HÖEGH AUTOLINERS

Quarterly Report
Q1 2022

Contents

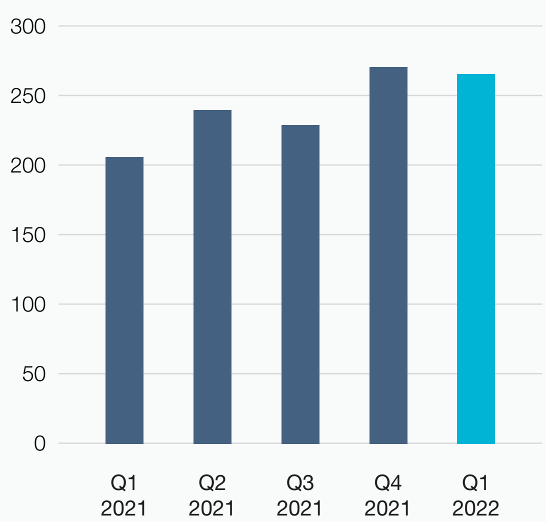
Highlights Q1 2022

- Financially a strong quarter for Höegh Autoliners despite market volatility and supply chain disruptions. Adjusted EBITDA of USD 78 million, up 105% YoY. Net profit of USD 36 million.
- Book equity ratio of 49% supported by increase in vessel values of 19% since year end 2021.
- Contract signed for four fixed and eight optional multi-fuel and zero carbon 9 100 CEU Aurora class vessels with delivery from 2024 and onwards.
- Fleet optimisation through sale of non-core smaller vessels and extension of charter parties for two medium size vessels.

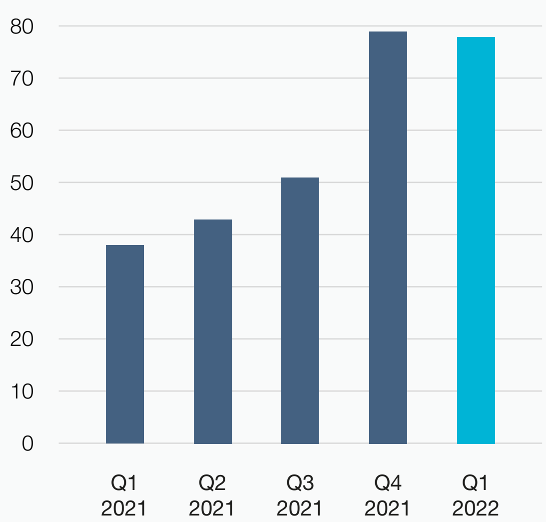
Consolidated results and key figures

(USD million)	Q1 2022	Q4 2021	Q1 2021	FY 2021
Total revenue	266	271	206	947
EBITDA	78	79	37	203
Profit/(loss) for the period	35.6	139.8	(7.2)	124.7
EBITDA adjusted	78	79	38	211
Earnings per share, basic	0.19	0.92	(0.28)	0.92
Cash and cash equivalents	206	228	108	228
Cash flow from operations	80	61	42	172
Net interest bearing debt	523	491	652	491
Equity ratio	49%	48%	37%	48%

Total revenue (USD million)



EBITDA adjusted (USD million)

