, with the first Aurora Class vessel successfully completed sea trial in June. The vessel will be delivered and immediately serve in the fleet network starting early August.

Höegh Autoliners was proud to be one of the seven companies that was granted significant Enova funding for four ammonia-powered Aurora Class vessels (vessels 9-12). Combined with the NOK 146 million granted earlier in March this year, the Company will receive a total of NOK 255.4 million in funding. The support from Enova will significantly help derisking the choice of using zero-carbon vessels in the shipping industry, as well as bringing us one step closer to our long-term net zero emission goal.

The Company continued to deliver on our commitment to create values for shareholders. Following the Q1 results, a dividend payout of USD 109 million – 100% of free cash flow after debt service, capital expenditures and taxes was paid in May 2024. I am pleased to announce that we will continue to pay dividend for this quarter, with USD 127 million scheduled to be paid in August 2024.

None of these achievements would have been possible without the joint efforts of our seafarers and land-based employees, our suppliers, and our customers. Despite numerous operational challenges, we continued to deliver solid results for the first half of 2024, and I extend a heartfelt gratitude to each one of you. Together, we are resolute in our commitment to sail Höegh Autoliners forward.

Andreas Enger, CEO

Directors' report

Financial performance

Freight revenues in Q2 2024 were USD 341 million compared to USD 328 million in Q1 2024 and USD 356 million in Q2 2023. EBITDA in Q2 2024 was USD 174 million compared to USD 162 million in Q1 2024 and USD 181 million in Q2 2023. Adjusted EBITDA in Q2 2024 was USD 174 million compared to USD 163 million in Q1 2024 and USD 181 million in Q2 2023. See the section Alternative Performance Measures for reconciliation between EBITDA and adjusted EBITDA.

The main reason for the increase in EBITDA from previous quarter is the increase in transported volume of 6% compared to Q1. The net freight rate was stable and in line with the previous quarter.

Net profit after tax in Q2 2024 was USD 174 million, compared to a net profit after tax of USD 115 million in Q1 2024 and a net profit after tax of USD 133 million in Q2 2023. A positive income tax of USD 38 million for the quarter is mainly due to a reversal of deferred tax liabilities following a group structure rationalisation and settlement of intra-group loans and receivables. See note 9.

Freight revenues for H1 2024 were USD 669 million compared to USD 709 million in H1 2023. EBITDA for H1 2024 was USD 336 million compared to USD 351 million in H1 2023. Adjusted EBITDA for H1 2024 was USD 337 million compared to USD 352 million for H1 2023.

Net profit after tax for H1 2024 was 289 million compared with a net profit after tax of USD 250 million for H1 2023.

Cash flow and financing

Cash flows from operations were USD 169 million for Q2 2024 compared to USD 165 million for Q1 2024 and USD 168 million for the same quarter last year. Capital expenditures in Q2 2024 were USD 67 million, mainly related to instalments for the newbuildings, in addition to dry dock expenses and vessel upgrades.

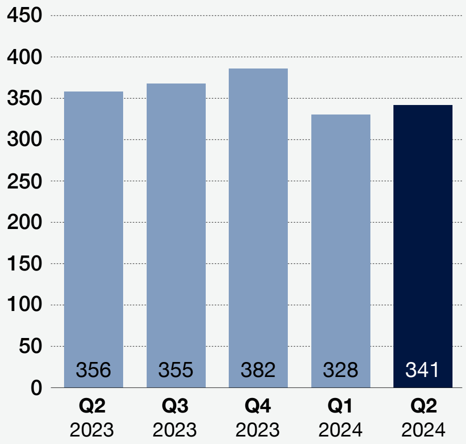
Cash and cash equivalents were USD 195 million at the end of Q2 2024 compared to USD 207 million at the end of Q1 2024. Dividend for Q1 2024 of USD 109 million was paid out in May. A total of USD 30 million in newbuild instalments have been paid during the quarter.

The book equity ratio was 65% at the end of Q2 2024, up from 62% at the end of Q1 2024 and up from 64% at the end of Q2 2023.

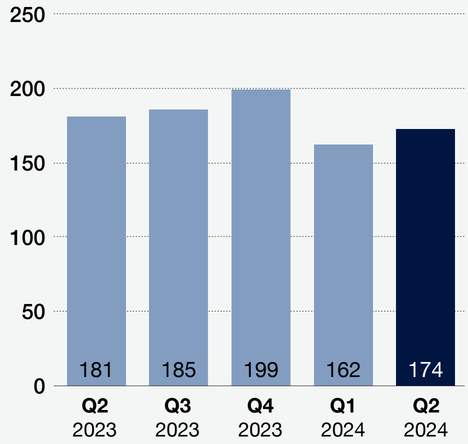
Net interest-bearing debt was USD 354 million at the end of Q2 2024 compared to USD 338 million at the end of Q1 2024 and USD 226 million at the end of Q2 2023. USD 50 million has been drawn on the loan facility in April 2024 in connection with the purchase of Höegh Jacksonville.

