Q3 2024
Quarterly report

hoeghautoliners.com

Content

Highlights Q3 2024

Consolidated results and key figures (USD million)	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Total revenues	349	341	355	1 018	1 064
EBITDA	177	174	185	513	537
Profit for the period	193	174	142	481	392
EBITDA adjusted	178	174	185	515	537
Earnings per share, basic	1.01	0.91	0.75	2.52	2.06
Cash and cash equivalents	344	195	332	344	332
Cash flows from operations	190	169	201	524	543
Net interest bearing debt	255	354	174	255	174
Equity ratio	64%	65%	67%	64%	67%

Highlights

- Operating profit (EBITDA) of USD 177 million and net profit after tax of USD 193 million.
- Gross freight rate increased by 5% compared to Q2 2024 to USD 101.5 per cbm.
- Delivery of the first Aurora Class vessel, Höegh Aurora in August.
- Höegh New York agreed to be sold for USD 61 million. Will be delivered to new owners within Q1 2025.
- Höegh Kobe and Höegh Chiba sold for USD 119 million with a booked accounting gain of USD 52 million. Both vessels were debt free.
- Q2 2024 dividend of USD 127 million paid in August 2024.
- Proposed dividend for Q3 2024 of USD 245 million subject to resolution by the extraordinary general meeting (see separate notice).

Directors' report

Financial performance

Freight revenues in Q3 2024 were USD 349 million compared to USD 341 million in Q2 2024 and USD 355 million in Q3 2023. EBITDA in Q3 2024 was USD 177 million compared to USD 174 million in Q2 2024 and USD 185 million in Q3 2023. Adjusted EBITDA in Q3 2024 was USD 178 million compared to USD 174 million in Q2 2024 and USD 185 million in Q3 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 net freight rates. The net freight rate increased with 4.2% from the previous quarter. The transported volume in the quarter was down 2.7% compared to Q2.

Net profit after tax in Q3 2024 was USD 193 million, compared to a net profit after tax of USD 174 million in Q2 2024 and a net profit after tax of USD 142 million in Q3 2023.

Freight revenues YTD September 2024 were USD 1 018 million compared to USD 1 064 million YTD September 2023.

EBITDA YTD September 2024 was USD 513 million compared to USD 537 million YTD September 2023. Adjusted EBITDA YTD September 2024 was USD 515 million compared to USD 537 million YTD September 2023.

Net profit after tax YTD September 2024 was 481 million compared with a net profit after tax of USD 392 million YTD September 2023.