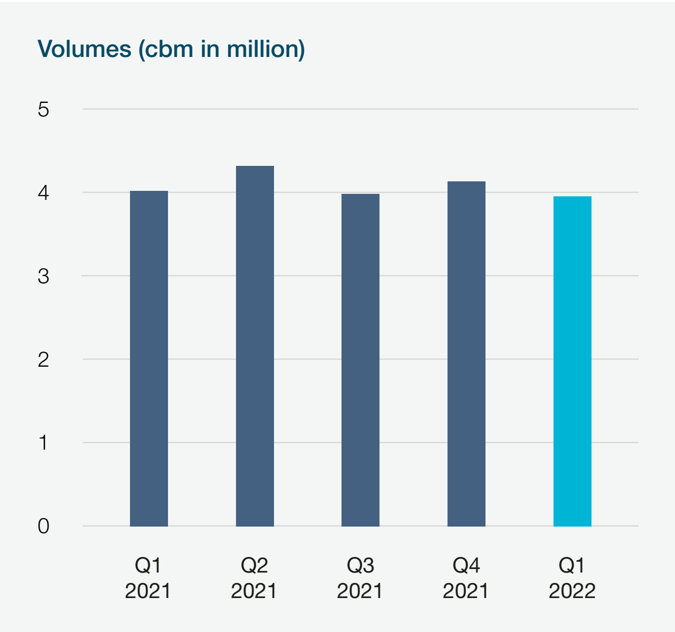


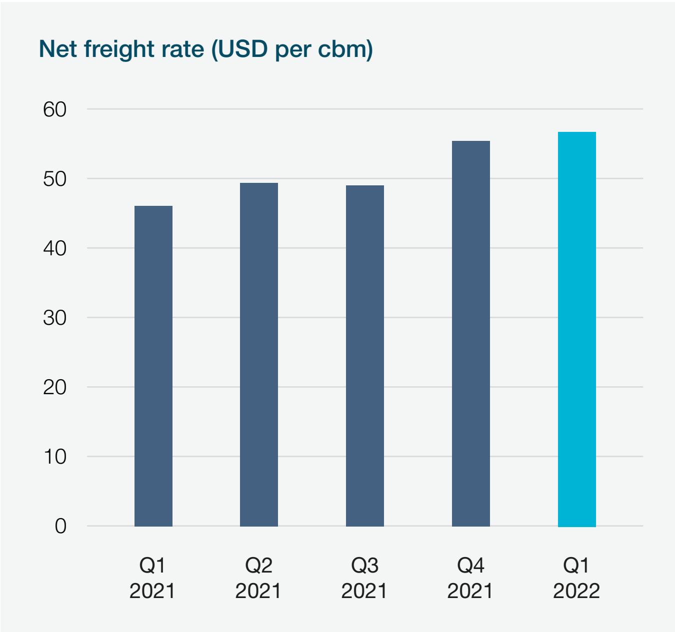
Financial performance

Freight revenues in Q1 2022 were USD 266 million compared to USD 271 million in Q4 2021 and USD 206 million in Q1 2021. EBITDA in Q1 2022 was USD 78 million compared to USD 79 million in Q4 2021 and USD 37 million in Q1 2021. Adjusted EBITDA in Q1 2022 was USD 78 million compared to USD 79 million in Q4 2021 and USD 38 million in Q1 2021.

Volumes in Q1 2022 was 5% lower than in Q4 2021. Somewhat reduced capacity and lower utilisation due to seasonal fluctuations were the main reasons. The underlying market is strong and net rate increased with another USD 1.3 per cbm to USD 56.8 per cbm. Cargo mix was good and HH share increased to 32%. Running expenses were USD 7 271 per day in Q1 2022, a small reduction from Q4 2021.

Net profit in Q1 2022 was USD 36 million, compared to a net profit of USD 140 million in Q4 2021 and a net loss of USD 7 million in Q1 2021. The net profit in Q4 2021 was highly influenced by the reversal of previously recognised impairment charges of USD 96 million, a result of increased recoverable values for the vessels.





Cash flow and financing

Cash flow from operations was USD 80 million for Q1 2022 compared to USD 60 million in Q4 2021 and USD 42 million for the same quarter last year. Capital expenditures for Q1 2022 amounted to USD 63 million, whereof USD 60 million is related to the payment of the first instalments for the Aurora newbuildings contract. Cash and cash equivalents were USD 207 million at the end of Q1 2022 compared to USD 228 million at the end of Q4 2021 and USD 108 million at the end of Q1 2021. The book equity ratio was 49% at the end of Q1 2022, up from 48% at the end of Q4 2021 and up from 37% the end of Q1 2021. Net interest-bearing debt was USD 523 million at the end of Q1 2022 compared to USD 491 million at the end of Q4 2021 and USD 652 million at the end of Q1 2021.

Höegh Autoliners has in April 2022 obtained commitments from nine leading Nordic and European banks for a refinancing of its existing senior secured bank debt, for an amount up to USD 400 million. The intention is to complete the transaction by June 2022.

Operational performance

Market update

Automotive

The recovery of global light vehicle demand continued during Q1, albeit at a reduced and uneven rate due to post-pandemic supply chain constraints.

Russia's invasion of Ukraine on 24 February has added a new set of uncertainties that may delay recovery prospects for the auto industry. While primarily an immense human tragedy, the inflationary pressure caused by restricted energy, food and material supplies may impact consumer purchasing power and demand. Additional war-related supply chain pressures include component supply constraints, land transportation (long haul trucking) in Europe, raw material shortages (especially palladium, platinum, and nickel), and energy price spikes.

The new wave of COVID-19 infections in China towards the end of the quarter may further distort automotive supply/demand conditions due to factory lockdowns and disruptions to land-side logistics in China.

These headwinds have reduced global light vehicle sales in Q1 by an estimated 3% compared to Q4 2021, and by 5% compared to Q1 2021. Long delivery backlogs and low dealer inventories, together with good availability of alternative cargo have so far limited the effect of these disruptions on shipment volumes and vessel utilisation.

Total light vehicle shipments in Höegh Autoliners' trades out of Asia remained strong. Especially, new energy vehicle exports from China to Europe expanded by almost 670% in the period Dec 2021 – Feb 2022 from a low base the same period a year ago. China-based manufacturers particularly increased their export of electric vehicles.

We have maintained our strong market position within the used car segment (POV) in our trade network. The tight space situation enables more repricing opportunities in the liner markets driven by the POV business. Low inventories for new cars have increased pressure on local sales and increased the demand for the POV segment.

H&H markets

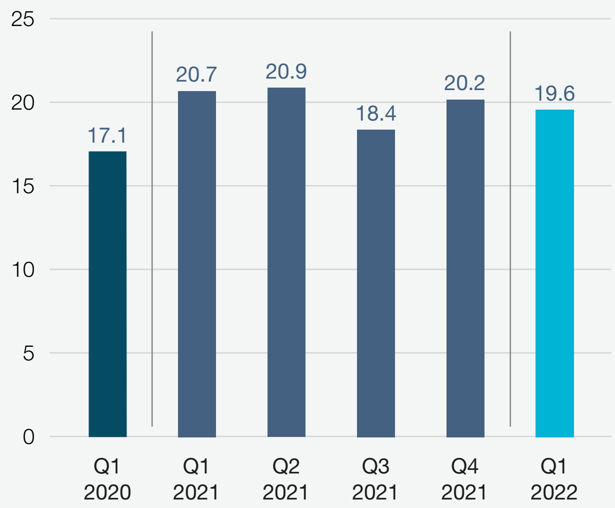
Global demand for equipment within H&H cargo segment continued to expand in the quarter. This was reflected in strong export growth of all three major H&H cargo groups i.e., construction, mining and farm equipment in Höegh Autoliners' trade network.