Financial performance – graphs

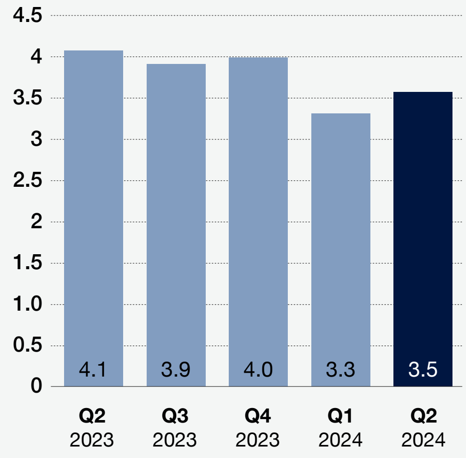
Total revenues (USD million)



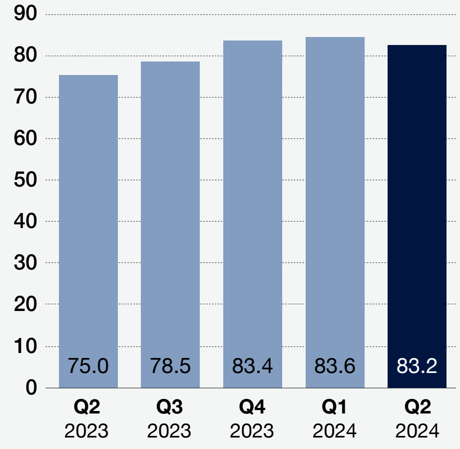
EBITDA adjusted (USD million)



Volumes (CBM million)



Net freight rate (USD per CBM)



Operational performance

Market update

Global light vehicle market expanded by 2% in the first half of 2024. The auto industry continues to demonstrate resilience as outlook shifts to a more traditional demand-driven model. Key demand factors include the affordability squeeze, lofty new car prices and ongoing electrification growth pains. With supply constraints largely resolved, the recovery in demand should broadly continue, albeit with warning signs of slowing momentum as pent-up demand tails off. The 2024 forecast projects a mild increase from 2023, to 88.7m units, up by 2.4% y-y.

Höegh Autoliners' main markets:

Automotive

Vehicle sales in key HA destination markets expanded in Q2 by an estimated 2% y-y and were up 5% Q-Q. Sales in the first half of 2024 grew by 3% y-y. Particularly strong growth was registered in Oceania, where pent-up demand was still a factor contributing to growth. Similarly, recovery in Western part of Europe and in North America added to the strong first half market performance.

Asia outbound

Asia's vehicle exports in the first half 2024 expanded by 12% y-y, driven by continuously strong Chinese shipments (up 30% y-y). Shipments from Japan and S. Korea have contributed marginally to the growth. China continues to cement its position as the largest vehicle exporter by volume with Jan-Jun total exports of 2.8 million units (incl. overland and shortsea volumes), compared to 2.0 million units exported from Japan. Facing risk of EU's provisional import tariffs on electric cars, China's Jan-Jun exports to Western and Central Europe declined by 3% y-y.

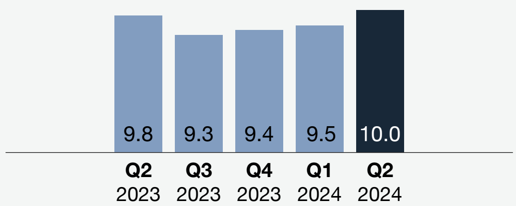
Japan's vehicle exports were flat in the first half of the year, with shipments to Europe down 4% and shipments to the US flat. In the same period, S. Korean vehicle shipments strengthened to USA - up 4% y-y but were down 29% to Europe.

High & Heavy (H&H) markets

All Höegh H&H destination markets continued to perform steadily in Q2. The key drivers supporting equipment sales remained massive energy transition and decarbonization investments across the world, strong manufacturing and infrastructure construction activity, as well as still sizeable order backlogs and the need for some OEMs to replenish stocks. Particularly in the U.S. the construction activity was driven by massive inflow of federal funding towards manufacturing and mega projects.

In the first half of the year, Asia's core construction equipment shipments increased by 5% y-y, and by 83% when compared to the same period in 2019. China dominated shipments (60% of total exported volume) with volumes up 13% y-y and up a massive 270% vs. 2019. Continuous Chinese exports expansion was driven by weak domestic market, and oversized domestic production capacity. Forecast for 2024 global demand is for a slight market softness, but from historically high levels.

