



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 977 270 510
Organisasjonsform: Aksjeselskap
Foretaksnavn: HÖEGH AUTOLINERS SHIPPING AS
Forretningsadresse: Drammensveien 134
0277 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Cathrine Manum
Dato for fastsettelse av årsregnskapet: 30.05.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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Brønnøysundregistrene, 15.09.2023



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		1 232 153 000	920 631 000
reversal of impairment	6		70 302 000
gain on sale of assets		19 474 000	
Sum inntekter		1 251 627 000	990 933 000
Kostnader			
Avskrivning på varige driftsmidler og immaterielle eiendeler	6	86 677 000	72 445 000
Bunker expenses	2	314 361 000	212 076 000
Voyage exp and other op expenses	3	371 362 000	394 045 000
Charter hire expenses	4	82 476 000	86 818 000
Operating and admin expenses	5	117 193 000	110 284 000
Sum kostnader		972 069 000	875 668 000
Driftsresultat		279 558 000	115 265 000
Finansinntekter og finanskostnader			
Annen renteinntekt	7	115 000	39 000
Sum finansinntekter		115 000	39 000
Rentekostnad til foretak i samme konsern	7	31 639 000	24 559 000
Annen rentekostnad	7	6 947 000	8 511 000
Annen finanskostnad	7	10 894 000	4 735 000
Sum finanskostnader		49 480 000	37 805 000
Netto finans		-49 365 000	-37 766 000
Ordinært resultat før skattekostnad		230 193 000	77 499 000
Skattekostnad på ordinært resultat			-25 000
Ordinært resultat etter skattekostnad		230 193 000	77 524 000
Årsresultat		230 193 000	77 524 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		230 193 000	77 524 000



Resultatregnskap

Beløp i: USD	Note	2022	2021
Sum overføringer og disponeringer		230 193 000	77 524 000



Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Equipment	6	3 492 000	4 600 000
Vessels	6	964 587 000	10 017 661 000
Newbuildings and projects	6	11 881 000	8 856 000
Sum varige driftsmidler		979 960 000	10 031 117 000
Finansielle anleggsmidler			
Andre fordringer	9	1 671 000	3 146 000
Sum finansielle anleggsmidler		1 671 000	3 146 000
Sum anleggsmidler		981 631 000	10 034 263 000
Omløpsmidler			
Varer			
Bunker		47 717 000	41 146 000
Sum varer		47 717 000	41 146 000
Fordringer			
Trade and other receivables	10	85 024 000	70 654 000
Prepayments		937 000	1 104 000
Konsernfordringer	11	151 798 000	2 560 000
Sum fordringer		237 759 000	74 318 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		53 202 000	51 013 000
Sum bankinnskudd, kontanter og lignende		53 202 000	51 013 000
Sum omløpsmidler		338 678 000	166 477 000
SUM EIENDELER		1 320 309 000	10 200 740 000



Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	12	20 245 000	20 245 000
Overkurs	12	496 922 000	496 922 000
Sum innskutt egenkapital		517 167 000	517 167 000
Opptjent egenkapital			
Annen egenkapital	12	-147 543 000	-377 734 000
Sum opptjent egenkapital		-147 543 000	-377 734 000
Sum egenkapital		369 624 000	139 433 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	13	45 185 000	75 401 000
Langsiktig konserngjeld	14	626 669 000	644 701 000
Sum annen langsiktig gjeld		671 854 000	720 102 000
Sum langsiktig gjeld		671 854 000	720 102 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	18	1 872 000	5 327 000
Leverandørgjeld	15	31 201 000	34 743 000
Betalbar skatt	8	422 000	487 000
Kortsiktig konserngjeld	11	210 769 000	251 615 000
Current accruals and provisions	17	34 568 000	43 114 000
Other current liabilities	16		5 918 000
Sum kortsiktig gjeld		278 832 000	341 204 000
Sum gjeld		950 686 000	1 061 306 000
SUM EGENKAPITAL OG GJELD		1 320 310 000	1 200 739 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 519521

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Brønnøysundregistrene, 28.06.2023



Organisasjonsnr: 977 270 510
HØEGH AUTOLINERS SHIPPING AS

RESULTATREGNSKAP

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HØEGH AUTOLINERS SHIPPING AS

BALANSE

Beløp i: USD Note 2022 2021

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

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HÖEGH AUTOLINERS SHIPPING AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Virksomheten inngår i konsolideringen til morselskapets konsernregnsk.: Ja

Morselskapet sitt navn
Höegh Autoliners ASA

Forretningskontor for morselskapet
Drammensveien 134, 0277 Oslo

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Pantstillelse</u>	<u>Beløp</u>	

Note

Fordringer

Fordringer som forfaller senere enn ett år etter regnskapsårets slutt

Mer om fordringer

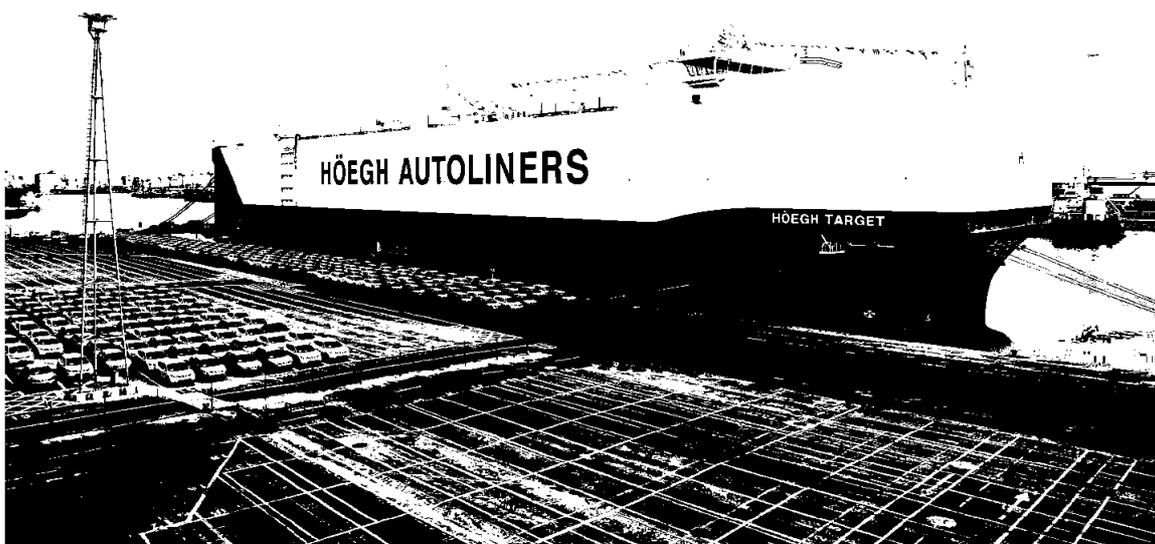
<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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HÖEGH AUTOLINERS



Höegh Autoliner Shipping AS Financial Statement 2022



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Board of Directors' Report

2022 has been a year of extraordinary progress for the Company: Continued operational excellence, sharply improving market conditions, signing of eight firm Aurora vessels with another eight options to go, and a substantial improvement in the financial structure and reduction of leverage. Together these developments have provided resources to develop the Company further and resilience to tackle any future challenges.

We see that the market recovery in key Höegh Autoliners cargo segments will continue in 2023 despite anticipated "soft landing" of the global economy, thanks to estimated strong pent-up demand and large order backlogs held by OEMs as well as the need of replenishing ultra-low inventories. This, coupled with expected, continued supply chain bottlenecks and low number of newbuildings entering the global fleet in 2023, could imply a tight supply situation in 2023.

In January 2022, a contract was signed with China Merchants Heavy Industry (CHMI) to secure the delivery of the first four multi-fuel and zero carbon ready Aurora class vessels. This was a decisive move in the strategy to accelerate the path to zero and in becoming a spearhead and "thought leader" in the industry in terms of sustainable shipping. In April 2022, it was announced that the Company expanded its order with CMHI to build an additional four new Auroras on the same terms and specifications as the first four vessels, bringing the newbuilding programme to eight vessels.