Construction equipment

Global construction equipment sales rose 10% in 2021 to a new record of 1.2 million units, and this solid growth continued in Q1. A modest fall in demand of around 5% is projected this year, but that would still make 2022 the second-best sales volume year on record. The combination of low interest rates, stimulus spending on infrastructure and residential construction, and high commodity prices last year was a potent combination for the construction equipment market. These conditions remained in place in the Q1 but were weakened somewhat by the supply chain disruptions.

Global light vehicle sales (million units)

Source: IHS April 2022

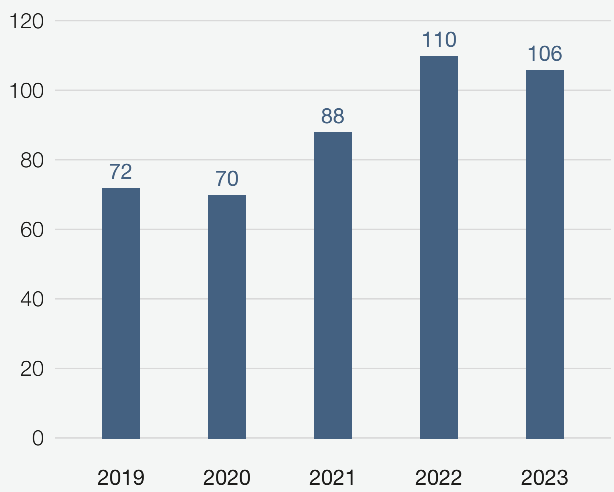


Mining equipment

Q1 shipments of mining equipment continued to reflect general mining market improvement. Miners increased capital expenditure to satisfy increasing demand for renewable energy sources and electric battery components. Global mining capital expenditure in 2022 is estimated to reach USD 110 billion, up 25% compared to 2021. One of Höegh Autoliners' main destination markets for mining equipment, Australia, is gearing up to increase its mineral exports as the world economy rebounds from the impact of the COVID-19 pandemic. High prices and good volume growth are driving improved export earnings, driving investments in equipment required to expand mining capacity.

Global mining capital expenditure (USD billion)

Source: MSI/1Q 2022



Capacity/Fleet

Höegh Autoliners' fleet has been fully deployed since Q1 2021. The use of short-term capacity was reduced in Q4 2021. The tight capacity market is not expected to ease as port congestion and COVID-19 related operational disruptions are still affecting the market. Charter rates are at record levels for both medium and large vessels in March 2022.

Höegh Masan (4 300 CEU) was delivered to new owners in January 2022. Höegh Maputo and Höegh Singapore (4 900 CEU/2011 built) were sold in Q1 2022 on behalf of the owner. A profit share agreement between Höegh Autoliners and Pioneer will give Höegh a financial gain of approximately USD 19 million in aggregate upon completion of the sale in Q3 2022.

In February 2022, Höegh Autoliners extended the charter agreements for the two vessels Höegh Brasilia and Höegh Sydney for two and three years respectively from April and August 2022. Both vessels are built in 2007 and have a cargo capacity of 5 400 CEU. The vessels have been operated by Höegh Autoliners since delivery. The prolongation of this contract gives Höegh Autoliners the flexibility needed to serve customers in a tight supply/demand market.

HSSE

Health, safety and security

We are continuing to ensure the safety and wellbeing of both our seafarers and onshore staff. In most of our locations we are now fully returning to office work, however a few locations are still experiencing lock-down. Currently over 97% of our seafarers are fully vaccinated. We are continuing to provide crew with booster vaccines, to minimize the health effect in case any of our crew should be infected. Our crew continue to follow stringent routines both on board and in port, ensuring we deliver reliable transportation services for our customers.

To ensure that Höegh Autoliners abides to the international provisions of ship safety, protection of the marine environment and the requirements for working and living conditions of seafarers, we continuously monitor performance and proactively works to eliminate causes for deficiencies in port state controls. Our crewing teams have a close follow up of the crew, to monitor their welfare and health conditions.

Höegh Autoliners deploys active safety management systems within both off- and on-shore environments to protect staff and safeguard against occupational hazards. We concluded a process to achieve ISO 45001 – Occupational Health and Safety Certification for the head office, technical office and vessels by end of Q1 2022. The remaining offices will be included as part of the scheduled audit process going forward. Following the ISO 45001 certification, Loss time illness has been added as part of the reporting effective from Q1 2022, see graph below.

ESG/Sustainability

Höegh Autoliners has a solid history on emission cuts and long-term efforts to combating climate change. We have since 2008 achieved an improved carbon intensity of 30% in our fleet and is well on track to meeting the IMO's 2030 40% intensity reduction target.

We have an ambitious program for green fleet renewal with four firm orders and eight options for the new zero carbon ready Aurora class of vessels. To quantify our emissions, we continuously monitor the Annual Efficiency Ratio (AER).

