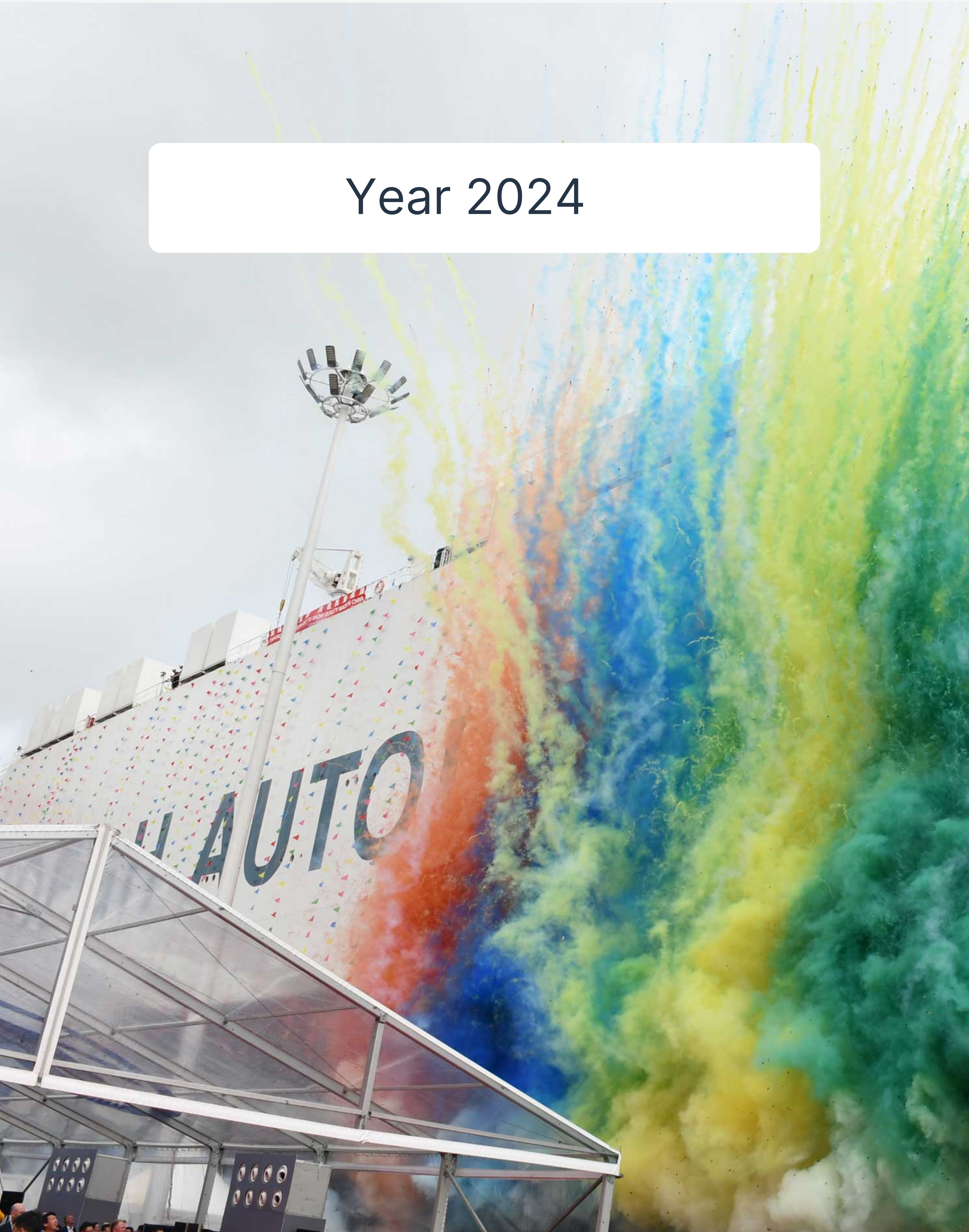
HÖEGH AUTOLINERS

Annual report 2024

hoeghautoliners.com

Content

Year 2024



Annual reporting 2024

About this report

The 2024 Integrated Annual Report

In accordance with the Corporate Sustainability Reporting Directive (CSRD), the 2024 annual report has been prepared as one report, integrating the sustainability and financial reports and embedding the mandatory European Sustainability Standards (ESRS). The Sustainability Statements have been prepared in accordance with the Norwegian Accounting Act §§ 2-3 and 2-4, and form part of the Board of Directors report together with information about our operational and financial performance, strategy, business and corporate governance. The following sections in this integrated report form the Board of Directors report: Key figures, Key highlights 2024, Financial performance, Responsibility statement, About Höegh, Corporate governance statement and Sustainability Statements.

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the European Union (EU) (“IFRS”). Höegh Autoliners also provides additional disclosures in accordance with the requirements in the Norwegian Accounting Act. All the requirements that apply to the Board of Directors report are covered in this annual report.

The 2024 annual report is prepared using the “incorporation by reference” approach, where some required information as per the ESRSs are not included in the Sustainability Statements but instead included in other parts of the annual report and Remuneration report.

Remuneration report and policy

The remuneration report provides a transparent and comprehensive overview of remuneration of the Corporate Executive Management and the Board of Directors of Höegh Autoliners ASA. The remuneration policy outlines the guidelines for compensation of the Corporate Executive Management and the Board of Directors, including principles, main components of the remuneration. Both the report and the policy are available on our website.

Höegh Autoliners ASA – Remuneration report

Höegh Autoliners ASA – Compensation guidelines

Letter from the CEO

"I am pleased that Höegh Autoliners took delivery of four Aurora vessels in 2024. These ships are the most carbon-efficient and largest vessels ever built in our industry to date."

Delivering customer and shareholder value

Throughout 2024 we experienced strong demand from our customers for our deep sea services. Operational challenges such as canal re-routing and port delays have limited available capacity, and our team has worked hard to deliver the best possible product to our trusted customers. We are extremely thankful for their cooperation and understanding during a challenging year.