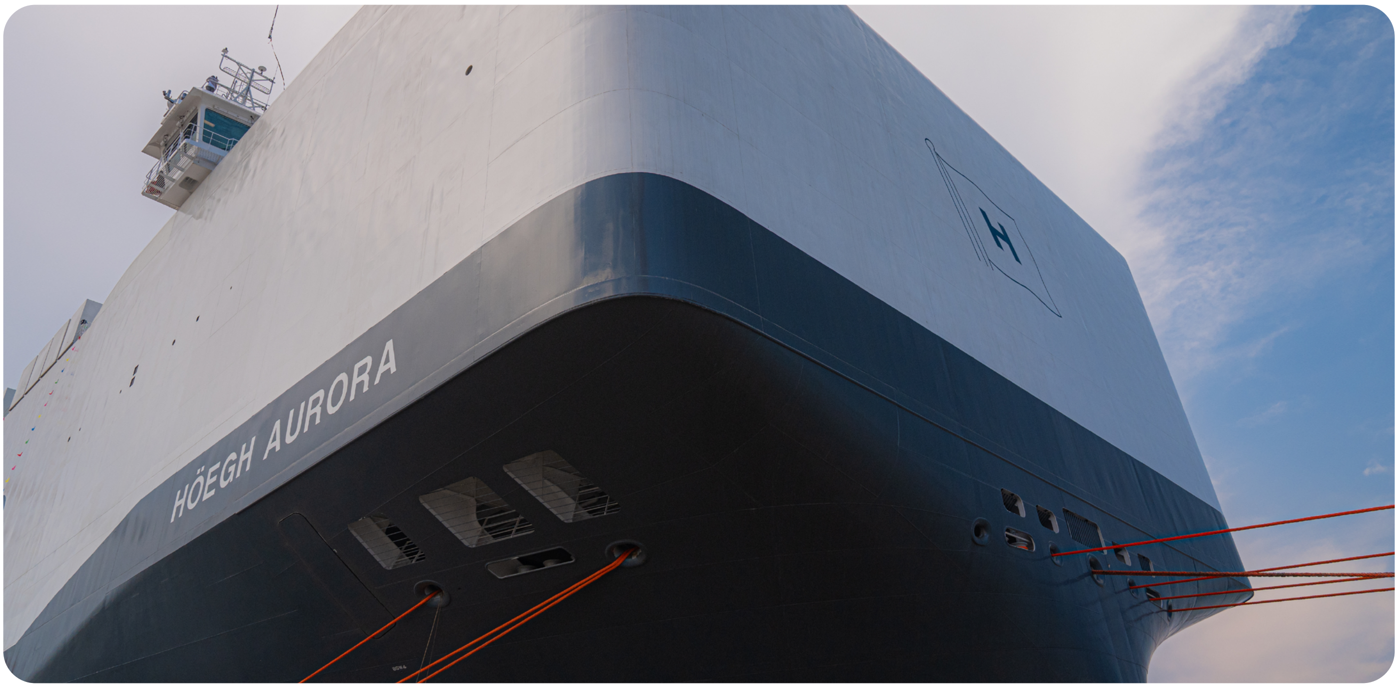
Cash flow and financing

Cash flows from operations were USD 190 million for Q3 2024 compared to USD 169 million for Q2 2024 and USD 201 million for the same quarter last year. Capital expenditures in Q3 2024 were USD 71 million, mainly related to instalments for the newbuildings, in addition to dry dock expenses and vessel upgrades.

Cash and cash equivalents were USD 344 million at the end of Q3 2024 compared to USD 195 million at the end of Q2 2024. Dividend for Q2 2024 of USD 127 million was paid out in August. A total of USD 57 million in newbuild instalments have been paid during the quarter. USD 119 million in sales proceeds from divestment of vessels have been received in the quarter.

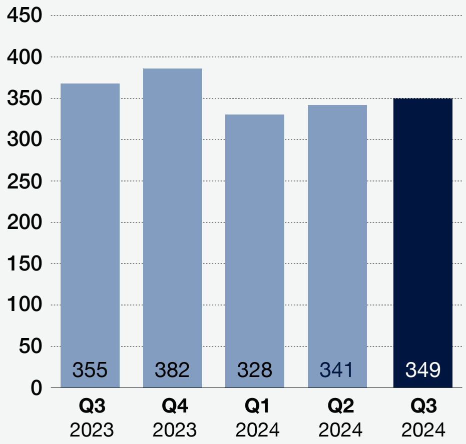
The book equity ratio was 64% at the end of Q3 2024, down from 65% at the end of Q2 2024 and down from 67% at the end of Q3 2023.

Net interest-bearing debt was USD 255 million at the end of Q3 2024 compared to USD 354 million at the end of Q2 2024 and USD 174 million at the end of Q3 2023. USD 110 million has been drawn on the loan facility in September 2024 in connection with the purchase of Höegh Jeddah and delivery of Höegh Aurora.

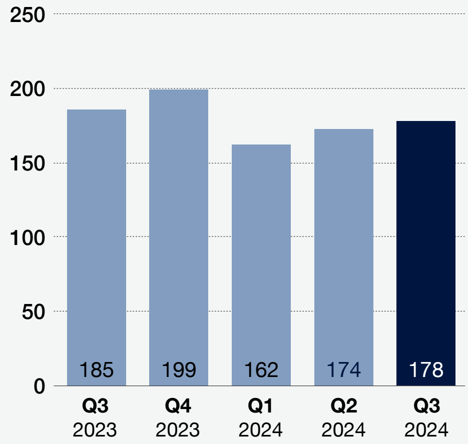


Financial performance – graphs

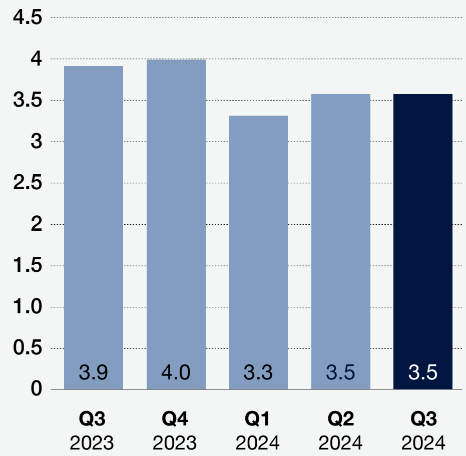
Total revenues (USD million)



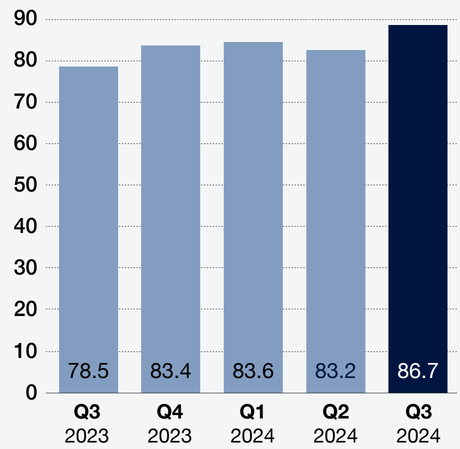
EBITDA adjusted (USD million)



Volumes (CBM million)



Net freight rate (USD per CBM)



Operational performance

Market update

Global light vehicle market expanded by an estimated 1% in the period Jan-Sep of 2024. The global auto industry remains focused on the delicate balance of managing production and associated inventories. Key factors include volatile launch schedules and regional demand dynamics that include slowing growth in select regions and uncertainties around battery electric vehicles (BEV) adoption. With supply constraints resolved, the recovery in vehicle demand should broadly continue, albeit with warning signs of slowing momentum in key markets, segments and propulsion types as pent-up demand wanes. The 2024 sales will likely reach 88.2 million units, up by 1.8% y-y.