LTIF development 2020–2021
(incident frequency per 1 million hours past 12 months)

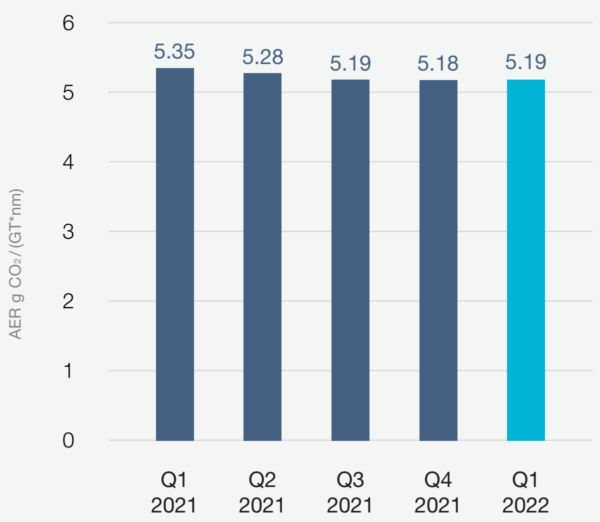
The calculations of Annual Efficiency Ratio (AER) are based on the data submitted for Q1 2022. Carbon intensity for the current year and quarter is based on unverified DCS data and may change after the final verification in first half of each calendar year. Höegh Autoliners uses DNV for verification of AER data. From Q4 2021, all vessels under Höegh Technical Management and our US Flag vessels are included in the reported data.

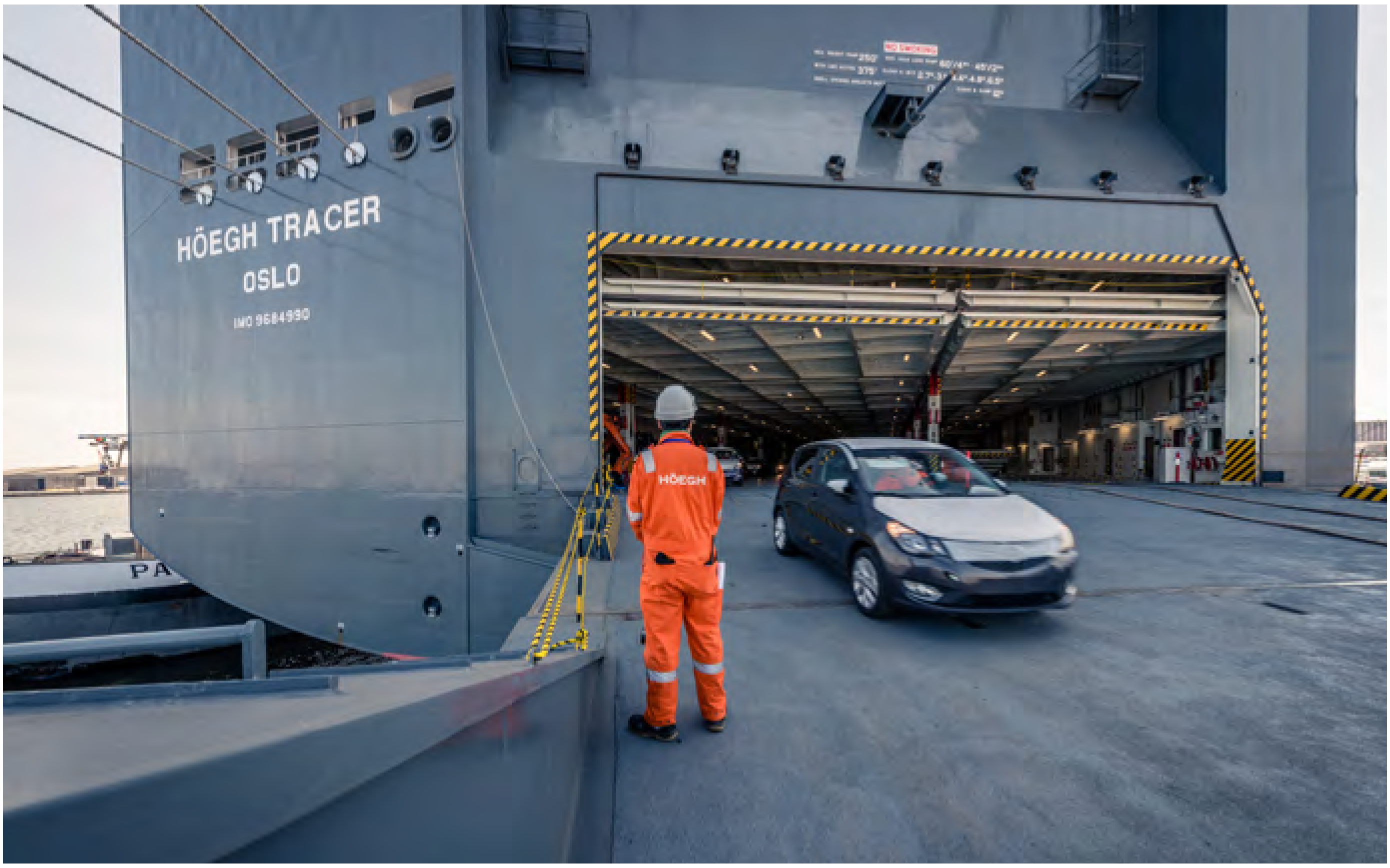
Annual Efficiency Ratio (AER) data for past quarters is presented in the graph to the right.

AER for the first quarter of 2022 is in line with the last quarter of 2021. This is due to similar speed, weather conditions and fleet composition.

For 2022, the Poseidon Principles AER target for medium sized vessels between 30 000 and 49 000 GT is 5.6 g CO_2/Nm*Gt and 4.7 for vessels over 50 000 GT. The Company is predicted to have one medium size vessel and 33 large vessels by end of 2022.

Annual Efficiency Ratio (AER)





Outlook

The strong market fundamentals with tight supply demand balance and increased freight rates, have continued into Q2. The sharp increase in bunker prices towards the end of Q1 will have an impact in Q2 as the compensation (BAF) is delayed with 3–4 months. The geopolitical situation related to the conflict in Ukraine and COVID-19 outbreak in China, as well as the supply chain issues, is closely monitored.