Our commercial focus over the past few years have been to offer high quality deep-sea services to clients wanting to engage with us on a long-term basis. During 2024 we announced five contracts with a total value of USD 2 billion, all with a value above USD 100 million. We are pleased to enter 2025 with the largest and most attractive contract backlog we have ever had in the Company´s history. A long-term contract backlog enables us to optimize our deep sea network and to offer improved services to our customers.

Our strong financial performance has created substantial value to our shareholders, having paid out dividends of NOK 47.61 per share in 2024.

Aurora delivery and optimizing fleet

Following the delivery of the first four Aurora Class vessels during 2024, we currently operate the largest and most carbon-efficient car carriers in our industry. The vessels reduce emissions per car transported with up to 58% compared to a conventional car carrier. A highlight during the past year was to welcome the Norwegian Prime Minister and high-ranking Chinese government officials at the naming of "Höegh Borealis" at the CMHI shipyard last September.

To capitalize on the high market values as well as to optimize the fuel performance of the future fleet, three older ships were sold during the past year.

Advancing sustainability

Höegh Autoliners has taken a decisive leadership position in decarbonizing deep sea shipping. Through our ongoing fleet efficiency program, we have achieved a year-on-year AER improvement of more than 3%, through initiatives such as changing of propellers, de-rating, modification of grids and more. Our newbuilding program has established a new market standard for size and efficiency of PCTCs, and is key to reach our targeted emission reduction of more than 30% by 2030 and to become a net-zero vessel operator by 2040. Our aspiration to take delivery of the world's first PCTC vessel to run on ammonia in 2027 has been converted into firm contracts during 2024 and is progressing according to plan.

Investing in our people

Our strong performance in 2024 is a testament to the dedication and expertise of our employees. Our long standing commitment to in-house crewing and technical management has been essential to be allow us to lead the way in introducing larger, multi-fuel vessels to the global PCTC fleet. We are committed to providing our team opportunities to build skills and develop their careers in meaningful ways.

”I extend my heartfelt gratitude to our seafarers, onshore employees, customers, and partners for their support. Together, we are steering Höegh Autoliners towards a sustainable future and delivering on our mission to “make the impossible possible”

Looking ahead

Geopolitical and macroeconomic uncertainties are on the rise at the start of 2025. Our efforts to build a solid balance sheet, an attractive contract backlog, a market leading fleet and further develop our world class operating platform makes us well positioned to continue delivering quality service, opportunities and financial value to our stakeholders.

I extend my heartfelt gratitude to our seafarers, onshore employees, customers, and partners for their support. Together, we are steering Höegh Autoliners towards a sustainable future and delivering on our mission to “make the impossible possible”

Sign.
Andreas Enger, CEO

Key figures

Höegh Autoliners achieved exceptional financial results in 2024, marking the most successful year in the Company's history. The robust demand in deep sea transportation, coupled with a constrained supply environment characterized by limited capacity growth and operational challenges, drove the freight rates to unprecedented levels.

1 371 USD million

Total revenues

692 USD million

EBITDA

620 USD million

Profit for the period

56 %

Equity ratio

Key figures consolidated accounts

USD million	2024	2023	2022
Total revenues	1 371	1 446	1 270
EBITDA	692	736	447
Profit for the period	620	592	299
EBITDA adjusted	696	736	448
Earnings per share, basic (USD)	3.25	3.09	1.57
Cash and cash equivalents	208	458	184
Cash flows from operations	708	746	405
Net interest bearing debt	581	52	379
Equity ratio	56 %	69 %	61 %
Number of operating days	12 727	13 274	13 986
Net rate per CBM (USD)	85.1	77.8	62.5

Key highlights

Decarbonization remained high on our agenda. We made significant progress on our newbuilding program, reaching construction milestones well ahead of the original timeline. Four Aurora Class vessels, Höegh Aurora, Höegh Borealis, Höegh Australis and Höegh Sunlight were delivered in 2024.

In line with our commitment to building resilience and strategically positioning for the future, we also undertook several initiatives to optimize our fleet and sold three of our older vessels.

Höegh Aurora visiting Le Havre

January

Signed long-term contract with major East Asian car producer for the transport of cars, mainly electronic vehicles (EVs), from Asia to Europe.

February

Sale of Höegh Chiba. Declared option to purchase the leased vessel Höegh Jeddah.

April

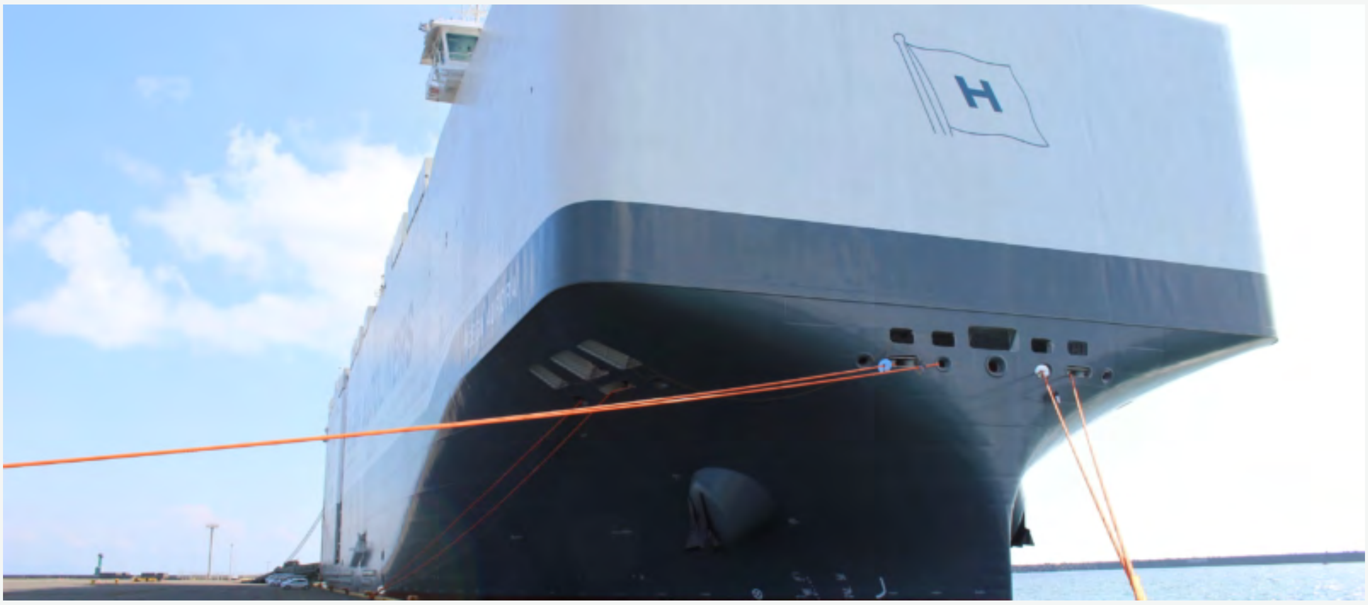
Sale of Höegh Kobe. Secured new long-term financing.