On 2 May 2022, Höegh Autoliners transferred from Euronext Growth to the main list on the Oslo Stock Exchange, expanding the exposure and possibilities to enhance the liquidity of the share.

The Company concluded the refinancing of the fleet mortgage debt in June 2022 with significantly improved terms. Reduced amortisation profile, lessened interest cost, extended maturity and fewer vessels pledged allows for further financial flexibility for the Company. The newbuilding programme for eight Aurora vessels is fully financed with a combination of mortgage debt and lease agreements. In December 2022, a loan of USD 130 million was signed for the purpose of financing the purchase of the three vessels Höegh St. Petersburg, Höegh Tracer and Höegh Trapper.

During 2022, the Company has purchased Höegh Beijing and Höegh St. Petersburg and has exercised purchase options for two vessels, Höegh Tracer and Höegh Trapper. These transactions will reduce cash capacity costs for the vessels, allowing the Company to release the additional value gains from the lease options and to have better capacity cost control in an overheated charter market. Höegh Tracer and Höegh Trapper are both Horizon class vessels and among the largest and most environmentally friendly PCTC in the market and are an important part of the Company's ambitious path to zero emissions future by 2040. The ownership of Höegh St. Petersburg was transferred to Höegh Autoliners in December 2022, Höegh Tracer was delivered on 1 March 2023 and Höegh Trapper will be delivered in June 2023. The Company also extended three vessel leases for two and three years. The Company's deep sea network is now fully covered by owned vessels or long term charters with attractive purchase options, supplemented by a limited use of space charters.

OPERATIONS AND LOCATIONS

Höegh Autoliners Shipping AS is a 100% owned subsidiary of Höegh Autoliners Management AS. The Company's head office is in Oslo.

The Company 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.

GENERAL MARKET OVERVIEW

2022 marked a third exceptional year in our industry – a continuation of unprecedented effects of the 2020 pandemics. COVID-19 lockdowns continued in China for the entire year while post-pandemic supply chain constraints (mainly semiconductors' shortages), were felt in all parts of the world limiting the auto industry's ability to meet existing high consumer demand. This was further compounded by the Russian invasion of Ukraine. All these effects have significantly reduced global production and altered global supply chains including outbound vehicle logistics. Like in 2020 and 2021, the global market situation in 2022 continued to reflect a "perfect storm" of all these unprecedented circumstances.

Supply-constrained global sales in 2022 posted an estimated 78.7 million units, down 2% YoY. Benchmarked against the pre-COVID-2019 performance - the market was still down 12%. Depressed vehicle production levels affected vehicle lead times, pressuring depleted inventory levels and delaying fulfilment of prevailing large order levels.

Sales in the two main Höegh Autoliners destination markets (USA and Europe) were affected negatively in 2022. Western and Central European sales posted 13 million units, down 6.2% YoY. US auto sales remained ultra-low on struggling production, hit hard by chips and worker shortages, with dealer inventories running significantly low. 2022 market posted 13.8 million units' sales (-8% YoY). Middle East, Oceania and South African markets performed strongly in 2022, returning to or even exceeding pre-COVID-19 levels.

Total light vehicle shipments in Höegh Autoliners' relevant trade lanes contracted by an estimated 8.6% - a result of the weak, supply-constrained sales across all HA markets. Despite total shipments contraction, shipments from Asia to all destinations were particularly strong - up 17%. Shipments from Asia to USA were up an estimated 7% y-y. Shipments from Asia to Western and Central Europe grew by an impressive 22% in 2022 y-y, driven by China-based OEMs' strong ambitions to penetrate the booming market for electric vehicles.

Global shipments of core H&H equipment reflected strong demand recovery (up 12% y-y). As for light vehicles, equipment shipments from Asia were particularly solid. Shipments from China, Japan and South Korea, combined, were up 14% y-y driven by booming shipments to both USA (up 27% y-y) and to Europe (up 13% y-y). The main drivers were earlier announced, unprecedented investments in "green" infrastructure and production re-shoring in the U.S. as well as the massive Green Deal funds released by the European Union.

The global PCTC fleet trading in the deep-sea trades totalled 676 vessels (3.9m CEU capacity) by mid-January 2023. No vessels over 2.000 CEU were recycled during 2022. The global order book counted 113 vessels, of which 11 vessels are scheduled for delivery in 2023, 48 vessels in 2024, 39 vessels in 2025, 14 vessels in 2026 and one vessel in 2027. The capacity on order is equal to 22% of the total fleet.

* Sources: FNLV sales and shipment forecast data is based on the latest available S&P IHS sales and production forecasts (Jan/Feb 2023). H&H shipment data is based on customs statistics extracted from S&P Global Trade Atlas. PCTC fleet data are based on Clarksons Platou data 17 January 2023 (vessels over 2000 CEU capacity).

RESULT 2022

The Company reported an increase in operating profit (EBITDA) from USD 115.3 million in 2021 to USD 279.6 million in 2022. The net profit after tax amounted to USD 230.2 million (USD 77.5 million in 2021), mainly due to higher revenues and gain on sale of assets. The increase in revenues is a result of better net rates and higher utilisation. Bunker expenses were up by USD 102 million (48%) from 2021 to 2022 mainly due higher bunker prices. Voyage- and other operating expenses were down by 6%, mainly due to less vessels in operation and fewer port calls.

The vessels Höegh Maputo and Höegh Singapore were sold in Q1 2022 on behalf of the owner. A profit-sharing agreement with the owners gave the Company a financial gain of USD 19.8 million.

The Board of Directors proposes the 2022 profit of USD 230.2 million to be transferred to other equity.

FINANCIAL POSITION

The book equity is total USD 369.6 million at the end of 2022 (USD 139.4 million in 2021). The book equity represented 28% of total equity and liabilities (2021:12%).

The net cash flow from operations amounted to USD 109.5 million (USD 112.5 million in 2021), where the increase in operating profit was offset by working capital changes, mainly related to balances with group companies. Net cash flow from investing activities was negative with USD 16 million (negative USD 18.9 million in 2021), mainly related to purchase of the vessel Höegh Beijing and capitalised drydock expenses, somewhat offset by the gain from the profit-sharing agreement of USD 19.8 million. Net cash flow from financing activities was negative with USD 91.3 million (negative USD 82.7 million for 2021), mainly due to repayment of debt. Net



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cash flow from operating, investing and financing activities was USD 2.2 million for 2022 (USD 10.9 million for 2021).

In accordance with the Norwegian Accounting Act § 3-3a, it is confirmed that the Company qualifies for going concern. The Board of Directors is of the opinion that the accounts give an accurate picture of the Company's financial operations.

FINANCIAL RISK

Overall view on objectives and strategy

The Company is exposed to financial risk in different areas and is reducing this risk through the use of financial instruments.

The interest rate risk can be reduced through interest rate swaps. The Company currently evaluates the exposure to interest rate risk as limited, and at year-end the Company does not have any interest rate swaps.

The Company is only to a limited extent exposed to currency fluctuations as the majority of its income and expenses are in USD. The largest non-USD costs are in NOK and relate to general administrative expenses. Fluctuations in EUR constitute a smaller risk and is partly balanced, as parts of the Company's costs and revenues are both Euro-denominated.

Credit risk

The risk of losses on receivables is considered to be low. The Company has not experienced significant losses on receivables.

Liquidity risk

The Company has a cash balance of USD 53.2 million, increased from USD 51 million end 2021.

Climate risk

Over 80% of world trade currently is transported by sea, the maritime industry is a significant contributor to greenhouse gases. In the coming decades the shipping industry will need to undergo a radical transformation if it is to meet challenging targets to cut greenhouse emissions and to comply with future emission and environmental regulations. Non-compliance with these regulations may lead to fines or even non-approval of documentation of compliance. In case carbon taxes are implemented, operational cost for Höegh Autoliners will increase. In order to meet IMO's 2030 proposed target carbon intensity, improved fuel efficiency will be important. Fuel efficiency doesn't only mean complying with emission regulations but is also important for reducing operational costs as a result of high fuel prices and proposed taxes. Höegh Autoliners can either choose to run on low carbon fuels, reduce operational speed, implement fuel saving measures or renew the fleet. Even if Höegh Autoliners' current fleet is among the most fuel efficient in the industry, further investments in fuel efficiency measures will be necessary if we would like to further improve fuel efficiency.