The recent increase in interest rates will have a negative effect on the Company's borrowing cost, and could potentially also have a negative effect on global car sales.

Höegh Autoliners has a robust financial platform that will be further strengthened following the completion of the refinancing of the existing mortgage debt. On 2 May 2022, Höegh Autoliners' shares were uplisted to the Oslo Stock Exchange's main list.

Based on current earnings outlook for 2022, the Company is considering commencing dividend payments in the second half of the year.

Oslo, 4 May 2022

Board of directors, Höegh Autoliners ASA

Consolidated interim financial statements

Interim consolidated statement of comprehensive income

(USD 1 000)	Notes	Q1 2022	Q1 2021	2021
Total revenues	2	266 284	205 761	946 915
Bunker expenses		(61 105)	(41 379)	(212 076)
Voyage expenses and other operating expenses		(93 773)	(93 916)	(393 860)
Charter hire expenses		(4 305)	(6 943)	(24 599)
Running expenses		(25 194)	(22 498)	(97 329)
Administrative expenses		(4 264)	(4 099)	(16 292)
Operating profit before depreciation, amortisation and impairment (EBITDA)		**77 643**	**36 926**	**202 759**
Profit/(loss) from associates and joint ventures		-	-	1 205
Gain/(loss) on sale of assets	3	(245)	(146)	(205)
Reversal of impairment	3	-	-	96 230
Depreciation	3	(35 516)	(34 907)	(134 461)
Operating profit before financial items		**41 882**	**1 873**	**165 528**
Interest income		16	12	202
Interest expenses	4	(7 696)	(8 303)	(32 986)
Dividends	4	-	-	12 726
Income from other financial items	4	723	1 464	2 172
Expenses from other financial items	4	(919)	(1 624)	(18 949)
Profit/(loss) before tax		**34 007**	**(6 578)**	**128 693**
Tax income/(expense)		1 611	(611)	(3 924)
Profit/(loss) for the period		**35 617**	**(7 190)**	**124 768**
Other comprehensive income				
Items that may be reclassified to profit and loss:				
Currency translation differences		74	8	(300)
Items that will not be reclassified to profit and loss:				
Remeasurement on defined benefit plans		-	-	402
Changes in fair value of equity investments		-	-	(803)
Other comprehensive income, net of tax		**74**	**8**	**(700)**
Total comprehensive income for the period		**35 692**	**(7 181)**	**124 068**
Earnings per share basic (USD)	7	**0.19**	**(0.28)**	**0.92**
Earnings per share diluted (USD)	7	**0.19**	**(0.28)**	**0.92**

Interim consolidated statement of financial position

(USD 1 000)	Notes	31 Mar 2022	31 Mar 2021	31 Dec 2021
Assets				
Non-current assets				
Deferred tax asset		977	892	977
Vessels	3	997 720	963 541	1 016 589
Leased assets	3	272 665	220 542	229 174
Newbuildings and projects	3	71 682	16 302	13 131
Equipment	3	15 493	16 294	14 397
Investments in associates and joint ventures		9 174	8 968	9 100
Other non-current assets		1 223	1 667	1 170
Other non-current financial assets		1 850	2 755	1 779
Total non-current assets		**1 370 783**	**1 230 962**	**1 286 316**
Current assets				
Bunker		50 887	34 070	41 241
Vessels held for sale	3	-	4 397	12 084
Trade and other receivables		68 074	64 730	81 454
Prepayments		1 009	3 580	2 124
Cash and cash equivalents		206 510	108 292	228 416
Total current assets		**326 480**	**215 070**	**365 319**
Total assets		**1 697 263**	**1 446 032**	**1 651 635**

Interim consolidated statement of financial position *cont.*

(USD 1 000)	Notes	31 Mar 2022	31 Mar 2021	31 Dec 2021
Equity and liabilities				
Equity				
Share capital	7	443 898	493 358	443 898
Share premium reserve		289 384	255 486	289 384
Other paid-in equity		155	-	39
Retained earnings		102 920	(214 983)	67 228
Total equity		**836 358**	**533 862**	**800 549**
Non-current liabilities				
Pension liabilities		2 352	2 610	2 330
Deferred tax liabilities		26 056	24 811	27 681
Other non-current liabilities		107	7 323	107
Non-current interest bearing debt	5	326 855	-	359 704
Non-current lease liability	5	233 815	211 659	201 893
Total non-current liabilities		**589 185**	**246 403**	**591 716**
Current liabilities				
Current interest bearing debt	5	84 206	493 914	85 280
Trade and other payables		49 828	62 354	42 861
Income tax payable		90	290	467
Current accruals and provisions		47 102	47 744	51 904
Other current financial liabilities		5 918	6 639	5 918
Current lease liability	5	84 575	54 826	72 940
Total current liabilities		**271 720**	**665 767**	**259 370**
Total equity and liabilities		**1 697 263**	**1 446 032**	**1 651 635**