June

Secured significant Enova funding for four ammonia-powered Aurora vessels. Signed a 5-year contract with a major international car producer for transport of cars from US and Mexico to the Middle East.

August

Delivery of the first newbuild, Höegh Aurora.



Höegh Aurora - from maiden voyage

September

Sale of Höegh New York.

October

Delivery of the second newbuild, Höegh Borealis.

November

Signed a 2-year contract with a major international car producer for transport of cars in various trade lanes.

December

Signed a 5-year contract with major international car producer for transport of significant volumes of cars in two core trade lanes. Delivery of the third and fourth newbuilds, Höegh Australis and Höegh Sunlight.

Financial performance

2024 was another year with record high freight rates which contributed to strong financial results for Höegh Autoliners. During 2024, a total of USD 841 million was paid out as cash dividend to the shareholders.

Höegh Autoliners reports consolidated financial information pursuant to the International Financial Reporting Standards (IFRS). In accordance with the requirements of Norwegian accounting legislation, the Board confirms that the requirements for the going concern assumption have been met and that the annual accounts have been prepared on this basis.

Result 2024

The Group reported total revenues in 2024 of USD 1 371 million (USD 1 446 million in 2023) and an operating profit (EBITDA) of USD 692 million (USD 736 million in 2023). The strong operating result is reflecting the high net rates in a strong spot market and successful repricing of contracts, although it was partially offset by lower volumes and increased costs due to the re-routing south of the Cape of Good Hope throughout the year.

The vessels Höegh Kobe and Höegh Chiba were sold in 2024 with a total gain of USD 52 million.

Interest expenses are lower in 2024 than in 2023, mainly due to capitalisation of interest on newbuildings. A debt modification loss of USD 11 million was expensed in relation to the refinancing in March 2024. A tax income of USD 35 million reflects the reversal of deferred tax liabilities following rationalisation of the group structure and settlement of intra-group loans and receivables. The net profit after tax amounted to USD 620 million (USD 590 million in 2023).

Basic earnings per share amounted to USD 3.25 (2023: USD 3.09).

The vessels Höegh Kobe and Höegh Chiba were sold in 2024 with a total gain of USD 52 million.

Financial position

Höegh Autoliners entered into two new credit facilities in March 2024; a USD 720 million credit facility for the purpose of refinancing the existing USD 820 million Credit Facility, and a new USD 200 million Revolving Credit Facility for general corporate purposes. Gross interest-bearing mortgage debt increased from USD 346 million in 2023 to USD 708 million at year-end 2024, mainly due to drawdown on the loan facility related to the newbuilding program and debt related to the sale and leaseback arrangements with Bank of Communications. Net interest-bearing debt increased from USD 52 million in 2023 to USD 581 million in 2024. For more information on the interest-bearing debt, see Note 18 in the consolidated accounts.

The cash balance at the end of the year was USD 208 million, which was down from USD 458 million at the end of 2023. The strong financial results through 2024 have enabled the Group to maintain a strong cash position at year-end 2024, even after distributing dividends to shareholders of USD 841 million.

The book equity totalled USD 1 177 million in 2024, a decrease from USD 1 412 million in 2023. Book equity represented 56% of total equity and liabilities on 31 December 2024. The Group's covenants relating to the USD 720 million loan facility are related to a minimum book equity ratio, working capital and a minimum liquidity. The Group complied with these requirements at year-end 2024.

Net cash flow from operating, investing and financing activities was negative with USD 249 million (2023: positive with USD 275 million). The net cash flow from operations amounted to USD 708 million (2023: USD 746 million). Cash flow from investing activities was negative with USD 280 million (2023: negative USD 103 million). The increase from 2023 is mainly due to the newbuilding instalments for Aurora vessels of USD 357 million and net proceeds of USD 120 million from sale of vessels. Net cash flow used in financing activities was negative with USD 677 million (2023: negative USD 369 million), whereof USD 841 million was related to dividend payments to shareholders, USD 131 million (2023: USD 161 million) was related to payment of lease liabilities. The mortgage debt payments in 2024 amounted to USD 46 million (2023: USD 51 million).

In November 2024, the Company purchased 330 000 own shares to meet obligations from the Company's share bonus program. Of these, 326 348 shares were delivered to the participants following the completion of the vesting period for the first award. The Company has 3 652 own shares at 31 December 2024.

Allocation of result

The net profit for 2024 for the parent company Höegh Autoliners ASA amounted to USD 952 million (2023: USD 33 million). The Company has a total equity of USD 1 245 million and an equity ratio of 70%. The Company has during 2024 distributed cash dividends to the shareholders of USD 841 million. On 31 December 2024, USD 90 million in dividend paid in March 2025 has been recorded as current liability. The Board of Directors has proposed that the net profit for 2024 is transferred to retained earnings. Dividends will be distributed regularly in 2025 following an authorisation given to the Board of Directors.