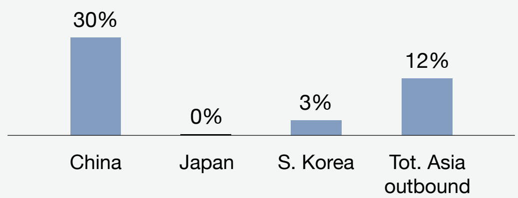
Quarterly light vehicle sales in key HA destination markets*
2022-2024 (million units)



*HA key destination markets: Western/Central Europe, North America, Middle East, Oceania

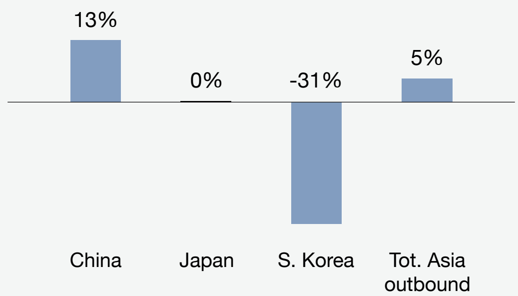
Source: S&P Mobility – Jul 2024 forecast

Vehicle exports from Asia 1H 2024 - % change y-y



Source: S&P Mobility, GTA Jul 2024 customs data

Construction equipment exports from Asia Jan-June 2024 - % change y-y



Source: S&P Mobility, GTA Jul 2024 customs data

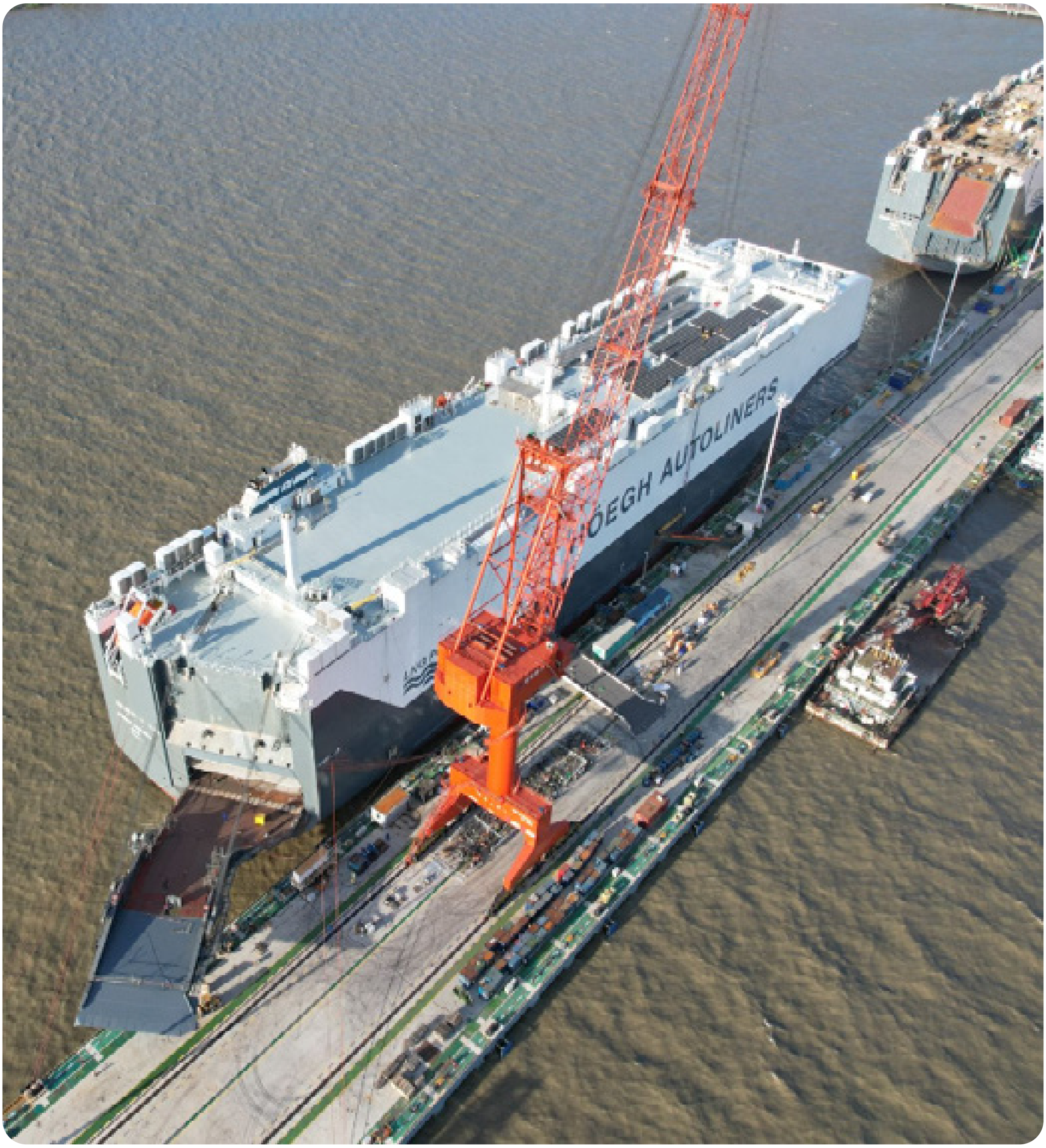
Capacity / Fleet update

The charter market continues to be tight, with time charter rates remaining at historically high levels.

We continue to reroute vessels from the Red Sea via Cape of Good Hope. The main cost impact of the rerouting is coming from capacity loss (longer voyages), the total network impact equivalent to roughly two vessel years. The cost is partly offset by rerouting surcharges.

Höegh Kobe (CEU 6 000) was sold in April 2024 for USD 59 million and was delivered to her new owners in July 2024.