Interim consolidated statement of changes in equity

(USD 1 000)	Share capital	Share premium reserve	Other paid-in equity	Retained earnings	Total
Equity 01.01.2021	493 358	255 486	-	(207 801)	541 043
Profit/(loss) of the period YTD 2021	-	-	-	(7 190)	(7 190)
Other comprehensive income YTD 2021	-	-	-	8	8
Equity 31.03.2021	**493 358**	**255 486**	**-**	**(214 983)**	**533 862**
Equity 01.01.2021	493 358	255 486	-	(207 801)	541 043
Funds issue	4 248	-	-	(4 248)	-
Conversion derivative CEO	-	-	-	4 248	4 248
Share capital reduction 24.11.	(150 908)	-	-	150 908	-
Share issue 24.11.	94 561	39 613	-	-	134 174
Share issue 29.12.	2 639	1 105	-	53	3 797
Transaction costs	-	(6 820)	-	-	(6 820)
Share bonus program	-	-	39	-	39
Profit/(loss) of the year	-	-	-	124 768	124 768
Other comprehensive income	-	-	-	(700)	(700)
Equity 31.12.2021	**443 898**	**289 384**	**39**	**67 228**	**800 549**
Share bonus program	-	-	116	-	116
Profit/(loss) of the period YTD 2022	-	-	-	35 617	35 617
Other comprehensive income YTD 2022	-	-	-	74	74
Equity 31.03.2022	**443 898**	**289 384**	**155**	**102 920**	**836 358**

Interim consolidated statement of cash flows

(USD 1 000)	Notes	Q1 2022	Q1 2021	2021
Cash flows from operating activities				
Profit/(loss) before tax		34 007	(6 578)	128 693
Financial (income)/expenses		7 876	8 452	36 835
Share of net income from joint ventures and associates		-	-	(1 205)
Depreciation and amortisation	3	35 516	34 907	134 461
Impairment/(reversal of impairment)	3	-	-	(96 230)
(Gain)/loss on sale of tangible assets		245	146	205
Tax paid (company income tax, withholding tax)		(329)	(322)	(745)
Cash flow from operating activities before changes in working capital		**77 315**	**36 604**	**202 014**
Changes in working capital				
Trade and other receivables		13 235	3 332	(13 190)
Bunker		(9 646)	(9 128)	(16 299)
Prepayments		1 363	(1 056)	199
Trade and other payables		8 221	11 203	(8 290)
Accruals and provisions		(6 061)	2 687	6 862
Other current liabilities		6	(81)	840
Other changes to working capital		(4 530)	(1 735)	(33)
Net cash flow provided by operating activities		**79 901**	**41 826**	**172 103**
Cash flows from investing activities				
Proceeds from sale of tangible assets	3	12 310	8 998	9 034
Investments in vessels and other tangible assets	3	(62 573)	(7 149)	(23 661)
Investments in joint ventures and associates		-	-	765
Other dividends		-	-	9 544
Interest received		10	12	202
Net cash provided by/(used in) investing activities		**(50 253)**	**1 860**	**(4 116)**
Cash flows from financing activities				
Proceeds from issue of shares		3 797	-	128 352
Repayment of debt		(32 130)	(26 356)	(84 497)
Repayment of lease liabilities		(14 126)	(16 014)	(59 954)
Paid on interest rate swaps		-	(857)	(2 561)
Interest paid on mortgage debt		(4 605)	(3 468)	(13 976)
Interest paid on lease liabilities		(3 816)	(3 838)	(15 723)
Other financial items		(71)	1 058	(3 592)
Net cash flow used in financing activities		**(50 951)**	**(49 475)**	**(51 951)**
Net change in cash during the period		**(21 303)**	**(5 789)**	**116 036**
Cash and cash equivalents beginning of period		228 416	115 148	115 148
Exchange differences in cash and cash equivalents		(603)	(1 067)	(2 768)
Cash and cash equivalents end of period		**206 510**	**108 292**	**228 416**

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 about 40 vessels in global trading systems from a worldwide network of offices.

Basis of preparation

The Group's financial reporting is in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). 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 2021.

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 2021. The interim financial information for 2022 and 2021 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 2021.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the 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

(USD 1 000)	Q1 2022	Q1 2021	2021
Category of services			
Net freight revenues	224 637	185 289	823 644
Other surcharges	40 691	17 342	116 476
Freight revenues	**265 328**	**202 631**	**940 120**
Time charter (TC) revenues	-	1 870	2 314
Terminal related revenues	956	1 260	4 481
Total revenues	**266 284**	**205 761**	**946 915**
Other income	-	-	-
Total income	**266 284**	**205 761**	**946 915**
Recognition principle			
Services transferred over time	265 328	204 501	942 434
Services transferred at point in time	956	1 260	4 481
Total revenues	**266 284**	**205 761**	**946 915**

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. Performance obligation for TC revenue is satisfied over the period the vessel is available to the lessee. Logistics 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 leased assets

2022 (USD 1 000)	Vessels	Newbuildings & Projects*	Equipment	Leased Assets	Total
Cost at 01.01.	2 006 672	13 131	28 252	379 061	2 427 116
Additions	127	62 068	377	2 699	65 271
Transfer from newbuilding and projects	1 748	(3 046)	1 298	-	-
Remeasured leases	-	-	-	55 208	55 208
Reclassification to assets held for sale	-	(442)	-	-	(442)
Disposals	-	(29)	(4)	(609)	(642)
Cost at 31.03.	**2 008 548**	**71 682**	**29 923**	**436 359**	**2 546 511**
Accumulated depreciation and impairment at 01.01.	(990 084)	-	(13 854)	(149 887)	(1 153 825)
Depreciation	(20 744)	-	(580)	(14 192)	(35 516)
Impairment	-	-	-	-	-
Reclassification to assets held for sale	-	-	-	-	-
Disposals	-	-	4	385	389
Accumulated depreciation and impairment at 31.03.	**(1 010 828)**	**-**	**(14 429)**	**(163 694)**	**(1 188 952)**
Net carrying amount at 31.03.	**997 720**	**71 682**	**15 493**	**272 665**	**1 357 560**
Net carrying amount vessels held for sale at 01.01.	12 084	-			12 084
Sold vessels	(12 084)	(442)			(12 527)
Reclassified	-	442			442
Impairment/reversal of impairment	-	-			-
Net carrying amount at 31.03.**	**-**	**-**			**-**
Book value sold assets	12 084	471	-		12 556
Sales price	12 300	-	10		12 310
Gain/(loss)	**216**	**(471)**	**10**		**(245)**

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

** One vessel was classified as asset held for sale at 31 December 2021 and has been sold in January 2022.

In February 2022, two vessel leases were extended by two and three years respectively, resulting in a total increase in leased assets and lease liabilities of USD 52 million.