ORGANISATION AND SUSTAINABLE DEVELOPMENT

The Company has no employees.

The Company aims to contribute to sustainable development by acting as a socially responsible shipping company. To do this, the Company actively integrates social and environmental concerns in the running business operations. The Company works to find a sound balance between the need for operational efficiency and the interests of non-financial stakeholders.

Compliance

Höegh Autoliners is deeply committed to compliance and to create an ethical mindset guiding the Company's decisions. That commitment is reflected in continuous improvement of the compliance program and learning in areas including anti-corruption, competition and anti-trust, applicable sanctions and export control and data privacy, including GDPR. In 2011, the Group was one of the founding members of MACN (Maritime Anti-Corruption Network). Since then, the Group has been an active member and has headed a collective action in the Suez Canal, combatting illegal facilitation payment demands by pilots and others during transit, which has had a demonstrated positive effect. The Group has also been involved in the Norwegian working group on commissions. Höegh Autoliners has an internal learning program called "Zero". This program is developed to help employees take a stand against corruption in general and facilitation payments in particular. Most of the Group's employees have completed various e-learning programs on compliance, and the Company has in 2022 launched a brand-new gamified compliance training for all employees. Compliance Ambassadors are appointed in all offices.

Sanctions and export control compliance is a constant focus area due to the ever-changing regulatory landscape, but in 2022 the Company has specifically focused on communication and training of sanctions compliance to its employees and agents. There is also an emphasis on data privacy and particularly transfers to countries outside the EU.

Environment

The maritime industry is continuing its work to reduce its environmental footprint. Höegh Autoliners has an ambitious target to become carbon neutral by 2040. This will be achieved through green fleet renewal, improved fuel efficiency and use of low carbon fuels.

The average preliminary 2022 AER for the vessels in HTM and MLL was 5.13 g CO₂/GT*Nm and between 2008 and 2022, the Company has around 38% reduction in fleet carbon intensity, close to IMO's target of 40% by 2030. Our Horizon class vessels are 40% more emission efficient compared to a standard PCTC vessel. Our Aurora class vessels will enable fuel flexibility with ammonia ready multi-fuel engines and will be the most environmentally friendly PCTC vessels.

Höegh Autoliners purchased about 337 000 tons of very low sulphur fuel oil, 45 000 tons of distillates and 3 900 tons of biofuels in 2022.

Höegh Autoliners has high sustainability ambitions and is on a clear path to zero. After successfully completing its first carbon neutral voyage from Europe to South Africa in 2021, Höegh Autoliners' vessels are now regularly powered by advanced biofuels, meeting the highest industry standards for sustainability. Höegh Autoliners is offering its customers carbon-neutral operations to reduce the overall environmental impact. Half of the Group's vessels have received Carbon Intensity Indicator (CII) rating of A-B in 2022. The Group continues the work on optimizing the fleet to improve the CII score in the future.

The Group executes disposal of old vessels in a manner that is safe to both humans and the environment. All obsolete vessels, sailing and declared total loss, are recycled based on the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships. Vessels are dismantled under strict requirements in approved shipyard facilities. Since committing its first vessel to green recycling in 2009, the Group has only disposed of ships through green recycling.

Höegh Autoliners proudly joined the First Movers Coalition (FMC) in October 2022. FMC was initiated by World Economic Forum and the US Special Presidential Envoy for Climate John Kerry to accelerate demand for zero-carbon technology. By joining, Höegh Autoliners is committing to running at least 5% of its deep-sea shipping on zero-emission fuels by 2030. Our commitments through the coalition are another important part of our sustainability strategy to become carbon-neutral by 2040. It underlines our strong ambitions to be a maritime frontrunner sailing for sustainability and changing the industry to become greener. Höegh Autoliners has also set a Science Based emission reduction target and report to Carbon Disclosure Project.

Climate related risks

Short term (0-3 years):

Reduced air quality, flooding of ports and canals, hurricanes, wave heights etc. can harm both personnel, cargo and assets. This may lead to operational downtime and increased operational costs.

Medium term: (3-10 years):

Extreme weather conditions may affect suppliers or local infrastructure (access to port/locks). This can potentially lead to disruptions and project delays, which, again, can have financial and reputational impact.

Long term (>10 years):

Climate changes can lead to extreme conditions, causing conflicts, instability, disruptions and migrations. This can affect Höegh Autoliners' operational profile and lead to increased operational expenditure.

Climate related opportunities

Electric car sales are accelerating, with China and Europe setting new records. Despite the Covid-19 pandemic and supply chain challenges, including semiconductor chip shortages, global sales of electric cars have kept rising strongly in 2022 (Global EV Outlook 2022). The change from fossil fuels to electric cars will likely generate opportunities and increased volumes for Höegh Autoliners and the Aurora class is designed to carry the heavier electrical vehicles on all cargo decks. Most of the large customers say that sustainability is one of the selection criteria in tender processes.



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The transition to a carbon neutral maritime industry will affect all shipping companies. Being smaller and agile may become an advantage in this transition. With eight Aurora class vessels, the Høegh fleet will already be in a very good position to meet IMO's proposed target carbon intensity 2030.

For further details on sustainability, see the chapter on Sustainability in the Consolidated Annual report.

Stakeholder engagement

Høegh Autoliners works closely with a set of public institutions and private organisations in the industry and through local organisations and groups. The cooperation with stakeholders is vital to meet the aspirations of sustainable business conduct and a positive relationship is a prerequisite for success.

The global car carrier anti-trust investigation in the PCTC industry, which was initiated in 2012, has been finalised in most of the relevant jurisdictions, notably Japan, China, EU and the U.S. The Group pleaded guilty to one offence in the U.S., which entailed a fine, see note 16 for further details. The administrative council for economic defence (CADE) in Brazil initiated cartel investigations against the Group in 2016 regarding breach of anti-trust regulations. In March 2022, CADE issued a fine of approximately BRL 26 million (USD 4.9 million) to Høegh Autoliners for alleged breaches of anti-trust relations dating back to 2000-2012. Høegh Autoliners disagrees with the CADE's decision and will appeal. No provision has been made in the financial statements. See note 24 in the consolidated accounts for more information. In addition, the Republic of South Africa (the RSA) initiated cartel investigations against the Group in 2013 with seven alleged incidents regarding

breach of anti-trust regulations. In January 2023, Høegh Autoliners reached an in-principle settlement agreement with plaintiffs in the anti-trust class actions pending in Canada. The settlement amount was CAD 2.5 million (approx. USD 2 million). See note 28 in the consolidated accounts for more information.

As before, the Group continues to cooperate fully with all relevant agencies. It is expected that the few remaining investigations and related matters may continue for another few years.

LOOKING FORWARD

Høegh Autoliners expects the general market for transportation of cars and HH/BB to be strong in 2023. Very few newbuilds will be delivered and the general expectation is that deep-sea transport volumes will increase compared to 2022.

Høegh Autoliners is well positioned in the segment with a stable fleet and well-balanced trade systems. The contract portfolio is gradually renewed at higher rates and the Company also has available capacity to benefit from the increased spot market rates. The Company is in a solid financial position following the IPO, the refinancing of the mortgage debt and the strong cash generation through 2022.

The general global macro situation is closely monitored, and especially a potential recession scenario with continued high interest rates that could negatively impact the demand for the Company's services.

The Board of Directors
Oslo, 30 May 2023

Andreas Enger
Chair/CEO

Espen Stubberud
Board Member

Sebjørn Dahl
Board Member

Per Øivind Rosmo
Board member



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Statement of income

<i>(USD 1 000)</i>	<i>Notes</i>	<i>2022</i>	<i>2021*</i>
Total revenues		1 232 153	920 631
Bunker expenses	2	(314 361)	(212 076)
Voyage expenses and other operating expenses	3	(371 362)	(394 045)
Charter hire expenses	4	(82 476)	(86 818)
Operating and administrative expenses	5	(117 193)	(110 284)
Operating profit before depreciation		346 760	117 408
Gain on sale of assets		19 474	-
Depreciation	6	(86 677)	(72 445)
Reversal of impairment	6	-	70 302
Operating profit		279 557	115 265
Interest income	7	115	39
Interest expenses	7	(6 947)	(8 511)
Interest expenses group companies	7	(31 639)	(24 559)
Income/(expenses) from other financial items	7	(10 894)	(4 735)
Profit before tax		230 191	77 499
Income tax (expense) / income	8	-	25
Net profit		230 191	77 524

* Restated, see note 6.