The Aurora newbuilding program is progressing as planned with successful sea trial of the first Aurora vessel and launching of the second vessel during the quarter. The first Aurora vessel will be delivered and immediately serve in the fleet network starting early August.



Sustainability

Planet

Technical upgrades and newbuilding program:

The progression of our newbuilding program has been in line with expectations throughout Q2, with the delivery of the first Aurora class vessel in beginning of August. Five of the Aurora class newbuildings are currently being constructed at the same time at the yard.

The environmental footprint from the existing fleet is of top priority, and Höegh Autoliners has continued to follow up on the planned initiatives of technical upgrades to the fleet. At the end of the quarter, the program for technical upgrades currently counts 18 technical upgrade initiatives on order across 9 vessels.

During Q2, eight energy efficiency initiatives have been installed across six vessels, including new propellers, propeller boss cap fins (PBCFs), turbo charger deratings and PSA tunings. In addition, we placed orders for six new initiatives across four vessels, including new propellers, TC deratings and frequency drivers. The upgrades on order will be installed as part of the vessels' next dry docks.

With the increase in Enova funding secured during Q2 as part of its "Ammonia fuelled vessel programme", bringing the total funding to NOK 255.4 million, the Company has never been closer to reach its aim of launching vessel 9-12 as dual-fuel vessels capable of running on ammonia straight from the yard.

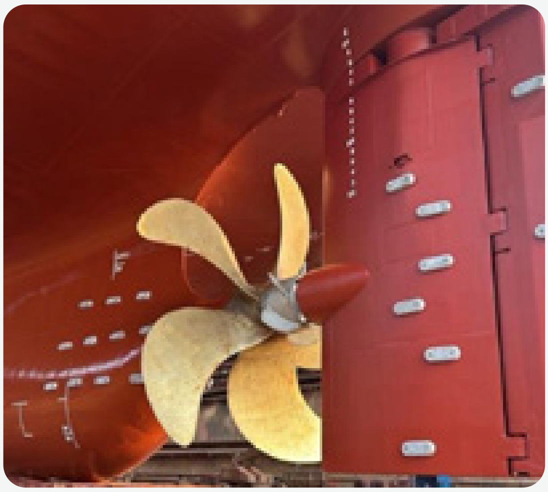
Environmental performance:

Höegh Autoliners continues to disclose its quarterly fleet carbon intensity (cgDIST) data, including data from all owned and/or technically managed vessels. The graph to the right illustrates the cgDIST for the past five quarters, indicating a stable carbon intensity for the current quarter.

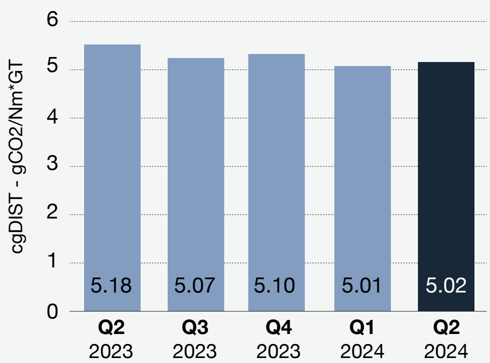
The Company continued to offer its customers the option of transporting cargo from Europe using advanced biofuels that adhere to the highest sustainability standards throughout the quarter. 4 120 MT of sustainable B100 biofuel was bunkered during Q2 (2 100 MT in Q1) in addition to 450 MT of B24[1].

Going forward, Höegh Autoliners continues to be strongly committed to achieving its carbon intensity reduction target by 2030, and will continue to explore innovative ways and new partnerships to optimise the fleet's efficiency and to further reduce its environmental footprint.

Technical upgrades to improve carbon efficiency	FY22	FY23	Q1 24	Q2 24	On order
Upgrades installed (# of vessels)	2	3	1	6	9



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.

[1]*B24: blend of 76% VLSFO and 24% ISCC certified FAME biofuel feedstock*

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 see a stabilising level in near accident reporting while accident frequency is slightly decreasing.

Lost time reporting

We see that the increased focus on personal safety, the number of lost time incidents are now showing a downward trend and the LTIF is decreasing. Our focus on preventing incidents has resulted in zero serious incidents in Q2. We are continuing our focus on safety awareness as part of our campaign for 2024. Currently, we are above our KPI target of 0.7.

We engage in a close dialogue with our pre-embarkation medical centres with focus on identifying pre-illness indicators. For the second quarter of 2024, we have seen a continued downward trend and achieved a LTSF of 0.81. None of the illness experi-enced were categorised as serious.

Employment and human capital

During Q2, we welcomed 26 new joiners to Höegh Autoliners, com-prising 9 women and 17 men. To ensure they have the best start pos-sible, we updated our onboarding system and process, enhancing the onboarding experience for both recruiting leaders and new hires.