Höegh Autoliners' main markets:

Automotive

Vehicle sales in key HA destination markets contracted in Q3 by an estimated 1.3% y-y but were up 2.2% through September. Key factors behind the decline include still-high interest rates, the affordability squeeze, lofty new car prices, patchy consumer confidence, energy price/supply concerns, auto lending risks and electrification growing pains. New car buyers remain pressured by elevated vehicle pricing alongside poorer credit and lending conditions.

Asia outbound

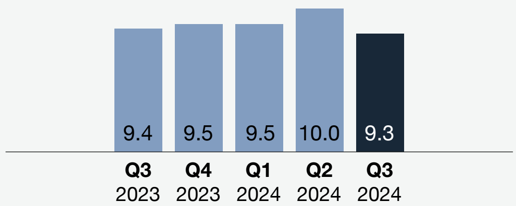
Asia's vehicle exports in the period Jan-Aug 2024 expanded by 10% y-y, driven by continuously strong Chinese shipments (up 28% y-y). China continues to cement its position as the largest vehicle exporter by volume with Jan-Aug total exports of 3.8 million units (incl. overland and shortsea volumes), compared to 2.7 million units exported from Japan. Facing overhanging risk of EU's import tariffs on electric cars, China's Jan-Aug BEV exports to Western and Central Europe declined by 11% y-y.

Japan's vehicle exports contracted by 3% in the first 8 months of the year, with shipments to Europe down 11% and shipments to the US down 4% y-y. In the same period, S. Korean vehicle shipments strengthened to USA - up 19% y-y but were down 22% to Europe.

High & Heavy (H&H) markets

Key Höegh Autoliners H&H destination markets continued to perform steadily in Q3, with US and Middle East being driving markets. The key factors supporting equipment sales remained massive energy transition and decarbonization investments across the world as well as strong manufacturing and infrastructure construction. Particularly in the U.S. the construction activity was driven by huge inflow of federal funding towards manufacturing and mega projects. Forecast for 2024 global demand is for a slight market softness, but from historically high levels. Infrastructure is forecast to be the strongest source of construction spending growth in 2025, but at reduced rates as stimulus spending wanes in both the Eurozone and US. Nonetheless, the US Infrastructure Investment and Jobs (IIJA) and Inflation Reduction Act (IRA), which aims to promote green energy projects, will likely keep growth above average through 2026.

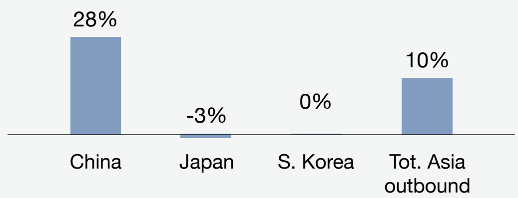
Quarterly light vehicle sales in key HA destination markets*
2023-2024 (million units)



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

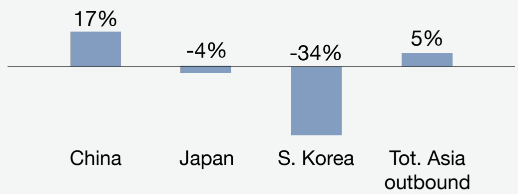
Source: S&P Global Oct 2024 forecast

Vehicle exports from Asia Jan-Aug 2024 - % change y-y



Source: JAMA, KAMA, CAAM, S&P Global Trade Atlas

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



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

In the 8 months of the year, Asia's core construction equipment shipments increased by 5% y-y, and by 75% when compared to the same period in 2019. China dominated shipments (62% of total exported volume) with volumes up 17% y-y and up a massive 214% vs. 2019. Continuous Chinese exports expansion was driven by weak domestic market, and oversized domestic production capacity.

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 2 vessel years. The cost is partly offset by rerouting surcharges.

The Aurora newbuilding program is progressing as planned and in August, the first Aurora vessel was delivered and put into operation. In addition, the successful sea trial and naming ceremony for the second Aurora vessel took place in September.

In September 2024, Höegh New York (CEU 6 500) was agreed to be sold for USD 61 million and will be delivered to her new owners within Q1 2025.

Sustainability

Planet

Technical upgrades and newbuilding program:

In Q3, Höegh Autoliners took delivery of its first of twelve 9 100 CEU ammonia ready Aurora Class vessels, Höegh Aurora, which entered operations in August. This marks a significant milestone in the Company's decarbonisation journey, with eleven more vessels scheduled for delivery over the next three years. The second vessel was named in September and is set to enter operation in October.