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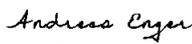
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Statement of financial position

(USD 1 000)	Notes	31.12.2022	31.12.2021 *
Assets			
<i>Non-current assets</i>			
Vessels	6	964 587	1 017 661
Newbuildings and projects	6	11 881	8 856
Equipment	6	3 492	4 600
Other non-current assets	9	1 671	3 146
Total non-current assets		981 631	1 034 263
<i>Current assets</i>			
Bunker		47 717	41 146
Trade and other receivables	10	85 024	70 654
Prepayments		937	1 104
Current receivables group companies	11	151 798	2 560
Cash		53 202	51 013
Total current assets		338 678	166 477
Total assets		1 320 308	1 200 739
Equity and liabilities			
<i>Equity</i>			
Share capital	12	20 245	20 245
Share premium reserve	12	496 922	496 922
Retained earnings	12	(147 543)	(377 734)
Total equity		369 624	139 433
<i>Non-current liabilities</i>			
Other non-current financial liabilities	13	45 185	75 401
Non-current debt group companies	14	626 669	644 701
Total non-current liabilities		671 853	720 103
<i>Current liabilities</i>			
Trade and other payables	15	31 201	34 743
Tax payable	8	422	487
Other current liabilities	16	-	5 918
Current accruals and provisions	17	34 568	43 114
Other current financial liabilities	18	1 872	5 327
Current liabilities group companies	11	210 769	251 615
Total current liabilities		278 831	341 204
Total equity and liabilities		1 320 308	1 200 739

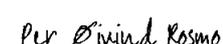
* Restated, see note 6.

The Board of Directors/CEO
Oslo, 30 May 2023


Andreas Enger
CEO/Chair


Espen Stubberud
Board Member


Sebjørn Dahl
Board Member


Per Øivind Rosmo
Board member



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Statement of cash flows

<i>(USD 1 000)</i>	<i>Notes</i>	<i>2022</i>	<i>2021*</i>
Cash flows from operating activities			
Profit before tax		230 191	77 499
Depreciation and amortisation	6	86 677	72 445
Reversal of impairment	6	-	(70 302)
Gain on sale of assets		(19 474)	-
Cash flows provided by operating activities before changes in working capital		297 394	79 643
Changes in working capital			
Trade and other receivables		(14 370)	(8 370)
Bunker		(6 571)	(16 424)
Prepayments		166	3 694
Net change in receivables/payables from/to Group companies		(149 084)	51 876
Trade and other payables		(3 542)	(6 064)
Accruals and provisions		(8 546)	9 561
Income tax payable		-	(25)
Other current liabilities		(5 918)	(346)
Other changes to working capital		5	(1 027)
Net cash flows provided by operating activities		109 535	112 519
Cash flows from investing activities			
Proceeds from sale of tangible assets	6	19 788	-
Investment in vessels, other tangible and intangible assets	6	(35 834)	(18 850)
Net cash flows used in investing activities		(16 046)	(18 850)
Cash flows from financing activities			
Repayment of debt		(71 630)	(84 497)
Net change in other long term borrowings		12 597	9 731
Lease liabilities		(33 672)	(2 017)
Other financial items		1 405	(5 957)
Net cash flows used in financing activities		(91 300)	(82 740)
Net cash flows during the year		2 189	10 929
Cash beginning of period		51 013	40 084
Cash and cash equivalents at 31.12		53 202	51 013
Non-restricted cash		53 202	51 013
Restricted cash		-	-
Cash and cash equivalents at 31.12		53 202	51 013

* Restated, see note 6.



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Notes

1 Summary of significant accounting policies

The accounts are prepared according to the Accounting Act and Generally Accepted Accounting Principles in Norway. The most important accounting principles adopted by the company are described below.

VESSELS/ NEWBUILDINGS/ EQUIPMENT/ DOCKING

Fixed assets are recorded at cost less accumulated depreciation and impairments. For newbuilding contracts the cost price includes all the costs incurred in the development and construction process, including interest expenses, construction supervision costs and technical costs. For ships that have been purchased in the second hand market the cost price includes expenses directly related to the acquisition.

When assets are sold or disposed of, the gross carrying amount and accumulated depreciation are reversed, and any gain or loss on the sale or disposal is included in the statement of income.

Vessels

The depreciation is calculated on a straight line basis and corrected for impairment if applicable. The RoRo vessels have an expected useful life of 30 years. Vessels are depreciated to estimated scrap value which will be evaluated at each balance sheet date. Expected economic life of the vessels are reviewed and evaluated at each balance sheet date. If new evaluations materially differ from earlier estimates, the depreciation is changed accordingly.

Ordinary repairs and maintenance costs are expensed as incurred. Docking cost/classification costs are capitalised and amortised over the period until the next anticipated docking/inspection. Costs that do not meet the capitalisation criteria are expensed as repairs and maintenance costs.

Newbuildings

Instalments on newbuilding contracts are capitalised as "Newbuildings" when they are paid. Upon delivery newbuildings are reclassified as vessels and becomes subject to depreciation. The acquisition cost includes direct investments, cost incurred during the construction period and financing cost. Borrowing costs are capitalised during the construction period. The newbuilding contracts are financed individually, hence the amount of interest capitalised during the construction period is based on the effective interest of the loans directly associated with the newbuilding contracts.

Equipment

Depreciation is calculated on a straight line basis with the following estimated lifetime:

- Vessel equipment 10 years

Impairment of non-financial assets

The carrying amount of tangible assets is tested for impairment whenever there are indications that the value of these assets may be impaired. If the carrying amount of an asset is higher than the recoverable amount, an impairment loss will be recognised in the statement of income. The recoverable amount of an asset or a cash generating unit is the higher of its fair value less cost to sell and its value in use.

The recoverable amount is determined separately for all assets, but if this is not practically possible, this will be determined together with the cash-generating unit to which the asset belongs. All vessels participating in the Group's Ro-Ro operations are considered part of a single cash-generating unit as this is the smallest strategically identifiable group of assets. Vessels in lay-up for which there are no concrete plans for when the vessel will be back in operation are not considered "in operation". Impairment losses recognised in prior periods are reversed when indications of impairment no longer exist or have decreased. A loss is only reversed to the extent that the asset's carrying amount does not exceeds the carrying value recognised if no impairment charges had been recognised in prior periods and normal depreciation and amortisation policies had been applied.

LEASES

Leases that transfer to the Company all material risks and benefits associated with ownership is considered as financial leases. All other leases are classified as operating leases. The assessment is based on the substance of the transaction by using the indicators mentioned in IAS 17 and IFRIC 4, and is determined at the conclusion of the contract.

The Company presents financial leases in the accounts as assets and liabilities. When a financial lease is included for the first time the asset is measured at the lower of fair value and present value of the minimum lease. Direct expenses related to the lease are included in the cost price of the asset. The monthly lease payments are divided into an interest element and a repayment element. The commitment is included in the balance sheet as a financial liability. Vessels under financial leases have linear depreciation consistent with vessels directly owned by the Company.

Operating leases are not recognised in the balance sheet. Income and rent associated with operating leases (rent in and out) are recognised on the basis of the agreements.

Leases that are established in connection with the sale of assets (sale-lease back) are recognised based on risk and return in the lease agreement. When such transactions meet the requirements for an operating lease, and are sold at fair value, the profit on the sale is recognised immediately. If the price of the asset is not considered fair value the profit/loss will be deferred and amortised on a straight-line basis over the lease period. Whether a lease should be classified as a financial or operating lease depends on the content of the lease agreement.

FOREIGN CURRENCY TRANSACTIONS

Functional and presentation currency
Høegh Autoliners Shipping AS' presentation and functional currency is US dollars (USD).