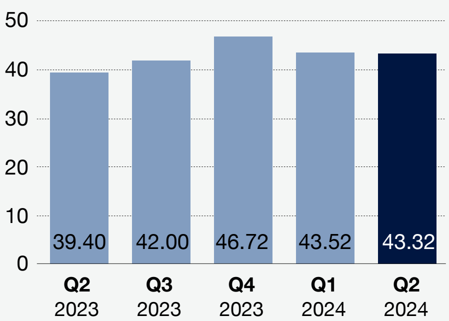
In June, we celebrated Pride by raising the Pride flag at our Head-quarters and organising various Pride-related activities in our local of-fices. Our focus was on raising awareness through learning initiatives and internal and external communication. In addition, local offices have had various social and wellbeing events to foster collaboration, engagement and wellbeing.

To boost the completion rate for our mandatory training in com-pliance, ESG and sustainability, and IT security, we introduced the “Attensi Hour”. This initiative promoted our gamified training modules, resulting in high engagement across the organisation and a significant increase in course completion, surpassing 80% overall.

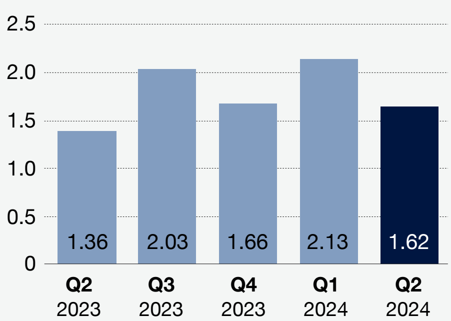
Additionally, our two development programs, Lead Teams and Early Career, successfully concluded 3 cohorts after 10 months of engag-ing digital sessions, self-assessments, and coaching.

With the recent employment law changes in Norway, we have updat-ed our employment contracts for employees based in Oslo and for future new hires.

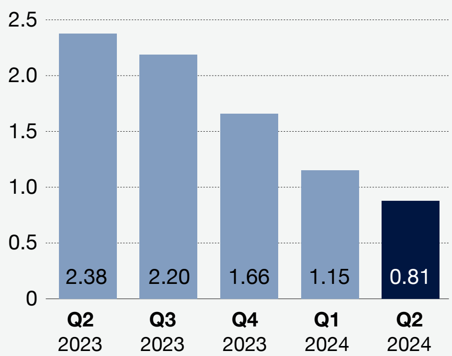
Near Accident Frequency
(near accidents per million hours past 12 months)



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



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



Prosperity

Höegh Autoliners is committed to sustaining the profitability of our operations and generating long-term value for its shareholders, in addition to promote prosperity for the planet and society. The strategy is centred around continuous improvement, operational excellence, and strong customer relationships, which the Company believes are essential when 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 May 2024, a dividend of USD 109 million was paid out based on Q1 2024 results. The declared dividend for Q2 2024 of USD 127 million will be paid out in August 2024.

In April, Höegh Autoliners announced the sale of another debt-free vessel, Höegh Kobe (6 000 CEU), at a price of USD 59 million, which was delivered to her new owners in July 2024. With the delivery of the first Aurora class vessels getting closer, the transaction was another good opportunity for the Company to further optimise our long-term fleet composition, both in terms of maximising our capacity, strengthening our capital structure, and reducing our environmental footprint.

In June, the Company signed a significant 5-year contract with a major international car producer, for the transport of cars from US and Mexico to the Middle East.

In June, Höegh Autoliners announced an increase in Enova funding of NOK 109.4 million. This boost is part of the “Ammonia Fuelled Vessel Programme”, aimed at ensuring that four of Höegh Autoliners’ Aurora Class vessels can operate entirely on ammonia upon their delivery in 2027 (vessels 9-12). This, coupled with the NOK 146 million Enova grant received in March for two Aurora Class vessels, brings the Company’s total Enova funding to NOK 255.4 million. This funding, a part of Enova’s largest-ever round supporting the green maritime transition, aims to establish the inaugural functional value chains for ammonia and hydrogen in maritime applications.

Outlook

We don't expect the market to change significantly for the rest of 2024. Supply side remains tight despite more newbuilds coming into operation. Geopolitical and macro events create uncertainty related to the demand side, but we do not expect any major impact on cargo access for the rest of the year. There will be volatility in monthly volumes and rates depending on cargo mix and vessels positions, but we expect Q3 to be another strong quarter with results more or less in line with Q2.

Responsibility statement

We confirm to the best of our knowledge that the Group's interim financial statements for the period 1 January to 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and give a fair view of the Group assets, liabilities, financial position and results for the period viewed in their entirety.

We also confirm that the interim management report includes a fair review of any significant events that arose during the first six months of the financial year and their effect on the financial statements, any significant related parties' transactions and a description of the significant risks and uncertainties to the remaining six months of the year.