The Company has during 2024 distributed cash dividends to the shareholders of USD 841 million.

Financial risks

Market risk

Interest rate risk

The interest rate risk can be reduced through interest rate swaps. The Group currently evaluates the exposure to interest rate risk as limited, and at year-end 2024, the Group did not have any interest rate swaps.

Foreign exchange rate risk

The Group 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 EUR and relate to port and cargo operations. Fluctuations in EUR constitute a smaller risk, however; this is partly balanced, as parts of the Group's costs and revenues are both Euro-denominated. The Group has active currency hedges at the end of 2024 (no currency hedges at end of 2023). See note 14 for more details.

Bunker price risk

The Group has Bunker Adjustment Factor (BAF) clauses in most commercial contracts, designed to adjust for changes in bunker prices. Due to time lag, the Group will not be fully compensated in periods of rapidly changing prices, but the BAF will give reasonable compensation in most periods. The Group has no bunker derivatives at year-end 2024 (no bunker derivatives at end of 2023).

Credit risk

The risk of losses on receivables is considered to be low. The Group has not experienced any significant losses on receivables in recent years.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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 Group will seek to have the majority of its liquidity in bank deposits. Total bank deposits at 31 December 2024 amount to USD 208 million.

For more information on financial risks, see Note 14 in the consolidated accounts.

Climate risk

With around 80% of global trade enabled by maritime shipping, the shipping sector is responsible for about 3% of all global greenhouse gases (GHG). 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.

As a global shipping company, Höegh Autoliners acknowledge that climate change, including the actions and measures taken by regulatory institutions and industry participants may impose a significant financial impact on our business. Read more about climate risk and our sustainability topics in the Sustainability Statements in this report.

Organisation

Höegh Autoliners had 469 land-based employees at the end of 2024, located across 16 offices and 1 212 seafarers. Absence through illness continues to be low and well below industry average. In 2024, the number of days registered as “absence due to illness” represented 0.7% for employees in Norway (2023: 0.5%). For more information on employees, working environment and other social matters, see Social information in our Sustainability Statements.

Directors and officers’ liability insurance

Höegh Autoliners has a directors’ and officers’ liability insurance. For more information see the Corporate Governance statement.

Events after the balance sheet date

Dividend

On 13 February 2025, the Board of Directors resolved to distribute a cash dividend of USD 0.4718 per share. The dividend was paid out in March 2025.

Share capital reduction

Following the resolution at the Extraordinary General Meeting for Höegh Autoliners ASA in November 2024 and the requisite creditor notice period having been served, the Company has filed the final confirmation of the share capital reduction with the Norwegian Register of Business Enterprises. The reduction in share capital from NOK 2 823 392 285.20 to NOK 190 769 749 has been transferred to other paid-in equity.

Fleet update

On 12 March 2025, an option to purchase the leased vessel, Höegh Copenhagen, was declared. The purchase price is USD 36.5 million and Höegh Autoliners Shipping AS will take ownership of the vessel in August 2025.

Looking ahead

Geopolitical and macroeconomic uncertainties are on the rise at the start of 2025. Our efforts to build a solid balance sheet, an attractive contract backlog, a market leading fleet and further develop our world class operating platform makes us well positioned to continue delivering quality service, opportunities and financial value to our stakeholders.

Responsibility statement

We confirm to the best of our knowledge that the consolidated financial statements for 2024 have been prepared in accordance with IFRS as adopted by the European Union, as well as additional information requirements in accordance with the Norwegian Accounting Act, that the financial statements for the parent company for 2024 have been prepared in accordance with the Norwegian Accounting Act, and that the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and result of Höegh Autoliners ASA and the Höegh Autoliners group for the period.

We also confirm to the best of our knowledge that the integrated annual report includes a true and fair view of the developments, performance and financial position of Höegh Autoliners ASA and the Höegh Autoliners group, together with a description of the principal risks and uncertainties that they face, that the integrated annual report 2024 meets the information requirements of the Norwegian Accounting Act with regard to the Board of Directors report and statements on corporate governance.

We further confirm to the best of our knowledge that the 2024 Sustainability Statements have been prepared in accordance with and meet the information requirements of the Norwegian Accounting Act, European Sustainability Reporting Standards (ESRS) and the EU Taxonomy (Article 8 of EU Regulation 2020/852).