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Transactions and balances

All transactions in currencies other than USD are included in the accounts at the exchange rate on the date of the transaction.

Monetary assets and liabilities in currencies other than USD are translated to USD according to the currency rates at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income. Non-monetary items included at historical cost denominated in currencies other than USD are translated at the exchange rate at the time of the original transaction.

ARRANGEMENT FEES

Arrangement fees are recognised in the balance sheet and expensed over the loans tenor.

FINANCIAL INSTRUMENTS

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined applying commonly used valuation techniques.

The Company uses derivative financial instruments such as bunker contracts and interest rate swaps to manage its risks associated with bunker prices and interest rates. Such derivative instruments are recognised at fair value in the balance sheet. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in the fair value are recognised in the income statement in income/(expenses) from other financial items. The fair value of forward exchange contracts is determined using the forward exchange rate at the balance sheet date.

REVENUES AND EXPENSES

Revenues are measured at the fair value of the consideration received or receivable. All voyage revenues and voyage expenses are recognised on a discharge to discharge basis for all spot voyages. Under this method the revenues and expenses are recognised evenly over the period from a voyage starts until it ends. This principle is based on the fact that Ro/Ro operation in its nature has close similarities to a liner operation, which means that each voyage has a predefined last discharge port.

Revenues and expenses related to voyages not finished at year-end are recognised on a pro-rata basis. Income and expenses related to these voyages will to some extent be based on estimates as the actual figures are not available at that time. Vessels on time charter are recognised as a time charter per day less days off-hire.

Voyage expenses include all expenses that are incurred as a direct and incremental consequence of a particular voyage, such as bunker fuel, port fees, cargo loading and unloading expenses, canal tolls and agency fees.

Other operating expenses include expenses such as crew cost, repairs and maintenance, insurance, communication and a share of administrative costs relating to voyages for the period. Other operating expenses are recognised when incurred.

TIME CHARTER- AND BAREBOAT CONTRACTS

Long term time charter and other freight-agreements are valued at year-end and a provision is made for onerous contracts.

MAINTENANCE EXPENSES

In connection with the docking of vessels, the improvements and repairs are capitalised and amortised over the period until the next docking (30 - 60 months). The same applies to the cost of class certification. When purchasing used vessels and at delivery of new buildings, a part of the cost will be deducted and capitalized as docking fee. Upon vessel sales will the expensed capitalized costs be classified as part of gain / (loss). Other maintenance is charged to operations as incurred.

INVENTORIES

Inventories consist mainly of bunker and are recognised at cost. The consumption of bunker is recognised in accordance with the first-in first-out principle (FIFO).

TAX

Høegh Autoliners Shipping AS is subject to the Norwegian tonnage tax scheme. The scheme is approved by the EFTA Surveillance Authority. According to the system net operating revenue derived from the shipping industry will not be taxed and can be distributed without taxation. Instead of paying tax on income derived from the shipping operations, companies within this system have to pay a tonnage fee based on the size of the vessels. The fee is recognised as an operating expense. Financial income is taxed according to the ordinary Norwegian tax scheme; however it is only a portion of interest expenses and net currency gain/ loss that gives the right to tax deductions. Dividends and capital gains are taxed according to the Norwegian exemption model.

CASH FLOW

The cash flow statement is prepared according to the indirect method. Cash includes cash in bank deposits and are classified as current assets. Capitalised borrowing costs are presented as acquisition of non-current assets.

The Company has no restriction on cash assets.

CONTINGENT LIABILITIES AND ASSETS

Provisions are made for contingent liabilities defined as likely and quantifiable. Contingent assets are not recognised in the financial statement

ESTIMATES

The estimates are based on the management's best knowledge of available information at the time the financial statement is approved.



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CLASSIFICATION OF ITEMS IN THE BALANCE SHEET

Current assets and liabilities include items that fall due within one year after the balance sheet date and items such as cash or cash equivalents. The short-term portion of long-term debt is classified as current liabilities. Financial investments made for the purpose of short-term returns are classified as current assets, while long-term investments of strategic nature are classified as non-current assets.

RECEIVABLES

Trade and other receivables are carried at the original invoice amount, less an allowance made for doubtful receivables. Provision is made when there is objective evidence that the Company will be unable to recover balances in full.

DEBT

Loans and receivables are non-derivative financial assets with fixed or agreed payments that are not traded in an active market. Such assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

EVENTS AFTER THE BALANCE SHEET DATE

New information regarding the Company's situation on the balance sheet date is taken into account in the financial statements. Events occurring after the balance sheet date, that do not affect the Company on the balance sheet date but that will affect the Company's situation in the future, are disclosed if significant.



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(Amount in tables in 1 000 USD)

2 Bunker expenses

	2022	2021
Total bunker consumption (1 000 mt)	373	419
Average price (USD/ mt)	842	506
Total	314 361	212 076

3 Voyage expenses and other operating expenses

	2022	2021
Loading	69 664	68 293
Discharging	74 225	71 677
Port cost	69 063	83 509
Canal cost	51 243	51 186
Transshipment	36 134	45 598
Claims and insurance	2 159	1 443
Equipment	11 161	9 277
Commission	43 492	42 761
Other	14 219	20 301
Total	371 362	394 045

Voyage expenses

Voyage expenses are variable costs relating to vessel operation and transshipment. The activity in 2022 with less vessels in operation and fewer port calls have decreased total voyage expenses. There has been a reduction of transshipment expenses due to the regulations of cargo to Russia.

4 Charter hire expenses

	2022	2021
Charter hire expenses on long-term time charter contracts *	61 152	62 218
Charter hire and space charter expenses on short-term time charter contracts	21 325	24 599
Total	82 476	86 818

* Long-term contracts assume more than one year maturity.

Charter hire expenses

The decrease in charter hire expenses is due to less short time vessels hired in and less use of space charters in 2022 compared to 2021.



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(Amount in tables in 1 000 USD)

5 Operating and administrative expenses

	2022	2021
Spare parts	8 242	7 481
Consumables	12 974	12 561
Damage on vessels and equipment	285	331
Insurance	10 946	10 438
Tonnage tax	429	531
Other operating and administrative expenses	39 178	36 963
Sea personnel expenses	42 682	38 580
Other	2 457	3 399
Total	117 193	110 284

Most of the operating expenses are related to technical management and crewing services purchased from Höegh Technical Management Holding Pte Ltd. "Other operating and administrative expenses" encompass management and administrative functions handled by Höegh Autoliners Management AS and regional - local offices. The Company has no employees and has thus no wage expenses or pension liabilities. There are no director's fees paid out during the year.

Auditor's fee	2022	2021
Statutory audit	158	67
Total	158	67

Amounts excluded value added tax.

6 Vessels, newbuildings and equipment

2022	Vessels	Newbuildings & Projects	Equipment	Total
Cost at 01.01	1 861 127	8 856	16 864	1 886 848
Additions	32 494	3 339	-	35 834
Disposals	(5 577)	(314)	-	(5 891)
Cost at 31.12	1 888 045	11 881	16 864	1 916 791
Accumulated depreciation and impairment at 01.01	(843 466)	-	(12 265)	(855 731)
Depreciation	(85 569)	-	(1 108)	(86 677)
Reversal of impairment	-	-	-	-
Disposals	5 577	-	-	5 577
Accumulated depreciation and impairment at 31.12	(923 458)	-	(13 373)	(936 831)
Net carrying amount at 31.12	964 587	11 881	3 491	979 959
Book value assets sold / disposed	-	314	-	314
Sales price	19 788	-	-	19 788
Gain/(loss)	19 788	(314)	-	19 474



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(Amount in tables in 1 000 USD)

2021 *	Vessels	Newbuildings & Projects	Equipment	Total
Cost at 01.01	1 809 553	9 436	16 864	1 835 853
Additions	51 575	(580)	-	50 995
Disposals	-	-	-	-
Cost at 31.12	1 861 127	8 856	16 864	1 886 848
Accumulated depreciation and impairment at 01.01	(842 431)	-	(11 157)	(853 588)
Depreciation	(71 337)	-	(1 108)	(72 445)
Reversal of impairment	70 302	-	-	70 302
Disposals	-	-	-	-
Accumulated depreciation and impairment at 31.12	(843 466)	-	(12 265)	(855 731)
Net carrying amount at 31.12	1 017 661	8 856	4 600	1 031 117
Book value assets sold / disposed	-	-	-	-
Sales price	-	-	-	-
Gain/(loss)	-	-	-	-

* Restated to reflect reclassification of one financial vessel lease, treated as an operational lease in 2021.