Oslo, 13 August 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	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Total revenues	2	341 232	355 806	669 420	709 464	1 446 075
Bunker expenses		(60 412)	(59 269)	(121 229)	(123 596)	(241 937)
Voyage expenses and other operating expenses		(75 541)	(80 797)	(148 341)	(168 176)	(340 037)
Charter hire expenses		(1 197)	(5 708)	(1 964)	(6 829)	(9 480)
Running expenses		(25 203)	(25 302)	(51 003)	(50 919)	(100 076)
Administrative expenses		(5 205)	(3 792)	(10 770)	(8 546)	(19 035)
Operating profit before depreciation, amortisation and impairment (EBITDA)		**173 674**	**180 938**	**336 113**	**351 399**	**735 510**
Profit from associates and joint ventures		-	-	-	-	735
Gain on sale of assets	3	183	-	324	1	35 835
Depreciation	3	(32 842)	(36 151)	(66 193)	(73 653)	(145 565)
Operating profit before financial items		**141 014**	**144 787**	**270 244**	**277 747**	**626 515**
Interest income	4	2 023	2 509	8 033	4 433	12 218
Interest expenses	4	(5 923)	(8 359)	(13 592)	(16 807)	(33 338)
Income from other financial items		93	-	93	96	196
Expenses from other financial items	4	(1 962)	(2 624)	(16 802)	(5 387)	(7 727)
Profit before tax		**135 246**	**136 312**	**247 976**	**260 082**	**597 864**
Tax expense	9	(1 081)	(2 128)	(1 142)	(5 247)	(10 076)
Change in deferred tax	9	39 438	(1 326)	41 876	(4 786)	1 798
Profit for the period		**173 604**	**132 859**	**288 710**	**250 049**	**589 585**
Other comprehensive income *Items that may be reclassified to profit and loss:*						
Currency translation differences		67	(123)	(216)	(431)	(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		**67**	**(123)**	**(216)**	**(431)**	**(392)**
Total comprehensive income for the period		**173 671**	**132 735**	**288 493**	**249 618**	**589 193**
Earnings per share basic (USD)	7	**0.91**	**0.70**	**1.51**	**1.31**	**3.09**
Earnings per share diluted (USD)	7	**0.90**	**0.69**	**1.50**	**1.31**	**3.07**

Interim consolidated statement of financial position

(USD 1 000)	Notes	30.06.2024	30.06.2023	31.12.2023
Assets				
Non-current assets				
Deferred tax asset		5 681	784	864
Vessels	3	1 035 779	1 094 235	1 032 499
Right-of-use assets	3	118 608	138 262	142 216
Newbuildings and projects	3	374 086	166 137	269 853
Equipment	3	12 883	14 444	13 913
Investments in associates and joint ventures		4 342	4 346	4 960
Other non-current assets		811	964	859
Other non-current financial assets		949	1 079	977
Total non-current assets		**1 553 140**	**1 420 250**	**1 466 140**
Current assets				
Bunker		43 776	39 882	43 416
Trade and other receivables		101 980	112 146	87 291
Prepayments		8 938	1 822	4 164
Other current assets		3 097	-	-
Cash and cash equivalents		195 443	305 536	458 333
Total current assets		**353 235**	**459 386**	**593 203**
Total assets		**1 906 374**	**1 879 636**	**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		1 367	786	1 067
Retained earnings		496 873	474 804	677 380
Total equity		**1 231 523**	**1 208 873**	**1 411 730**
Non-current liabilities				
Pension liabilities		2 766	2 217	2 739
Deferred tax liabilities		-	41 225	37 053
Other non-current liabilities		2 115	90	90
Non-current interest bearing debt	5	383 788	320 663	296 198
Non-current lease liability	5	55 822	112 152	82 270
Total non-current liabilities		**444 492**	**476 347**	**418 350**
Current liabilities				
Current interest bearing debt	5	29 929	49 753	49 589
Trade and other payables		52 686	38 034	41 867
Income tax payable		3 735	8 773	5 566
Current accruals and provisions		63 932	48 788	50 452
Current lease liability	5	80 078	49 070	81 790
Total current liabilities		**230 360**	**194 417**	**229 264**
Total equity and liabilities		**1 906 374**	**1 879 636**	**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	-	-	282	-	282
Dividend	-	-	-	(104 000)	(104 000)
Profit of the period YTD 2023	-	-	-	250 049	250 049
Other comprehensive income YTD 2023	-	-	-	(431)	(431)
Equity 30.06.2023	**443 898**	**289 384**	**786**	**474 804**	**1 208 873**
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	-	-	299	-	299
Dividend	-	-	-	(469 000)	(469 000)
Profit of the period YTD 2024	-	-	-	288 710	288 710
Other comprehensive income YTD 2024	-	-	-	(216)	(216)
Equity 30.06.2024	**443 898**	**289 384**	**1 367**	**496 873**	**1 231 523**