Note 3 *cont.*

2021 (USD 1 000)	Vessels	Newbuildings & Projects*	Equipment	Leased Assets	Total
Cost at 01.01.	1 984 932	12 294	32 237	354 367	2 383 830
Additions	1 366	21 239	1 058	43 295	66 957
Transfer from newbuilding and projects	20 374	(20 374)	-	-	-
Remeasured leases	-	-	-	28 111	28 111
Disposals	-	(27)	(5 042)	(46 712)	(51 782)
Cost at 31.12.	**2 006 672**	**13 131**	**28 252**	**379 061**	**2 427 116**
Accumulated depreciation and impairment at 01.01.	(1 006 771)	-	(16 377)	(136 446)	(1 159 594)
Depreciation	(71 958)	-	(2 416)	(60 087)	(134 461)
Reversal of impairment	88 235	-	-	-	88 235
Reclassification to assets held for sale	411	-	-	-	411
Disposals	-	-	4 939	46 647	51 585
Accumulated depreciation and impairment at 31.12.	**(990 084)**	**-**	**(13 854)**	**(149 887)**	**(1 153 825)**
Net carrying amount at 31.12.	**1 016 589**	**13 131**	**14 397**	**229 174**	**1 273 291**
Net carrying amount vessels held for sale at 01.01.	13 610				13 610
Sold vessels	(9 110)				(9 110)
Reclassified	(411)				(411)
Reversal of impairment	7 995				7 995
Net carrying amount at 31.12.**	**12 084**				**12 084**
Book value sold assets	9 109	27	103		9 239
Sales price	8 949	-	85		9 034
Gain/(loss)	**(160)**	**(27)**	**(18)**		**(205)**

* Newbuildings & Projects mainly relates to investments in IT-projects.

** Three vessels are reclassified as assets held for sale at 31.12., and have received write-downs to the expected sales value, comprising the full impairment amount for 2020 of USD 8.2 million.

Impairment/Reversal of impairment

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

The market values for the vessels increased with more than 20% through 2021, and was over 5% higher than the carrying values at year-end 2021. 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 estimated the recoverable amount of the fleet at year-end 2021, resulting in a reversal of impairment of USD 96 million. The market values for the vessels have continued to increase in Q1 2022, and are up more than 19% for the quarter.
Based on this, no impairment assessment has been deemed necessary for the reporting period.

Note 4 Financial income and expenses

Interest expenses (USD 1 000)	Q1 2022	Q1 2021	2021
Interest mortgage debt	3 530	3 604	14 834
Interest on lease liabilities	4 204	3 838	16 030
Other interest expenses	121	861	2 122
Total	**7 855**	**8 303**	**32 986**

Other financial items

Income from other financial items (USD 1 000)	Q1 2022	Q1 2021	2021
Dividends*	-	-	12 726
Gain on interest rate swaps	-	844	2 022
Other financial items	723	620	150
Total	**723**	**1 464**	**14 898**

Expenses from other financial items (USD 1 000)	Q1 2022	Q1 2021	2021
Loss on currency exchange	846	1 343	2 698
Loss on shares	-	-	185
Debt modification loss	-	-	10 307
Other financial items**	73	282	5 759
Total	**919**	**1 624**	**18 949**

* Dividends for 2021 were related to a payment from Den Norske Krigsforsikring (DNK) where Höegh Autoliners Management AS, as member of DNK, received USD 12.7 million in dividend payment in December 2021. The amount includes USD 3.1 million in withholding tax which the Company expects to be refunded. The withholding tax is recognised as current receivable at 31 March 2022.

** Other financial items include amortisation of debt modification loss. 2021 includes arrangement fee for the refinancing.

Note 5 Interest bearing debt

Non-current and current interest bearing debt

Interest bearing debt (USD 1 000)	31.03.2022	31.03.2021	31.12.2021
Non-current interest bearing debt	326 855	-	359 704
Non-current lease liabilities	233 815	211 659	201 893
Current mortgage debt*	82 876	492 231	82 876
Accrued interest	1 329	1 683	2 404
Current lease liabilities	84 575	54 826	72 940
Total interest bearing debt	**729 451**	**760 399**	**719 817**
Cash and cash equivalents	206 510	108 292	228 416
Net interest bearing debt	**522 941**	**652 107**	**491 401**

* The mortgage debt was classified as current liabilities at 31 March 2021 as maturity date was less than 12 months.