While the newbuilding program is progressing well, reducing the environmental footprint of the existing fleet remains a top priority. Höegh Autoliners is continuously seeking measures to enhance the fleet's energy efficiency. At the end of the quarter, the implementation program for energy efficiency measures included 20 initiatives across 10 vessels. During the quarter, five energy efficiency initiatives were installed across three vessels, including new and more efficient propellers, propeller boss cap fins (PBCFs), and turbocharger deratings. Additionally, orders were placed for eight new initiatives across eight vessels, including frequency drives and propeller boss cap fins. These upgrades will be installed during the vessels' next dry docks.

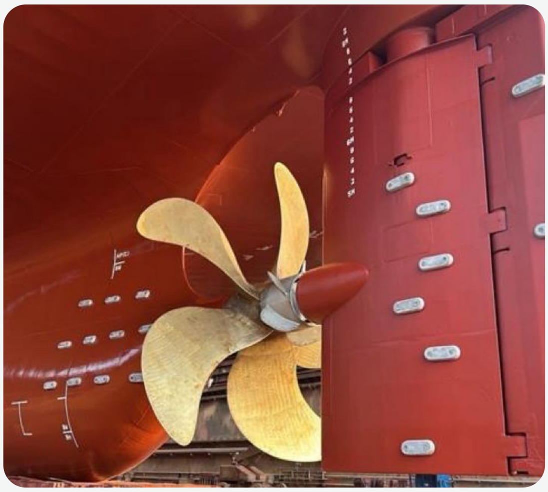
Environmental performance:

Höegh Autoliners continues to disclose its quarterly fleet carbon intensity (cgDIST) data, covering all owned and/or technically managed vessels. The graph to the right illustrates the cgDIST for the past five quarters, showing a stable carbon intensity with a slight decrease in the current quarter. The positive trend in carbon intensity is primarily due to the ongoing fleet renewal program and the implementation of energy efficiency measures. During the third quarter, the vessels Höegh Kobe and Höegh Chiba were delivered to their new owners, and Höegh Aurora entered operation, all contributing positively to the fleet's carbon intensity. Höegh Aurora has up to 58% lower emissions per car transported than industry standard while running on LNG, and can be powered by ammonia with small modifications. Finally, the improved performance of vessel modifications conducted in the first half of 2024 has shown beneficial effects. The positive effects are partly offset by reduced consumption of biofuels in the quarter.

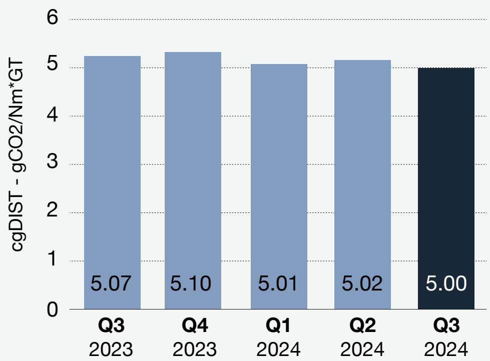
Throughout the quarter, the Company continued to offer its customers the option of transporting cargo from Europe using advanced biofuels that meet the highest sustainability standards. No biofuel was delivered during Q3, however 1 020 MT of sustainable B100 biofuel were consumed (4 080 MT in Q2). LNG has also been introduced into the fuel mix, as the first Aurora vessels are delivered and put in operation.

Looking ahead, Höegh Autoliners remains strongly committed to achieving its carbon intensity reduction target by 2030. The Company will continue to explore innovative solutions and new partnerships to optimize fleet efficiency and further reduce its environmental footprint.

Technical upgrades to improve carbon efficiency	FY22	FY23	Q3 YTD 24	On order
Upgrades installed (# of vessels)	2	3	4	10



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 Lloyd's Register during the first half of each calendar year.*

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 slight increase in near accident frequency while the accident frequency is stabilising. We are continuing, both fleet wide and direct awareness follow-up, to ensure that we maximise the experience feedback from the near accidents that we observe, to prevent hazards that could lead to actual events.

Lost time reporting

We see that the increased focus on personal safety, the number of loss time incidents are now showing an upward trend and the LTIF is increasing. Despite our focus on preventing incidents, we experienced one new incident in Q3. We are continuing our focus on safety awareness as part of our campaign for 2024. Currently, we are well 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 third quarter of 2024, we have seen a continued downward trend and achieved a LTSF of 0.65. None of the illness experienced were categorised as serious.

Employment and human capital

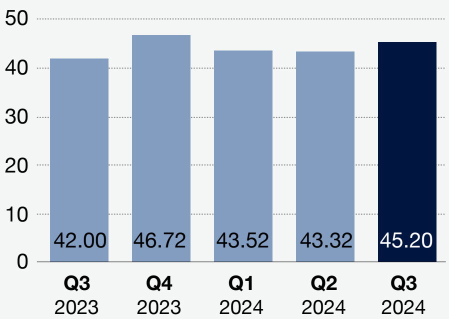
During Q3, we welcomed 18 new joiners to Höegh Autoliners, comprising 9 women and 9 men.