Interim consolidated statement of cash flows

(USD 1 000)	Notes	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Cash flows from operating activities						
Profit before tax		135 246	136 312	247 976	260 082	597 864
Financial (income) / expenses		5 768	8 475	22 268	17 665	28 651
Share of net income from joint ventures and associates		-	-	-	-	(735)
Depreciation and amortisation	3	32 842	36 151	66 193	73 653	145 565
Gain on sale of tangible assets		(183)	-	(324)	(1)	(35 835)
Tax paid (company income tax, withholding tax)		(859)	(1 504)	(2 910)	(2 116)	(5 931)
Cash flows from operating activities before changes in working capital		**172 814**	**179 434**	**333 204**	**349 283**	**729 578**
Changes in working capital						
Trade and other receivables		22 380	(21 731)	(14 689)	(19 222)	5 633
Bunker		(6 185)	(3 954)	(360)	7 918	4 384
Prepayments		(4 897)	520	(4 774)	402	(1 940)
Other current assets		-	-	(3 097)	-	-
Trade and other payables		3 093	11 741	4 720	479	4 312
Accruals and provisions		(17 486)	2 360	19 580	4 313	5 976
Other changes to working capital		(1 159)	(356)	(1 166)	(305)	(1 687)
Net cash flows provided by operating activities		**168 561**	**168 015**	**333 416**	**342 867**	**746 256**
Cash flows from investing activities						
Proceeds from sale of tangible assets	3	284	-	426	2	62 483
Investment in vessels and other tangible assets	3	(67 349)	(13 152)	(102 421)	(66 767)	(178 210)
Investments in joint ventures and associates		200	182	401	456	838
Interest received		2 023	2 504	8 033	4 433	12 211
Net cash flows used in investing activities		**(64 841)**	**(10 467)**	**(93 561)**	**(61 877)**	**(102 678)**
Cash flows from financing activities						
Proceeds from issue of debt	5	69 920	47 500	79 880	130 000	130 000
Repayment of debt	5	(11 196)	(13 035)	(20 468)	(25 157)	(51 228)
Repayment of lease liabilities		(54 227)	(68 091)	(65 349)	(135 974)	(161 022)
Interest paid on mortgage debt		(7 255)	(6 730)	(13 710)	(12 192)	(26 824)
Interest paid on lease liabilities		(3 164)	(3 916)	(6 687)	(9 096)	(15 368)
Other financial items		(736)	(812)	(7 498)	(1 959)	(3 380)
Dividend to shareholders		(109 000)	(60 000)	(469 000)	(104 000)	(241 000)
Net cash flows used in financing activities		**(115 658)**	**(105 084)**	**(502 833)**	**(158 377)**	**(368 821)**
Net change in cash during the period		**(11 939)**	**52 464**	**(262 977)**	**122 614**	**274 757**
Cash and cash equivalents beginning of period		207 008	253 185	458 333	183 940	183 940
Exchange differences in cash and cash equivalents		374	(112)	88	(1 018)	(364)
Cash and cash equivalents end of period		**195 443**	**305 536**	**195 443**	**305 536**	**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 recognized 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)	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Net freight revenues	294 283	304 364	573 335	603 052	1 242 701
Other surcharges	46 540	50 228	95 676	104 149	199 389
Freight revenues	340 822	354 591	669 010	707 200	1 442 090
Terminal related revenues	410	1 215	410	2 264	3 985
Total revenues	**341 232**	**355 806**	**669 420**	**709 464**	**1 446 075**
Other income	-	-	-	-	-
Total income	**341 232**	**355 806**	**669 420**	**709 464**	**1 446 075**

Recognition principle	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Services transferred over time	340 822	354 591	669 010	707 200	1 442 090
Services transferred at point in time	410	1 215	410	2 264	3 985
Total revenues	**341 232**	**355 806**	**669 420**	**709 464**	**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	41 532	100 536	313	56	142 436
Transfer from newbuilding and projects	5 596	(5 813)	217	-	-
Newbuilding interest	-	9 561	-	-	9 561
Remeasured leases	-	-	-	37 134	37 134
Disposals	(28 091)	(51)	(758)	(66 757)	(95 657)
Cost at 30.06	**2 136 104**	**374 086**	**25 543**	**283 352**	**2 819 084**
Accumulated depreciation and impairment at 01.01	(1 084 568)	-	(11 858)	(170 703)	(1 267 130)
Depreciation	(43 848)	-	(1 508)	(20 837)	(66 193)
Disposals	28 091	-	706	26 797	55 594
Accumulated depreciation and impairment at 30.06	**(1 100 325)**	**-**	**(12 661)**	**(164 743)**	**(1 277 728)**
Net carrying amount at 30.06	**1 035 779**	**374 086**	**12 883**	**118 608**	**1 541 356**
Book value sold assets	-	51	52		103
Sales price	426	-	-		426
Gain / (loss)	**426**	**(51)**	**(52)**		**324**

*** Newbuildings & Projects include instalments related to the Aurora newbuilding program. The remaining equity instalments for the 12 newbuilds are USD 10 million.*

One option to extend a vessel lease was exercised in Q1 2024, for Höegh Brasilia. Additionally, one purchase option was declared in Q1 2024, for the vessel Höegh Jeddah. The vessel Höegh Jacksonville has been purchased in Q2 2024, reflected above as disposal of right-of-use asset, and addition to vessels.

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 has been declared in 2023, for the vessel Höegh Jacksonville, which was purchased in Q2 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 use 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 been reduced. The carrying values for vessels, equipments and right-of-use assets are at 30 June 2024 without any impairment.

Market values for the vessels at 30 June 2024 are in line with the values at 31 March 2024 and are 118% higher than book values, up from 107% at year-end 2023.

Based on an assessment made at 30 June 2024, there are no indications that the vessels may be impaired.