Oslo, 24 April 2025

The Board of Directors of Höegh Autoliners ASA

Leif O. Høegh,
Chair

Morten W. Høegh,
Deputy Chair

Jan B. Kjærvik,
Board member

Martine Vice Holter,
Board member

Kasper Friis Nilaus,
Board member

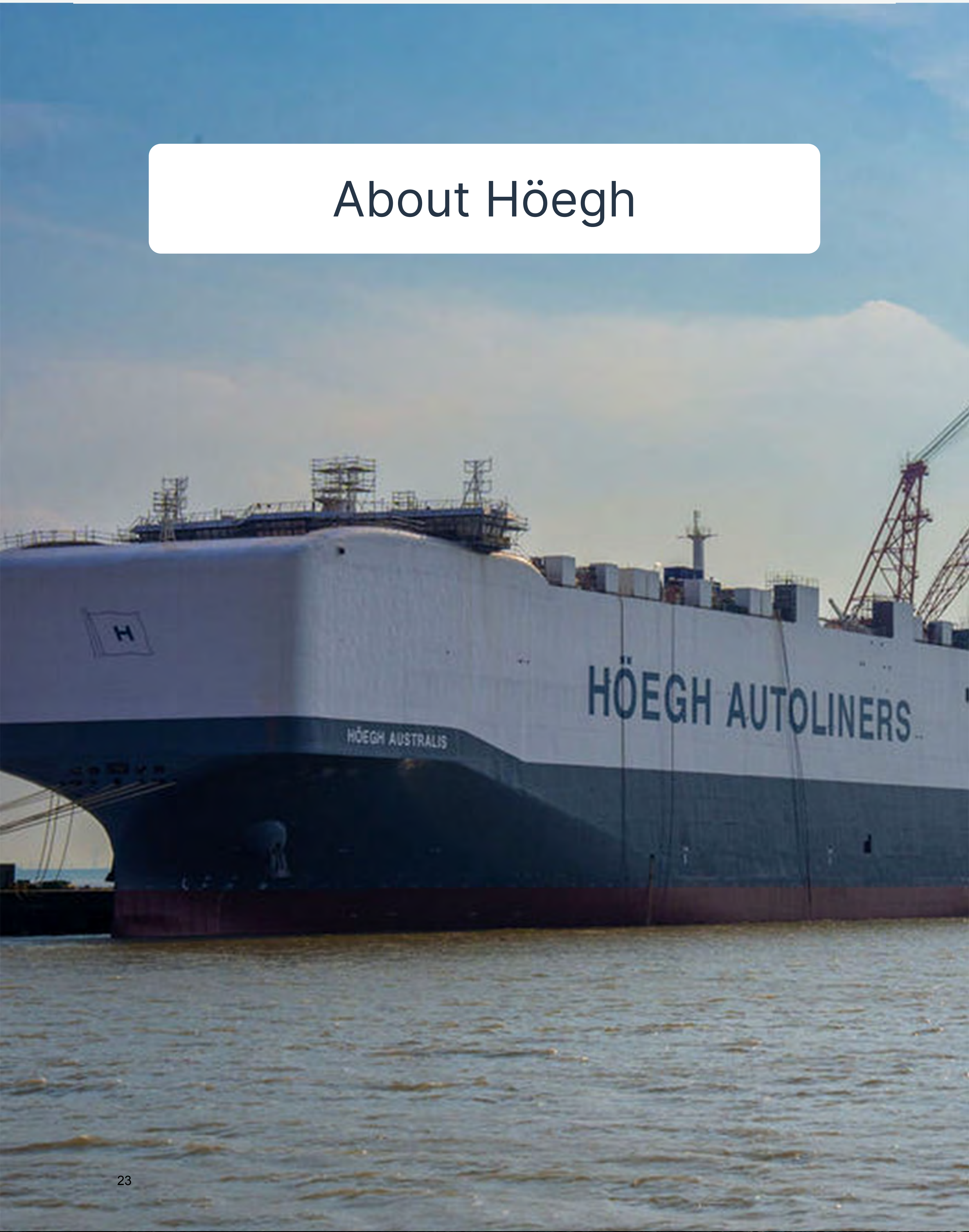
Kjersti Aass,
Board member

Johanna Hagelberg,
Board member

Gyrid Skalleberg Ingerø,
Board member

Andreas Enger,
CEO

About Höegh



Höegh Autoliners in brief

Höegh Autoliners is a leading global provider of ocean transportation services within the Roll-on Roll-off (RoRo) segment. We operate a global network of deep sea trades with Pure Car and Truck Carrier (PCTC) vessels.

38

vessels

35 owned and 3 chartered in

11

global trade routes

With more than 2 000 port calls every year

1 212

seafarers

From China and the Philippines

469

office employees

With 24 nationalities

About Höegh Autoliners

Höegh Autoliners ASA is a Norwegian Public Limited Liability Company. The Company is listed on the Oslo Stock Exchange.

Our corporate head office is located in Oslo, Norway, but we employ 469 people from 24 nationalities who are working out of 16 offices around the globe. In addition, we employ 1 212 seafarers, through our crewing offices in the Philippines and China.

We offer our customers safe and secure deep sea transportation of RoRo cargo such as cars, high and heavy machinery and breakbulk. Each year, we transport around 1.6 million car equivalent units (CEU) as well as other rolling and static cargo. Our vision is a zero emissions future, and we are working to reduce our carbon footprint and support decarbonising our customers' supply chain.

The Group currently operates a fleet of 38 Pure Car and Truck Carriers (PCTC) vessels, of which 35 are owned and 3 are chartered in, with capacity ranging from 2 000 to 9 100 CEU, with an average capacity of ~7 000 CEU. In April 2021, we launched the design of the world's largest and most environmentally friendly PCTC vessels, the Aurora Class. The Aurora Class has DNV's new "ammonia ready" notation, which makes it the first in the segment to be ready for operation on carbon neutral ammonia. Together with its capacity to carry up to 9 100 cars it will be the world's largest and most environmentally friendly car carrier to be built. The Group has signed contracts for twelve Aurora Class vessels and has options for further four vessels. The first four Aurora Class vessels were delivered in 2024.

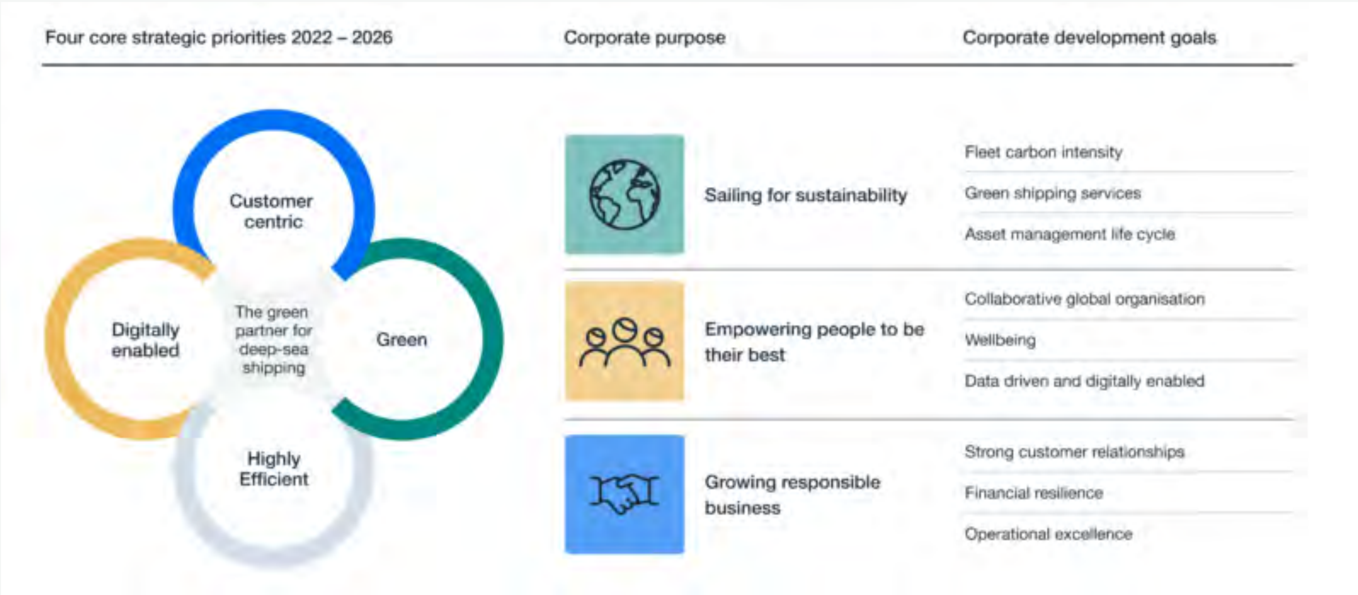
Höegh Autoliners is a fully integrated global organisation with considerable inhouse expertise