The quarter was kicked off with social events in all offices related to the naming ceremony of the first Aurora vessel.

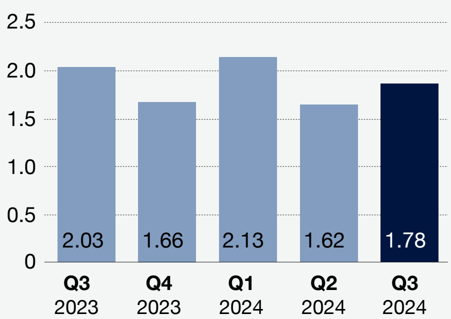
Our annual engagement survey was conducted to take the pulse of the land-based organisation. 93% of employees responded to the survey, compared to 83% in 2023, and the overall results are very high with an engagement index of 82% and many results higher than the global 75th benchmark from our global provider. The team results have been shared with the leaders, and the action-planning to follow-up on the results have started and will also be a part of the team's goal setting for 2025.

Two new cohorts with a total of 20 leaders, were enrolled to our leadership development programme Lead Teams. They are embarking a 10 months of development journey, including digital group-sessions, self-assessments, and coaching. The programme is focusing on practical tools and insight for better communication and strategic leadership.

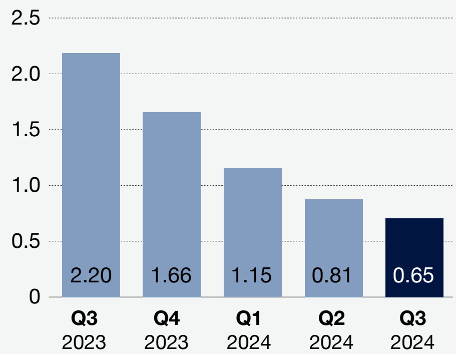
Near Accident Frequency
(near accidents per million hours past 12 months)



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 amortization of debt facilities, capital expenditure and payable taxes. In August 2024, a dividend of USD 127 million was paid out based on Q2 2024 results.

In August 2024, Höegh Autoliners got the first Aurora Class vessel delivered from China Merchants Heavy Industry's yard in Jiangsu, China. In the following month, the Company named the second Aurora Class vessel, Höegh Borealis, which will be delivered early Q4. Both vessels, with a capacity of 9 100 CEU, can reduce emissions per car transported by up to 58%, setting a new standard for sustainable deep-sea shipping services.

In September, Höegh Autoliners announced the sale of another debt-free vessel, Höegh New York (6 500 CEU), at a price of USD 60.6 million, which will be delivered to her new owners in the first quarter of 2025. The sale of Höegh New York is another good opportunity to further optimize the fleet, as we are getting more newbuilt vessels delivered.

Outlook

The general market remains strong, and we do not expect that to change much for the last three months of 2024. We have secured more cargo under long term contracts, securing freight rates at high levels also for this period. Capacity has been a constraint both for us and the general market. With both Höegh Aurora and Höegh Borealis now in operation, we expect our lifting capacity to increase somewhat in Q4. The deliveries of newbuilds to other operators as well, will gradually take away some of the pressure seen in our industry.

The geopolitical and macro economic situation in the world continues to be challenging, but we do not foresee that to change the market dynamics or impact the results in Q4. We expect an EBITDA result for Q4 in line with the last nine months run rate.

Oslo, 23 October 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	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Total revenues	2	349 067	354 707	1 018 487	1 064 171	1 446 075
Bunker expenses		(59 631)	(54 279)	(180 861)	(177 875)	(241 937)
Voyage expenses and other operating expenses		(80 460)	(84 742)	(228 801)	(252 919)	(340 037)
Charter hire expenses		(2 163)	(1 602)	(4 127)	(8 431)	(9 480)
Running expenses		(24 670)	(25 302)	(75 673)	(76 220)	(100 076)
Administrative expenses		(4 910)	(3 592)	(15 681)	(12 138)	(19 035)
Operating profit before depreciation, amortisation and impairment (EBITDA)		**177 232**	**185 190**	**513 346**	**536 589**	**735 510**
Profit from associates and joint ventures		593	874	593	874	735
Gain/(loss) on sale of assets		51 829	(13)	52 152	(12)	35 835
Depreciation	3	(32 090)	(36 243)	(98 283)	(109 895)	(145 565)
Operating profit before financial items		**197 564**	**149 808**	**467 809**	**427 555**	**626 515**
Interest income	4	3 620	3 629	11 653	8 062	12 218
Interest expenses	4	(6 358)	(7 831)	(18 150)	(24 638)	(33 338)
Income from other financial items		1 523	-	377	96	196
Expenses from other financial items	4	(589)	(2 473)	(17 951)	(7 860)	(7 727)
Profit before tax		**195 761**	**143 133**	**443 737**	**403 216**	**597 864**
Income tax		(3 301)	(2 032)	(4 443)	(7 280)	(10 076)
Change in deferred tax		180	1 075	42 056	(3 711)	1 798
Profit for the period		**192 641**	**142 176**	**481 350**	**392 225**	**589 585**
Other comprehensive income *Items that may be reclassified to profit and loss:*						
Currency translation differences		63	48	(154)	(383)	(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		**63**	**48**	**(154)**	**(383)**	**(392)**
Total comprehensive income for the period		**192 703**	**142 224**	**481 197**	**391 842**	**589 193**
Earnings per share basic (USD)	7	**1.01**	**0.75**	**2.52**	**2.06**	**3.09**
Earnings per share diluted (USD)	7	**1.00**	**0.74**	**2.50**	**2.05**	**3.07**