Vessels

Additions

Out of the total additions in 2022, USD 6.9 million (USD 16.6 million in 2021) is related to capitalised drydocking costs. The vessel Höegh Beijing was purchased during 2022, along with the vessel Höegh St. Petersburg which was on a financial lease prior to being purchased and is therefore not reflected as an addition in 2022. Further two purchase options have been declared in 2022, for the leased vessel Höegh Tracer and Höegh Trapper which will be purchased in Q1 and Q2 2023.

Disposals

There were no disposals of vessels in 2022 and 2021. Two leased vessels were sold in 2022. A profit sharing agreement between the Company and the owner gave the Company a financial gain of USD 19.8 million.

Depreciation and updated accounting estimates

The residual value and useful lifetime of the fleet is evaluated annually. There is no change in the residual values in 2022. Out of the total annual depreciation of vessels of USD 87 million, USD 6.7 million is related to the financial lease of Höegh Copenhagen and Höegh St. Petersburg.

Impairment

Improved market conditions, in combination with a tight capacity market were main drivers for rising market values for vessels. The market values for the vessels have increased with nearly 60% through 2022, and is over 67% higher than the carrying values at year-end 2022. 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, and the Group has estimated the recoverable amount of the fleet. The expected net present values generated from the fleet's operations are based on the management's best estimate as per the five year long-term forecast and represent the values in use for the fleet. In 2021, the Company reversed USD 70.3 million of previously recognised impairment losses for the vessels in the fleet. The reversal resulted from a positive change in the estimates used to determine the vessels recoverable amounts since the impairment loss was initially recognised.

The increase in the market values of the vessels in 2022, together with the expected positive development in freight rates and volumes the next few years, support the assessment that no impairment indicators exist at year-end 2022.

A Weighted Average Cost of Capital (WACC) is applied as the Group's discount rate, calculated to 9.28% for 2022 (7.66% in 2021).

Leased vessels

The bareboat lease of Höegh Copenhagen was renegotiated in 2017, and is currently classified as a financial lease in the Company's financial statements. The remaining lease period is for 12 years. Höegh has the right to purchase the vessel in options throughout the lease period. Future lease payments in relation to the lease amount to USD 86.6 million. The lease is a fixed lease rate per day, payments due within one year are USD 6.9 million, 1-5 years USD 27.7 million, and more than 5 years USD 52.0 million. For further information see liquidity analysis in Note 19, information on the lease liability in Note 13, and Note 20 for lease commitments.



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(Amount in tables in 1 000 USD)

Newbuildings

The Company has no contracted newbuildings as of year-end 2022.

Equipment

Equipment consists of vessel equipment.

7 Interest and other financial items

Interest income	2022	2021
Interest income from banks	115	-
Interest income discounted financial receivables	-	39
Total	115	39
Interest expenses	2022	2021
Interest on interest rate swaps realised	-	2 032
Interest expense discounted financial receivables	82	18
Interest on financial leases	6 865	6 415
Other interest expenses	1	46
Total	6 947	8 511
Interest expenses group companies	2022	2021
Høegh Autoliners ASA	24 898	19 029
Høegh Autoliners Shipping Pte Ltd.	6 741	4 631
Total	31 639	24 660
Other financial items	2022	2021
Gain on interest rate swaps	-	2 022
Loss on currency exchange	(5 864)	(2 791)
Other	(5 031)	(3 966)
Total	(10 894)	(4 735)



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(Amount in tables in 1 000 USD)

8 Tax

Norwegian tonnage tax scheme

Høegh Autoliners Shipping AS is subject to the Norwegian tonnage tax scheme. According to the system net operating revenue derived from shipping will not be taxed and can be distributed without taxation. The companies within this system have to pay a tonnage fee based on the size of the vessels. The fee is recognised as an operating expense. Financial income is taxed according to the ordinary Norwegian tax scheme, however it is only a portion of the interest and currency expenses that gives the right to tax deductions.

Tonnage tax payable

Tonnage tax is assessed and paid according to net tonnage operated during the year. Current year's tonnage tax is assessed at USD 0.4 million and is classified under operating expenses.

<i>Income tax for the year</i>	2022	2021
Change in deferred tax	-	-
Tax payable	-	25
Tax (expense) / income	-	25

Reconciliation of calculated and actual tax expense

	2022	2021
Profit before tax	230 191	77 915
Estimated tax at 22% statutory tax rate *	(50 642)	(17 141)
Tax effect on result exempted from taxation under the tonnage tax scheme	52 716	20 768
Tax payable	-	25
Deferred tax asset not recognised	(2 074)	(3 627)
Tax (expense) / income	-	25
Effective tax rate for the Company	0%	0%

<i>Tax payable</i>	2022	2021
Tonnage tax	422	487
Tax payable	422	487

<i>Deferred tax assets</i>	2022	2021
Current assets	-	(336)
Non-current debt / receivables	9 217	4 533
Loss carried forward	59 360	66 455
Deferred tax asset not recognised *	(68 577)	(70 651)
Deferred tax assets	-	-

* From 1 January 2023 the corporate tax rate remains at 22%.

Loss carried forward within the tonnage tax scheme is not recognised in the financial accounts due to uncertainty related to the Company's ability to utilise this asset. There is no time restriction for the utilisation of loss carried forward.

9 Other non-current assets

	2022	2021
Prepaid TC	1 671	3 146
Total	1 671	3 146



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⊙ HØEGH AUTOLINERS SHIPPING AS

(Amount in tables in 1 000 USD)

10 Trade and other receivables

<i>Freight receivables and other receivables</i>	2022	2021
Freight receivables	83 282	67 704
Provision for impairment on freight receivables	(54)	(209)
Other trade receivables and agents	1 068	2 658
Public duties	643	443
Other receivables	85	58
Total	85 024	70 654

<i>Total outstanding as of 31.12</i>	2022	2021
Not due	54 776	35 723
1-15 days over due	10 279	10 838
16-30 days over due	1 664	6 535
31-60 days over due	4 376	4 169
61- days over due	12 186	10 439
Total	83 282	67 704

11 Current receivables/(payables) group companies

2022	<i>Current receivables</i>	<i>Current debt</i>	<i>Total</i>
Høegh Autoliners ASA	145 112	(38 990)	106 122
Høegh Autoliners Shipping Pte Ltd	-	(87 065)	(87 065)
Høegh Autoliners Management AS	-	(41 979)	(41 979)
Høegh Autoliners Shipping II AS	493	-	493
Høegh Autoliners Shipping 269-3 AS	700	-	700
Høegh Autoliners Shipping 269-4 AS	700	-	700
Høegh Autoliners Shipping 269-7 AS	700	-	700
Høegh Autoliners Shipping 269-8 AS	700	-	700
Høegh Autoliners Logistics AS	-	(3 049)	(3 049)
Høegh Technical Management Holding Pte Ltd.	-	(5 629)	(5 629)
Høegh Autoliners PTY Ltd.	-	(152)	(152)
Leif Høegh & Co China Ltd.	1 882	-	1 882
Høegh Autoliners K.K.	1 511	-	1 511
Høegh Autoliners AS	-	(29 108)	(29 108)
Høegh Autoliners Germany GmbH	-	(637)	(637)
Høegh Autoliners Spain S.L.	-	(116)	(116)
Høegh Autoliners Pty. Ltd.	-	(557)	(557)
Høegh Autoliners S.A.S.	-	(738)	(738)
Høegh Autoliners North America Inc.	-	(2 238)	(2 238)
Høegh Autoliners Panama, S.A.	-	(98)	(98)
Høegh Autoliners UK Ltd. (Dormant)	-	(412)	(412)
Total	151 798	(210 769)	(58 971)