- Commercial management
- Operational management
- Full technical services
- Newbuilding project management
- Crewing

Strategy and Business

Höegh Autoliners is a leading global provider of ocean transportation services within the Roll-on Roll-off (RoRo) segment. We operate a global network of deep sea trades with Pure Car and Truck Carrier (PCTC) vessels.

Sustainability led strategy



Strategic priorities

Our four strategic priorities for 2022 – 2026 will help guide the Company's strategic direction towards becoming the green partner for deep sea shipping. Our strategic priorities serve as a guide to ensure we are focusing our resources and efforts on what is most important to drive long-term success.

Customer centric

Deliver shipping services that create customer satisfaction and loyalty

Building strong customer relationships is at the core of our strategy and critical for long term success. We engage closely with our core customers to build commercial resilience, strengthen our contract backlog, and continuously evolve our service in response to the changing needs and priorities of our customers.

Greener

Become the greener deep-sea operator to secure our future

We are investing in green fleet renewal to facilitate low carbon transportation and provide our customers with green optionality to achieve their decarbonization goals. Additionally, we take an active stance in the public arena, collaborating with the industry and relevant stakeholders to advocate for common standards and a greener future.

Highly efficient

Reduce voyage costs and maintain lean operating model to reduce unit costs

Operational efficiency is key to delivering a competitive product to our customers. We continuously look for opportunities to reduce voyage costs and maintain a lean operating model across all areas — from optimizing our global trade network to streamlining internal processes.

Digitally enabled

Leverage digital tools to improve customer experience and operational efficiency

We are actively embracing advances within big data processing, computing power, cloud technology and AI. These are enabling digital transformation of our core processes in customer interactions, voyage management as well as cargo and vessel operations

Corporate purpose

Planet

Sailing for sustainability

Corporate purpose

As a shipping company operating worldwide, we need to take responsibility for the environment we operate in, and sustainability has been and is at the core of our operations. We have a solid history of emission cuts and long-term efforts to combat climate change, and are on a clear path towards a zero emissions future.

Our strategy has been shaped to best meet our commitments and continue to help decarbonize our customers supply chains. We will cut carbon emissions by more than 30% by 2030 compared to 2019. Our comprehensive newbuild program with the Aurora Class vessels, is designed for a greener future and the vessels are the first PCTCs to receive DNV's ammonia and methanol-ready notations. Read more about our sustainability ambitions and targets in the Sustainability Statements.

Development goals

- Cut carbon emissions by more than 30% from 2019 to 2030* and reach net zero by 2040

- Partner with customers to create and grow the world's greenest deep-sea shipping services

- Raise the bar of asset life cycle mgmt. based on our responsible business philosophy

* The decarbonisation target refers to a more than 30% reduction in the Group's fleet efficiency measured by the capacity gross ton distance (cgDIST) by 2030 compared to 2019 (the "30 by 30 Target"). For more details on our net zero ambitions, please refer to E1-1 in the Sustainability Statements.

Empowering people to be their best

Corporate purpose

As a global operating organisation, we are committed to provide a safe and healthy workplace, creating an open and inclusive culture, and a working environment in accordance with our company values. We promote the wellbeing of our people and local communities through relevant programmes and offers. We cultivate and invest in diverse agile teams who learn together, collaborate globally and drive bold transformation for our business, partners and customers.

We adopt digital tools to continually develop our shipping heritage and support efficient and safe operations.

For more details on people and social aspects, see social information in the Sustainability Statements.

Development goals

- Cultivate and invest in diverse agile teams who learn together, collaborate globally and drive bold transformation for our business, partners and customers

- Promote the wellbeing of our people and local communities through relevant programs and offers

- Adopt digital tools to continually develop our shipping heritage and support efficient and safe operations