Interim consolidated statement of financial position

(USD 1 000)	Notes	30.09.2024	30.09.2023	31.12.2023
Assets *Non-current assets*				
Deferred tax asset		5 878	784	864
Vessels	3	1 102 718	1 080 359	1 032 499
Leased assets	3	72 446	126 186	142 216
Newbuildings and projects	3	333 529	231 728	269 853
Equipment	3	12 805	14 080	13 913
Investments in associates and joint ventures		4 907	5 050	4 960
Other non-current assets		609	1 028	859
Other non-current financial assets		924	1 054	977
Total non-current assets		**1 533 815**	**1 460 268**	**1 466 140**
Current assets				
Bunker		35 956	43 018	43 416
Trade and other receivables		90 837	86 681	87 291
Prepayments		10 463	4 163	4 164
Other current assets		3 705	-	-
Other current financial assets		-	41	-
Cash and cash equivalents		343 790	332 095	458 333
Total current assets		**484 751**	**465 998**	**593 203**
Total assets		**2 018 566**	**1 926 266**	**2 059 344**
Equity and liabilities *Equity*				
Share capital	7	443 898	443 898	443 898
Share premium reserve		162 384	289 384	289 384
Other paid-in equity		1 517	927	1 067
Retained earnings		689 577	550 028	677 380
Total equity		**1 297 376**	**1 284 237**	**1 411 730**
Non-current liabilities				
Pension liabilities		3 073	2 508	2 739
Deferred tax liabilities		-	40 150	37 053
Other non-current liabilities		90	90	90
Non-current interest bearing debt	5	476 012	308 219	296 198
Non-current lease liability	5	53 373	102 179	82 270
Total non-current liabilities		**532 548**	**453 146**	**418 350**
Current liabilities				
Current interest bearing debt	5	37 403	49 752	49 589
Trade and other payables		42 889	35 488	41 867
Income tax payable		6 832	10 562	5 566
Current accruals and provisions		69 215	46 649	50 452
Current lease liability	5	32 303	46 432	81 790
Total current liabilities		**188 642**	**188 883**	**229 264**
Total equity and liabilities		**2 018 566**	**1 926 266**	**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	-	-	423	-	423
Dividend	-	-	-	(171 000)	(171 000)
Profit of the period YTD 2023	-	-	-	392 225	392 225
Other comprehensive income YTD 2023	-	-	-	(383)	(383)
Equity 30.09.2023	**443 898**	**289 384**	**927**	**550 028**	**1 284 237**
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	-	-	449	-	449
Dividend	-	(127 000)	-	(469 000)	(596 000)
Profit of the period YTD 2024	-	-	-	481 350	481 350
Other comprehensive income YTD 2024	-	-	-	(154)	(154)
Equity 30.09.2024	**443 898**	**162 384**	**1 517**	**689 577**	**1 297 376**