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⊙ HØEGH AUTOLINERS SHIPPING AS

(Amount in tables in 1 000 USD)

2021	Current receivables	Current debt	Total
Høegh Autoliners ASA	-	(131 058)	(131 058)
Høegh Autoliners Shipping Pte Ltd	-	(61 114)	(61 114)
Høegh Autoliners Management AS	-	(16 742)	(16 742)
Høegh Autoliners Logistics AS	-	(3 049)	(3 049)
Høegh Technical Management Holding Pte Ltd.	-	(5 418)	(5 418)
Høegh Autoliners PTY Ltd.	-	(142)	(142)
Leif Høegh & Co China Ltd.	997	-	997
Høegh Autoliners K.K.	1 563	-	1 563
Høegh Autoliners AS	-	(29 110)	(29 110)
Høegh Autoliners Germany GmbH	-	(594)	(594)
Høegh Autoliners Spain S.L.	-	(94)	(94)
Høegh Autoliners Pty. Ltd.	-	(876)	(876)
Høegh Autoliners S.A.S.	-	(527)	(527)
Høegh Autoliners North America Inc.	-	(2 407)	(2 407)
Høegh Autoliners Panama, S.A.	-	(71)	(71)
Høegh Autoliners UK Ltd. (Dormant)	-	(412)	(412)
Total	2 560	(251 615)	(249 055)

12 Equity

	Share capital	Share premium reserve	Retained earnings	Total
Equity 01.01.2021	20 245	496 922	(455 258)	61 909
Profit of the year	-	-	77 524	77 524
Equity 31.12.2021	20 245	496 922	(377 734)	139 433
Profit of the year	-	-	230 191	230 191
Equity 31.12.2022	20 245	496 922	(147 543)	369 624

Share capital	Number of shares	Currency	2022	2021
Ordinary shares	1	NOK	181 800 000	181 800 000
Total			181 800 000	181 800 000

The shares in Høegh Autoliners Shipping AS are 100% owned by Høegh Autoliners Management AS, which in turn is 100% owned by Høegh Autoliners ASA, a company listed on Oslo Stock Exchange.

Consolidated financial statement for Høegh Autoliners ASA can be obtained by contacting the parent company, at the address Drammensveien 134, 0212 Oslo.

13 Other non-current financial liabilities

	2022	2021
Non-current financial lease liability	45 185	75 401
Total	45 185	75 401



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⊕ HØEGH AUTOLINERS SHIPPING AS

(Amount in tables in 1 000 USD)

14 Non-current debt group companies

	2022	2021
Høegh Autoliners ASA	481 458	506 232
Høegh Autoliners Shipping Pte Ltd.	145 210	138 469
Total	626 669	644 701

Interests and arrangement fee on non-current debt to group companies amount to USD 36 million for 2022 (USD 25 million in 2021). The loans to group companies are interest bearing with annual interest based on the external interest rate for the Group. The loans are unsecured and payable on demand.

15 Trade and other payables

	2022	2021
Suppliers	30 941	31 557
Prepaid TC hire (TC out)	260	3 186
Total	31 201	34 743

16 Other current liabilities

	2022	2021
Settlement U.S. Department of Justice	-	5 918
Total	-	5 918

In relation with U.S. investigations into the car carrier industry and ocean shipping services to and from the U.S., Høegh Autoliners accepted a settlement with the U.S. Department of Justice in 2017. Høegh Autoliners agreed to pay USD 21 million in a plea agreement related to U.S. to Middle East exports. The liability was to be settled over a period of five years, with the first downpayment made in December 2017. The final payment was made in December 2022.

17 Current accruals and provisions

	2022	2021
Accrued voyage expenses	31 156	38 160
Accrued running expenses and other provisions	3 411	4 954
Total	34 568	43 114

Accruals

All voyages are continuously estimated with regards to the expenses incurred at any given time during the voyage. The difference between actually invoiced expenses and the cost estimate is presented as accrued expenses at the balance sheet date.

18 Other current financial liabilities

	2022	2021
Financial lease liability	1 872	5 327
Total	1 872	5 327



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⊕ HØEGH AUTOLINERS SHIPPING AS

(Amount in tables in 1 000 USD)

19 Financial risk

The Company is exposed to the following financial risks from its ordinary operations:

- Market risk
 - Cash flow interest rate risk
 - Fair value interest risk
 - Foreign exchange rate risk
 - Bunker price risk
- Credit risk
- Liquidity risk
- Climate risk

This note contains information about the Company's exposure to the above risks and corporate policies and procedures to monitor and manage them. The Company's risk management guidelines are established to identify, analyse and monitor the various risks and to establish appropriate framework. The guidelines are reviewed regularly to consider changes in the market conditions and the Company's activities. The Board of Directors has overall responsibility for the establishment and control of the Company's framework for financial risk management.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise four types of risk: cash flow interest rate risk, fair value interest rate risk, foreign exchange rate risk and other price risk, such as bunker price risk. The Company buys and sells financial derivatives in order to mitigate risks from movements in interest rates. Changes in the market value of financial derivatives are recognised through the income statement (Fair value accounting).

Cash flow interest rate risk

The Company's interest rate risk arises from long-term borrowings at floating rate and the risk is therefore a cash flow interest rate risk. The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. The interest rate swaps are measured at fair value and changes in fair value are recognised through the statement of comprehensive income. As of year-end 2022 the Company had no interest rate swaps (2021: no interest rate swaps).

For 2022, a change in interest rate of 1 percentage would have had an effect on the Company's profit before tax and equity, through the impact of net floating rate borrowings, of about USD 1.5 million (USD 2.6 million in 2021).

Fair value interest risk

The interest rate risk can be reduced through interest rate swaps. The Company currently evaluates the exposure to interest rate risk as limited, and at year-end 2022, the Company did not have any interest rate swaps (2021: no interest rate swaps).

Foreign exchange rate risk

The Company is exposed to currency fluctuations to a limited extent as a greater part of its income and expenses (including financial and capital expenses) are in USD. The Company has no active currency hedges as of 31.12.2022 (2021: no currency hedges).

Bunker price risk

The Company has Bunker Adjustment Factor (BAF) clauses in most commercial contracts designed to adjust for changes in bunker prices. Due to time lag, the Company will not be fully compensated in periods of rapidly changing prices, but it will give reasonable compensation in most periods. The Company has no bunkers derivatives at year-end 2022 (2021: no bunkers derivatives).



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(Amount in tables in 1 000 USD)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company has derivatives with sound financial institutions.

Normal credit period for freights is from 25 to 30 days. For larger new customers a credit analysis is conducted. The majority of the largest customers have had a long relationship with Höegh. Bad debt has remained at a very low and stable level in recent years. The Company has provided for 100% of receivables that are past due more than 365 days as experience tells that such claims are difficult to recover. For accounts receivable due between 1 and 365 days provisions are made based on individual assessments. The maximum exposure to credit risk is represented by the carrying amounts of the financial assets that are carried in the balance sheets. For further information about receivables see Note 10.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to liquidity management is to ensure, to the extent possible, that the liquidity at any time can meet on-going obligations, both under normal and stressful conditions. The liquidity reserve shall be kept solid with targeted minimum cash holding relative to the size of the operation, cash flow development and capital commitments. The Company will seek to have the majority of its liquidity in bank deposits. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Per 31.12.2022	Note	< 1 year	1 - 5 years	> 5 years	Total
Debt group companies (interest not included)	11, 14	210 769	237 547	389 122	837 438
Financial lease liability (interest not included)	13, 18	1 872	9 923	35 261	47 056
Trade payables	15	30 941	-	-	30 941
Total		243 581	247 470	424 383	915 436

Per 31.12.2021	Note	< 1 year	1 - 5 years	> 5 years	Total
Debt group companies (interest not included)	11, 14	251 615	353 711	290 990	896 317
Financial lease liability (interest not included)	13, 18	5 060	24 337	51 331	80 728
Trade payables	15	31 557	-	-	31 557
Settlement U.S. Department of Justice (cash payments)	16	6 000	-	-	6 000
Total		294 232	378 048	342 321	1 014 602

Fair value of the Group's credit facility approximates the facility's amortised cost, as the issuers borrowing costs are considered to be according to marked rates. No financial assets or liabilities are subject to offsetting, enforceable master netting agreements or similar agreements.