Prosperity

Growing responsible business

Corporate purpose

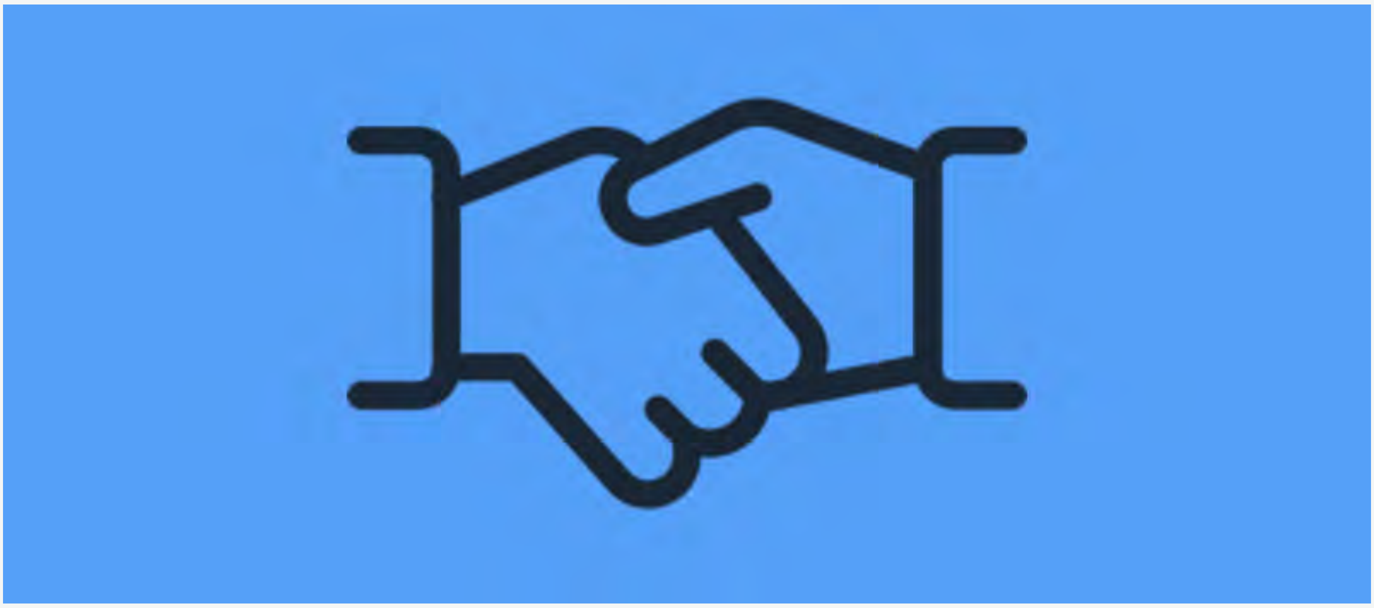
Höegh Autoliners is committed to deliver the best service to its customers and stakeholders, while ensuring compliance with ethical business principles, applicable laws, and environmental and community norms. We have a focus on developing lasting relationships with customers sharing our business philosophy.

A key component of our compliance program is customer privacy, including the European General Data Protection Regulation (GDPR).

We optimise network and capacity to maximise available capacity while maintaining safe operations, and ensure financial resilience by management of financial leverage and risks. We are committed to sustaining the profitability of our operations and generating long-term value for our shareholders, in addition to promote prosperity for the planet and society. The strategy is centred around continuous relationships, which we belive is essential when building resilience for the future. Our ambition is to act responsibly and with integrity in all tax matters, ensuring full compliance in every jurisdiction across the world.

Development goals

- Develop lasting relationships with customers sharing our business philosophy
- Ensure financial resilience by management of financial leverage and risks
- Optimise network and capacity to maximise available capacity while maintaining safe operations



Business model at a glance

Long-standing pure-play RoRo liner business, serving longstanding contract customers and spot commitments[1] via vessels deployed in major deep sea trade routes.

Fully integrated global organization with in-house commercial- and operational management and technical service.

Top 6 largest RoRo shipowner with the world's greenest fleet of PCTCs – outperforming segment carbon intensity average by 10%.

Transformational green newbuilding program with superior efficiency.

[1]Spot commitments defined as rate agreements and other cargo commitments with contract duration of up to 1 year.

Selected customers

Cargo segments

Factory New Light Vehicles

With our commitment to innovation and customer satisfaction, Höegh Autoliners has established a leading position in the automotive transport industry. Car manufacturers worldwide transport their brand-new vehicles on RoRo shipping vessels. These vessels function like mobile parking structures, ensuring the secure anchoring of cars to their decks.

Previously Owned Vehicles

Our global network of deep sea trades positions us as a reliable partner for both global car manufacturers and shippers of used vehicles.

High & Heavy

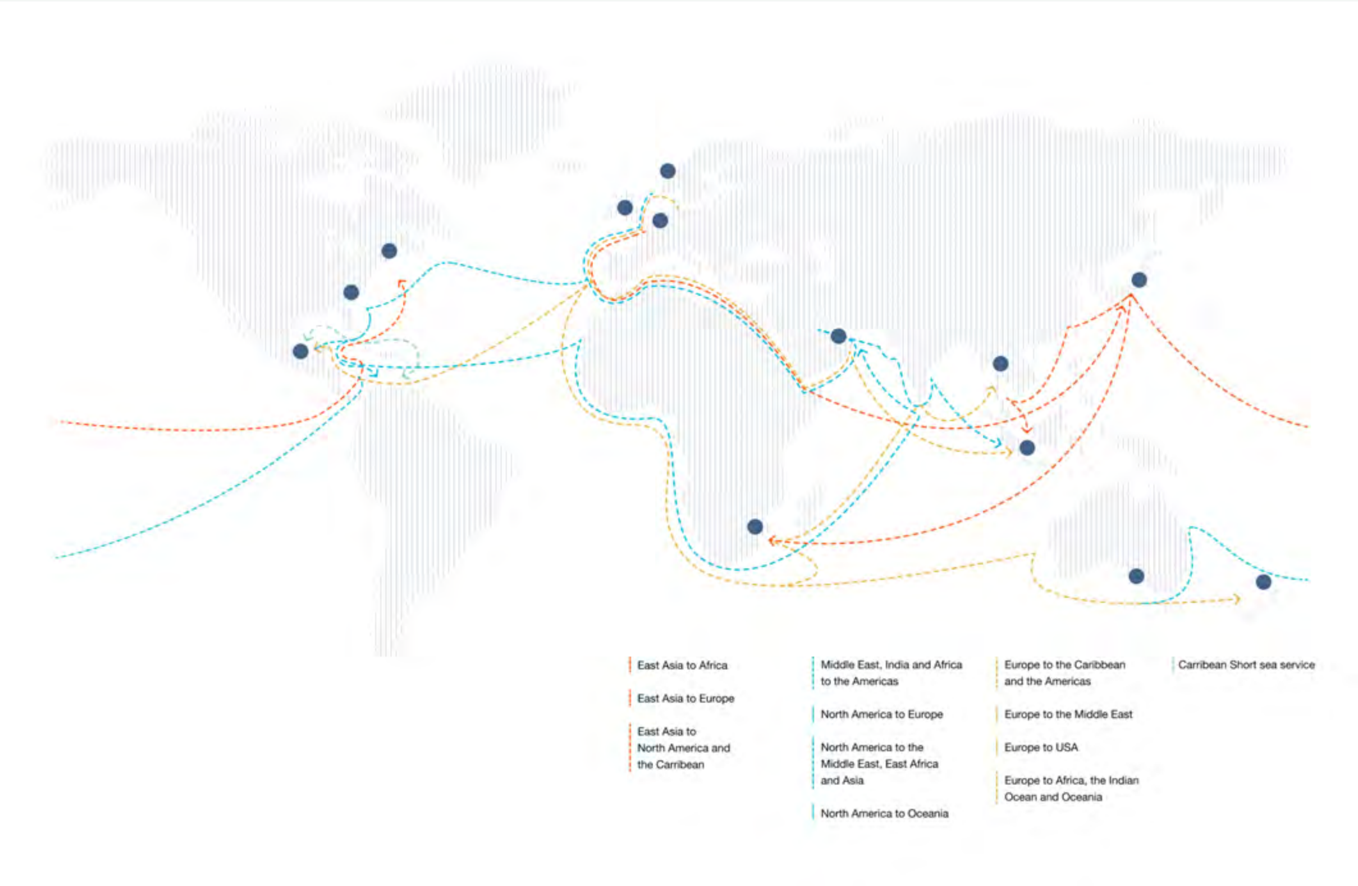
Our vessels and specialized equipment ensure out-of-gauge cargo's safe and efficient transportation. Our extensive rolltrailer fleet incorporates a wide range of cargo-carrying equipment, ensuring that we can accommodate diverse cargo sizes.