Repayment schedule for interest bearing debt (USD 1 000)	Mortgage debt	Leasing commitments	31.03.2022
Due in 2022	63 487	69 499	132 985
Due in 2023	82 876	61 715	144 591
Due in 2024	82 876	49 284	132 161
Due in 2025	181 821	41 166	222 987
Due in 2026 and later	-	96 727	96 727
Total repayable interest bearing debt	**411 060**	**318 391**	**729 451**
Book value interest bearing debt	**411 060**	**318 391**	**729 451**

Note 5 *cont.*

Reconciliation of liabilities arising from financial activities 2022

			Non-cash changes			
Liabilities 2022 (USD 1 000)	**31.12.2021**	**Cash flows**	**Fair value changes**	**Other changes***	**New liability**	**31.03.2022**
Non-current interest bearing debt	359 704	-	-	(32 849)	-	326 855
Current interest bearing debt	85 280	(32 130)	-	31 055	-	84 206
Non-current lease liabilities	201 893	-	-	29 716	2 206	233 815
Current lease liabilities	72 940	(14 126)	-	25 268	493	84 575
	719 817	**(46 256)**	**-**	**53 190**	**2 699**	**729 451**

* 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 extensions of leases.

Reconciliation of liabilities arising from financial activities 2021

			Non-cash changes			
Liabilities 2021 (USD 1 000)	**31.12.2020**	**Cash flows**	**Fair value changes**	**Other changes***	**New liability**	**31.12.2021**
Other non-current liabilities	43	-	(43)	-	-	-
Non-current interest bearing debt	-	-	-	353 711	5 992	359 704
Current interest bearing debt	520 751	(84 497)	-	(353 850)	2 876	85 280
Other current financial liabilities	2 508	-	(2 508)	-	-	-
Non-current lease liabilities	207 561	-	-	(43 101)	37 434	201 893
Current lease liabilities	55 706	(59 954)	-	71 428	5 760	72 940
	786 569	**(144 451)**	**(2 551)**	**28 188**	**52 063**	**719 817**

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

Mortgage debt (USD 1 000)	Maturity	Outstanding amount
USD 1 000 million senior secured	January 2025	401 581
Total mortgage debt		**401 581**

Security

The USD 1 000 million senior secured term loan and revolving credit facility is secured by mortgages in the majority of the Group's vessels, with a book value of USD 930 million. In addition, the debt is secured by an assignment of earnings and insurances.

Note 6 Segment reporting

The Group has two operating segments, Shipping services and Logistics services. The Logistics segment represents less than 10% of the Group's total revenue, profit or loss and assets. The Group has decided that the segment is not material to the Group for the period ended 31 March 2022 and has reported information as one combined segment.

Note 7 Share information and earnings per share

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

Basic earnings per share is calculated by dividing profit for the period after non-controlling interest, by average number of total outstanding shares (adjusted for average number of own shares). The Company has no own shares at 31 March 2022.

Basic and diluted earnings per share for the first quarter was positive with USD 0.19 compared with negative USD 0.28 in the same quarter last year.

The Company's share capital is as follows:

Share capital 31 March 2022	
Number of shares	190 769 749
USD million	443.9
NOK million	2 823.4

Note 8 Transactions with related parties

The Group has had three vessels under US flag with Maersk Lines Ltd. and Farrell Lines during the first quarter of 2022. All three vessels are owned as individual US Trusts. Each vessel is on a bareboat charter to Maersk Lines or Farrell Lines from the Trusts and Höegh Autoliners Shipping AS has the vessels on time charter from Maersk Lines Ltd. As of 31 March 2022, Höegh Autoliners Shipping AS has an outstanding receivable of USD 10.9 million. Transactions between Maersk and Höegh Autoliners Shipping AS amount to USD 7.5 million in the first quarter of 2022.

Note 9 Contingent liabilities

Update on alleged breaches of anti-trust regulations in Brazil

On 23 March 2022, The Administrative Council for Economic Defence (CADE) in Brazil issued a fine of approximately BRL 26 million (USD 5.4 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.

Note 10 Events after the balance sheet date

Refinancing update

On 20 April 2022, Höegh Autoliners obtained commitments from nine leading Nordic and European banks for an up to USD 400 million senior secured credit facility, with the intention of refinancing its existing senior secured bank debt. Through the contemplated transaction, the Company releases a total of 10 vessels from its collateral package, leaving 13 vessels with an aggregated market value of USD 437 million unencumbered. With reduced annual amortisation and extended maturity, the refinancing results in increased financial flexibility for the Company. The commitment is subject to, inter alia, satisfactory documentation, and the intention is to complete the transaction by June 2022.

Uplisting to Oslo Stock Exchange

On 27 April 2022, Höegh Autoliners ASA was approved for trading on Oslo Stock Exchange. The first day of trading was 2 May 2022. The Company has been trading on Euronext Growth since 29 November 2021.

Exercise of option for the next four zero carbon ready Aurora class vessels

On 28 April 2022, Höegh Autoliners ASA exercised an option for additional four new multi-fuel and zero carbon ready Aurora class vessels on the same terms and specifications as the first four vessels. This will extend the Company's Aurora class fleet to eight vessels, still with the option for an additional four.

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.

(USD million)	Q1 2022	Q1 2021	FY 2021
Reconciliation of Total revenues to EBITDA and Adjusted EBITDA			
Total revenues (incl. other income)	266	206	947
Operating expenses	(188)	(169)	(743)
EBITDA	**78**	**37**	**203**
Other income	-	-	-
Anti-trust expenses	0	1	7
Adjusted EBITDA	**78**	**38**	**211**

(USD million)	31.03.2022	31.12.2021
Net interest bearing debt		
Non-current interest bearing debt	327	360
Non-current lease liability	234	202
Current interest bearing debt	84	85
Current lease liability	85	73
Less Cash and cash equivalents	206	228
Net interest bearing debt	**523**	**491**

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