Note 4 Financial income and expenses

Interest income (USD 1 000)	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Interest income from banks	2 007	2 508	8 017	4 394	11 666
Other interest income	16	1	16	39	552
Total	**2 023**	**2 509**	**8 033**	**4 433**	**12 218**

Interest expenses (USD 1 000)	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Interest mortgage debt	7 445	6 686	16 178	12 192	27 085
Capitalised interest on newbuildings	(4 839)	(2 249)	(9 561)	(4 481)	(9 114)
Interest on lease liabilities	3 164	3 916	6 687	9 096	15 368
Other interest expenses	153	5	288	-	-
Total	**5 923**	**8 359**	**13 592**	**16 807**	**33 338**

Other financial items

Expenses from other financial items (USD 1 000)	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Loss on currency exchange	1 517	1 142	3 945	2 255	1 665
Debt modification loss*	-	-	11 029	-	-
Other financial items (expense)**	445	1 483	1 828	3 132	6 062
Total	1 962	**2 624**	**16 802**	**5 387**	**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)	30.06.2024	30.06.2023	31.12.2023
Non-current interest bearing mortgage debt	353 629	320 663	296 198
Non-current other interest bearing debt	30 159	-	-
Non-current lease liabilities	55 822	112 152	82 270
Current interest bearing mortgage debt	29 205	49 595	49 360
Accrued interest mortgage debt	724	157	229
Current lease liabilities	80 078	49 070	81 790
Total interest bearing debt	**549 618**	**531 638**	**509 847**
Cash and cash equivalents	195 443	305 536	458 333
Net interest bearing debt	**354 175**	**226 101**	**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 a reduction 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 50 million has been drawn in Q2 2024 in connection with the purchase of Höegh Jacksonville. USD 40 million will be drawn for the purchase of Höegh Jeddah in 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 30 June 2024.

Non-current other interest bearing debt of USD 30 million relate to sale and leaseback agreements with Bank of Communication for two Aurora vessels.

Repayment schedule for interest bearing debt (USD 1 000)	Mortgage debt	Leasing commitments	30.06.2024
Due in 2024	15 778	63 226	79 004
Due in 2025	30 107	26 202	56 309
Due in 2026	30 107	6 945	37 052
Due in 2027	30 107	3 524	33 632
Due in 2028 and later	285 313	36 003	321 317
Total repayable interest bearing debt	**391 413**	**135 900**	**527 314**
Arrangement fee	(7 856)	-	(7 856)
Book value interest bearing debt	**383 558**	**135 900**	**519 458**

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 Fair value changes**	Other changes*	New liability	30.06.2024
Non-current interest bearing mortgage debt	296 198	-	8 342	3 274	45 816	353 629
Current interest bearing mortgage debt	49 589	(20 468)	2 687	(6 063)	4 184	29 929
Non-current other interest bearing debt	-	-	-	279	29 880	30 159
Non-current lease liabilities	82 270	-	-	(26 478)	29	55 822
Current lease liabilities	81 790	(65 349)	-	63 612	26	80 078
	509 847	**(85 818)**	**11 029**	**34 624**	**79 936**	**549 618**

**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 Fair value changes	Other changes*	New liability	31.12.2023
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	388 804
Total mortgage debt 30.06.2024		**388 804**

Security

The USD 720 million senior secured term loan and revolving credit facility is secured by mortgages in seven of the Group's vessels, with a current book value of USD 345 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 30 June 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 30 June 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 30 June 2024 are 1 703 684, resulting in a diluting effect of USD 0.008 per share for the three months ended 30 June 2024.

Basic earnings per share for the second quarter was USD 0.91 compared with USD 0.70 in the same quarter last year. Diluted earnings per share for the second quarter was USD 0.90 compared to USD 0.69 in the same quarter last year.

The Company's share capital is as follows:

	Share capital 30 June 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 30 June 2024, there has been no material development in this matter. No provision has been made in the financial statements as of 30 June 2024.

Note 9 Tax

The Group recognised a tax income of USD 38.4 million in Q2 2024, compared to a tax expense of USD 3.5 million for the same period last year.

The tax income is mainly due to a reversal of deferred tax liabilities, following rationalisation of the group structure and settlement of intra-group loans and receivables.

Note 10 Events after the balance sheet date

Fleet update

Höegh Kobe was delivered to new owners in July 2024. The accounting gain from the sale was USD 25 million.

Höegh Autoliners took delivery of the first Aurora Class vessel, Höegh Aurora, on 1 August 2024. She was put into operation early August.

Dividend

On 13 August 2024, the Board of Directors resolved to distribute a cash dividend of USD 0.6657 per share. The dividend will be paid out in August 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)	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Total revenues	341	356	669	709
Operating expenses	(168)	(175)	(333)	(358)
EBITDA	174	181	336	351
Anti-trust expenses	-	-	1	1
Adjusted EBITDA	174	181	337	352

Net interest bearing debt (USD million)	30.06.2024	30.06.2023	31.12.2023
Non-current interest bearing debt	384	321	296
Non-current lease liability	56	112	82
Current interest bearing debt	30	50	50
Current lease liability	80	49	82
Less Cash and cash equivalents	195	306	458
Net interest bearing debt	354	226	52