Climate risk

The future emission and environmental regulations require the maritime industry to reduce its environmental footprint. Non-compliance with these regulations may lead to fines or even non-approval of documentation of compliance. There is also uncertainty around future environmental regulations. In case carbon taxes are implemented, operational cost for Höegh Autoliners will increase. In order to meet IMO's 2030 proposed target carbon intensity, improved fuel efficiency will be important. Fuel efficiency doesn't only mean complying with emission regulations, but is also important for reducing operational costs as a result of high fuel prices and proposed taxes. Höegh Autoliners can either choose to run on low carbon fuels, reduce operational speed, implement fuel saving measures or renew the fleet. Even if Höegh Autoliners' current fleet is among the most fuel efficient in the industry, further investments in fuel efficiency measures will be necessary if we would like to further improve fuel efficiency. The current fleet can comply with the proposed regulations by reducing speed or run on bio fuels. With the new Aurora class vessels, the Höegh fleet will be in a very good position to meet the IMO 2030 proposed target. The Aurora class vessels are designed to meet the proposed CII target in current operational speed.

For more information on climate related risks and opportunities, see the chapter on Sustainability in the consolidated annual report published on our website www.hoeghautoliners.com/investors.



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⊕ HØEGH AUTOLINERS SHIPPING AS

(Amount in tables in 1 000 USD)

20 Commitments, contingent liabilities and securities

Charter commitments

The Company has as per year-end 2022 operational bareboat commitments of nominal USD 138 million (USD 228 million at year-end 2021) related to the future fixed charter periods. In addition to the fixed periods the Company has several option periods. The total amount refers to five vessels on bareboat charter (seven in 2021), and three vessels on long-term time charter contracts (three in 2021). The contracts have remaining periods from three months to four years (six months to seven years at the end of 2021). No provisions have been made for onerous time charter (TC) hire contracts based on the fixed TC periods. For further information see Note 6.

Capital commitments

The Company has no capital commitments at the end of 2022.

Contingent liabilities

Regular claims are made against the Company as a result of its ordinary operations. These are usually cargo claims for damages to the cargo on board the vessels. The Company is of the opinion that none of the on-going cases will lead to significant commitments for the Company.

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 4.9 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. No provision has been made in the financial statements as of 31 December 2022.

Security

The USD 810 million senior secured term loan and revolving credit facility drawn by the Group is secured by mortgages in more than half of the Company's vessels, with a total book value of USD 592 million. In addition, the debt is secured by an assignment of earnings and insurances.

21 Transactions with related parties

Main transactions between group companies

Höegh Autoliners Management AS delivers operational, financial and administrative services while Höegh Technical Management Holding Pte Ltd. delivers technical and crewing services. The Company had three vessels under US flag with Maersk Lines Ltd during 2022. All three vessels are owned as individual US Trusts. Each vessel is on bareboat charter to Maersk Lines from the Trusts and Höegh Autoliners Shipping AS has the vessels on time charter from Maersk Lines Ltd.

ParCar AS, owned 36.45% (2021: 36.45%) by Höegh Autoliners ASA, has a 100% (2021: 100%) ownership of ParCar Shipholding AS. Höegh Autoliners ASA has a 100% (2021: 100%) ownership in Höegh Autoliners Shipping AS through Höegh Autoliners Management AS. The company ParCar Shipholding AS delivers bareboat charter of Höegh Copenhagen to Höegh Autoliners Shipping AS.

The main transactions are listed in the table below:

Supplier	Receiver	Type of agreement	2022	2021
Höegh Autoliners Management AS	Höegh Autoliners Shipping AS	Management agreement	26 407	25 508
Höegh Technical Management Holding Pte Ltd.	Höegh Autoliners Shipping AS	Technical Management	89 159	91 865
Maersk Line Limited	Höegh Autoliners Shipping AS	Technical Management	18 881	15 368
Höegh Autoliners Shipping AS	Maersk Line Limited	Shipping services	27 368	28 801
ParCar Shipholding AS	Höegh Autoliners Shipping AS	Bareboat lease	7 075	7 154

All Höegh Autoliners commercial subsidiaries make cargo bookings on behalf of Höegh Autoliners AS. Most of the commercial companies are cost-plus based where the company's income is based on a percentage of the expenses. Based on this transfer pricing principle Höegh Autoliners Shipping AS has from the various commercial subsidiaries expensed USD 17 million (USD 16 million in 2021) as voyage expenses.



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(Amount in tables in 1 000 USD)

22 Events after the balance sheet date

Settlement of class-actions in Canada

On 30 January 2023, Høegh Autoliners reached an in-principle settlement agreement with plaintiffs in the anti-trust class actions pending in Canada. The settlement amount is CAD 2.5 million (approx. USD 2 million). The settlement agreement is subject to court approvals in B.C., Ontario and Quebec.

Fleet update

The Company, through its subsidiary Høegh Autoliners Shipping AS, has agreed with the owner of the leased vessel Høegh Berlin to terminate the bareboat charter and purchase the vessel, for a purchase price of USD 34.25 million. The vessel was taken over on 1 March 2023. On the same date, the Company also took ownership of the vessel Høegh Tracer, following the exercise of a purchase option in August 2022. The purchase price for Høegh Tracer was USD 53.2 million.

Ukraine/Russia conflict

Høegh Autoliners does not have planned port calls in Russia or the Black Sea, but disruptions to the global supply chain may indirectly impact our services. Høegh Autoliners does not have any employees resident in the conflict areas. We are monitoring the situation closely and will provide updates as appropriate.

The Board of Directors is not aware of substantial events after the balance sheet date, not considered in the financial statement.



To the General Meeting of Höegh Autoliners Shipping AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Höegh Autoliners Shipping AS (the Company), which comprise the statement of financial position as at 31 December 2022, the statement of income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 30 May 2023
PricewaterhouseCoopers AS

Bjørn Rydland
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Annual report

Signers:

Name	Method	Date
Rydland, Bjørn	BANKID	2023-05-30 14:35

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Vår dato
14.06.2023

Din/Deres dato
01.06.2023

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HÖEGH AUTOLINERS ASA

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til Höegh Autoliners ASA sin søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk på vegne av følgende selskap i konsernet:

- 985 459 614 Höegh Autoliners ASA
- 921 482 957 Höegh Autoliners Management AS
- 933 099 628 Höegh Autoliners AS
- 915 419 879 Höegh Autoliners Logistics AS
- 977 270 510 Höegh Autoliners Shipping AS
- 927 684 314 Höegh Autoliners Shipping II AS
- 929 193 547 Höegh Autoliners Shipping 269-3 AS
- 929 193 296 Höegh Autoliners Shipping 269-4 AS
- 929 193 156 Höegh Autoliners Shipping 269-7 AS
- 929 193 660 Höegh Autoliners Shipping 269-8 AS
- 929 193 318 Höegh Autoliners Technical Operations AS
- 930 819 603 Höegh Autoliners Shipping III AS

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden siteres:

«Konsernet driver internasjonal shippingvirksomhet hvor US dollar og det engelske språk er dominerende. Innad i konsernet er engelsk forretningsspråket, og det rapporteres også internt på dette språket. Dette er naturlig også ettersom selskapet har mange engelskspråklige avdelinger og



agenter globalt. Pr. 31.05.2023 utgjør andel av internasjonale investorer rundt 40% og av de 60% norske investorene innehar aksjonæren Leif Höegh & CO AS 41.55%.

Det medfører således en ekstra belastning for selskapet å utarbeide regnskap og årsberetning på norsk da dette gjøres kun pga. lovkrav.»

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk.*

Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *”informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte, kunder og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at konsernet driver internasjonal shippingvirksomhet hvor det engelske språk benyttes både internt i selskapene, og mellom forretningspartnere. I tillegg utgjør internasjonale investorer en stor andel av konsernet. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.



Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lene Bjørkevoll
Innsats, storbedrift
Skatteetaten

Nina Gulbrandsen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.