Interim consolidated statement of cash flows

(USD 1 000)	Notes	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Cash flows from operating activities						
Profit before tax		195 761	143 133	443 737	403 216	597 864
Financial (income) / expenses		1 804	6 675	24 072	24 340	28 651
Share of net income from joint ventures and associates		(593)	(874)	(593)	(874)	(735)
Depreciation and amortisation	3	32 090	36 243	98 283	109 895	145 565
Gain on sale of tangible assets		(51 829)	13	(52 152)	12	(35 835)
Tax paid (company income tax, withholding tax)		(285)	(191)	(3 194)	(2 307)	(5 931)
Cash flows from operating activities before changes in working capital		**176 948**	**184 998**	**510 152**	**534 281**	**729 578**
Changes in working capital						
Trade and other receivables		11 143	25 465	(3 546)	6 243	5 633
Bunker		7 820	(3 136)	7 460	4 781	4 384
Prepayments		(1 526)	(2 341)	(6 300)	(1 939)	(1 940)
Other current assets		(608)	-	(3 705)	-	-
Trade and other payables		(3 698)	(2 546)	1 022	(2 067)	4 312
Accruals and provisions		(816)	(2 139)	18 764	2 173	5 976
Other changes to working capital		1 090	263	(77)	(42)	(1 687)
Net cash flows provided by operating activities		**190 354**	**200 564**	**523 770**	**543 431**	**746 256**
Cash flows from investing activities						
Proceeds from sale of tangible assets	3	119 170	-	119 596	2	62 483
Investment in vessels and other tangible assets	3	(70 873)	(72 648)	(173 293)	(139 415)	(178 210)
Investments in joint ventures and associates		91	219	492	674	838
Interest received		3 620	3 627	11 653	8 060	12 211
Net cash flows used in investing activities		**52 008**	**(68 802)**	**(41 552)**	**(130 678)**	**(102 678)**
Cash flows from financing activities						
Proceeds from issue of debt	5	110 000	-	189 880	130 000	130 000
Repayment of debt	5	(11 196)	(13 035)	(31 664)	(38 192)	(51 228)
Repayment of lease liabilities		(53 709)	(12 894)	(119 058)	(148 868)	(161 022)
Interest paid on mortgage debt		(7 585)	(7 428)	(21 294)	(19 620)	(26 824)
Interest paid on lease liabilities		(2 493)	(3 003)	(9 180)	(12 099)	(15 368)
Other financial items		(4 306)	(812)	(11 805)	(2 771)	(3 380)
Dividend to shareholders		(127 000)	(67 000)	(596 000)	(171 000)	(241 000)
Net cash flows used in financing activities		**(96 288)**	**(104 173)**	**(599 121)**	**(262 550)**	**(368 821)**
Net change in cash during the period		**146 074**	**27 589**	**(116 903)**	**150 203**	**274 757**
Cash and cash equivalents beginning of period		195 443	305 536	458 333	183 940	183 940
Exchange differences in cash and cash equivalents		2 272	(1 031)	2 360	(2 048)	(364)
Cash and cash equivalents end of period		**343 790**	**332 095**	**343 790**	**332 095**	**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)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Net freight revenues	298 334	307 058	871 669	910 109	1 242 701
Other surcharges	50 732	46 794	146 408	150 943	199 389
Freight revenues	349 067	353 852	1 018 077	1 061 052	1 442 090
Terminal related revenues	-	855	410	3 119	3 985
Total revenues	**349 067**	**354 707**	**1 018 487**	**1 064 171**	**1 446 075**
Other income	-	-	-	-	-
Total income	**349 067**	**354 707**	**1 018 487**	**1 064 171**	**1 446 075**

Recognition principle	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Services transferred over time	349 067	353 852	1 018 077	1 061 052	1 442 090
Services transferred at point in time	-	855	410	3 119	3 985
Total revenues	**349 067**	**354 707**	**1 018 487**	**1 064 171**	**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	83 637	169 023	545	3 572	256 778
Transfer from newbuilding and projects	119 216	(119 796)	580	-	-
Newbuilding interest	-	14 777	-	-	14 777
Remeasured leases	-	-	-	37 134	37 134
Disposals	(183 810)	(329)	(843)	(137 403)	(322 385)
Cost at 30.09	**2 136 110**	**333 529**	**26 053**	**216 222**	**2 711 914**
Accumulated depreciation and impairment at 01.01	(1 084 568)	-	(11 858)	(170 703)	(1 267 130)
Depreciation	(65 589)	-	(2 161)	(30 532)	(98 283)
Disposals	116 766	-	772	57 459	174 997
Accumulated depreciation and impairment at 30.09	**(1 033 391)**	**-**	**(13 248)**	**(143 776)**	**(1 190 416)**
Net carrying amount at 30.09	**1 102 718**	**333 529**	**12 805**	**72 446**	**1 521 498**
Book value sold assets	67 044	329	71		67 444
Sales price	119 596	-	-		119 596
Gain / (loss)	**52 552**	**(329)**	**(71)**		**52 152**

*** Newbuildings & Projects include instalments related to the Aurora newbuilding program. The remaining equity instalments for the 11 newbuilds are USD 26 million.*

The vessels Höegh Jacksonville and Höegh Jeddah were purchased in Q2 2024 and Q3 2024 respectively, reflected above as disposal of right-of-use asset, and addition to vessels. Höegh Aurora was delivered from the yard in August 2024 and has been transferred from newbuildings to vessels during the quarter. The vessels Höegh Chiba and Höegh Kobe were sold in Q3 2024.

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 September 2024 without any impairment.

Market values for the vessels at 30 September 2024 are stable compared to Q2 2024 and are 107% higher than book values at 30 September 2024 (107% at year-end 2023).

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

Note 4 Interest income and expenses

Interest income (USD 1 000)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Interest income from banks	3 617	3 605	11 634	7 999	11 666
Other interest income	3	24	19	63	552
Total	**3 620**	**3 629**	**11 653**	**8 062**	**12 218**

Interest expenses (USD 1 000)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Interest mortgage debt	8 708	7 428	23 086	19 621	27 085
Capitalised interest on newbuildings	(5 216)	(2 600)	(14 777)	(7 081)	(9 114)
Interest on lease liabilities	2 493	3 003	9 180	12 099	15 368
Other interest expenses	374	-	662	-	-
Total	**6 358**	**7 831**	**18 150**	**24 638**	**33 338**

Other financial items

Expenses from other financial items (USD 1 000)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Loss on currency exchange	-	939	2 713	3 193	1 665
Debt modification loss*	-	-	11 029	-	-
Other financial items (expense)**	589	1 534	4 210	4 666	6 062
Total	589	**2 473**	**17 951**	**7 860**	**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)	30.09.2024	30.09.2023	31.12.2023
Non-current interest bearing mortgage debt	445 479	308 219	296 198
Non-current other interest bearing debt	30 533	-	-
Non-current lease liabilities	53 373	102 179	82 270
Current interest bearing mortgage debt	35 730	49 595	49 360
Accrued interest mortgage debt	1 673	157	229
Current lease liabilities	32 303	46 432	81 790
Total interest bearing debt	**599 092**	**506 582**	**509 847**
Cash and cash equivalents	343 790	332 095	458 333
Net interest bearing debt	**255 302**	**174 487**	**51 514**

Höegh Autoliners refinanced its USD 810 million Facility maturing 30 January 2028, on 21 March 2024. 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. The refinanced facility consists of USD 240 million in term loan Facility A, USD 280 million in term loan facility B, and a Revolving Credit Facility (RCF) of USD 200 million. As of 30 September 2024, USD 70 million has been drawn from Facility B, USD 240 million has been drawn from Facility A, and USD 200 million has been drawn from the RCF. Höegh Autoliners complies with all loan covenants at 30 September 2024.

Non-current other interest bearing debt of USD 31 million relate to sale and leaseback arrangements for two Aurora vessels. This debt is not included in the repayment schedule.

Repayment schedule for interest bearing debt (USD 1 000)	Mortgage debt	Leasing commitments	30.09.2024
Due in 2024	11 838	9 930	21 768
Due in 2025	40 659	26 688	67 348
Due in 2026	40 659	7 480	48 139
Due in 2027	40 659	4 164	44 824
Due in 2028 and later	357 268	37 414	394 682
Total repayable interest bearing debt	**491 084**	**85 676**	**576 761**
Capitalized fees	(8 202)	-	(8 202)
Book value interest bearing debt	**482 883**	**85 676**	**568 559**

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			30.09.2024
			Fair value changes**	Other changes*	New liability	
Non-current interest bearing mortgage debt	296 198	-	8 342	(8 508)	149 448	445 479
Current interest bearing mortgage debt	49 589	(31 664)	2 687	6 239	10 552	37 403
Non-current other interest bearing debt	-	-	-	653	29 880	30 533
Non-current lease liabilities	82 270	-	-	(31 927)	3 030	53 373
Current lease liabilities	81 790	(119 058)	-	69 029	542	32 303
	509 847	**(150 722)**	**11 029**	**35 486**	**193 452**	**599 092**

** 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 liabilities 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	487 608
Total mortgage debt 30.09.2024		**487 608**

Security

The USD 720 million senior secured term loan and revolving credit facility is secured by mortgages in nine of the Group's vessels, with a book value of USD 490 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 September 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 September 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 September 2024 are 1 638 158, resulting in a diluting effect of USD 0.01 per share for the three months ended 30 September 2024.

Basic earnings per share for the third quarter was USD 1.01 compared with USD 0.75 in the same quarter last year. Diluted earnings per share for the third quarter was USD 1.00 compared to USD 0.74 in the same quarter last year.

The Company's share capital is as follows:

	Share capital 30 September 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 4.8 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 September 2024, there has been no material development in this matter. No provision has been made in the financial statements as of 30 September 2024.

Note 9 Events after the balance sheet date

Fleet update

On 16 October 2024, the second Aurora Class vessel, Höegh Borealis, was delivered from the yard and has commenced operations.

Dividend

On 23 October 2024, the Board of Directors resolved to propose that the extraordinary general meeting to be called passes a shareholder resolution to distribute dividend of USD 245 million. See separate notice regarding the extraordinary general meeting.

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)	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Total revenues	349	355	1 018	1 064
Operating expenses	(172)	(169)	(505)	(528)
EBITDA	177	185	513	537
Anti-trust expenses	1	-	2	1
Adjusted EBITDA	178	185	515	537

Net interest bearing debt (USD million)	30.09.2024	30.09.2023	31.12.2023
Non-current interest bearing debt	476	308	296
Non-current lease liability	53	102	82
Current interest bearing debt	37	50	50
Current lease liability	32	46	82
Less Cash and cash equivalents	344	332	458
Net interest bearing debt	255	174	52