Breakbulk

At Höegh Autoliners, we are committed to providing exceptional services for the transportation of various types of cargo, including breakbulk and other out-of-gauge shipments. To cater to the unique requirements of such cargo, we rely on our modern and specialized rolltrailers. Breakbulk include mining equipment, rail equipment and construction machines.

Global network and organisation with focus on operational efficiencies

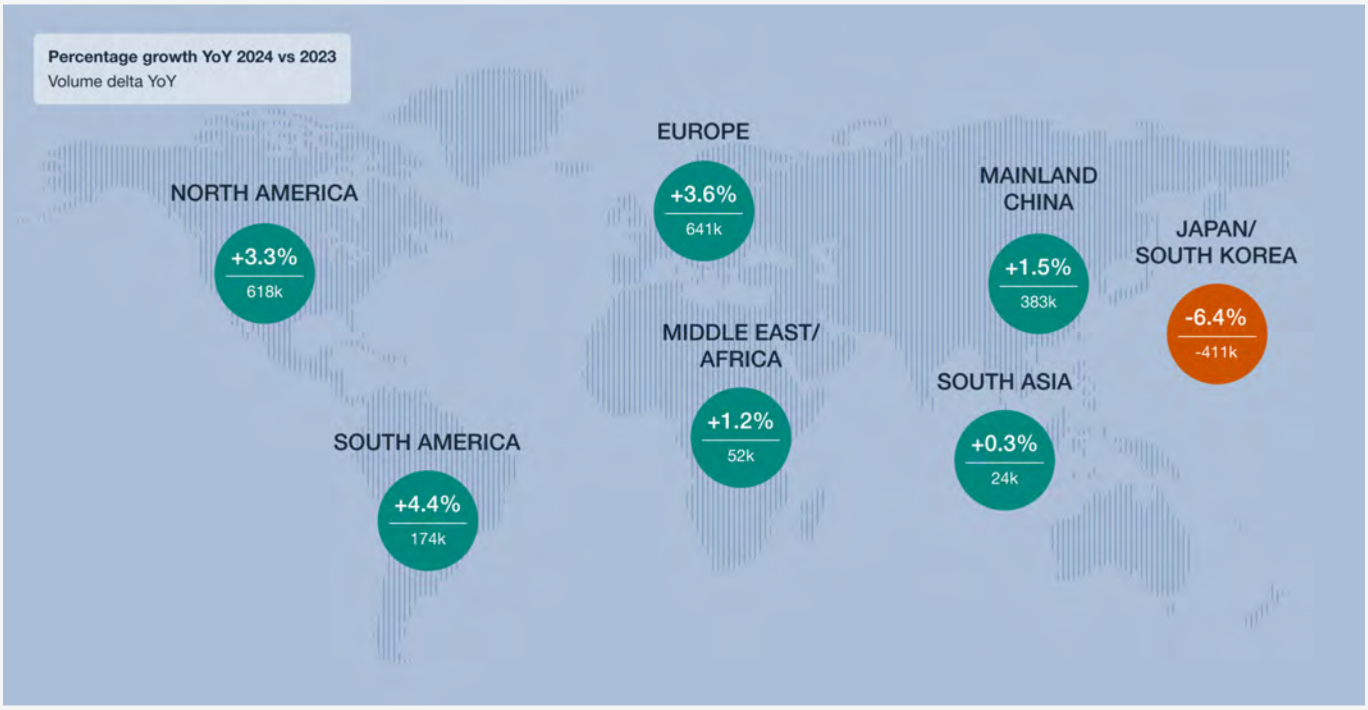
Overview of trade routes



Market developments

Global sales overview 2024

2024 Global auto sales reached 88.3 million units, up by 1.7% from 2023. The demand for global light vehicle demand continued its post pandemic recovery in 2024, albeit at a slowing pace. The growth in auto demand was driven by normalization of global automotive supply chains and return to a more traditional demand-driven model. Compared the pre-COVID-2019 performance, the 2024 sales volume was still down 1.8%.



As of December 2024. Source: S&P Global Mobility.

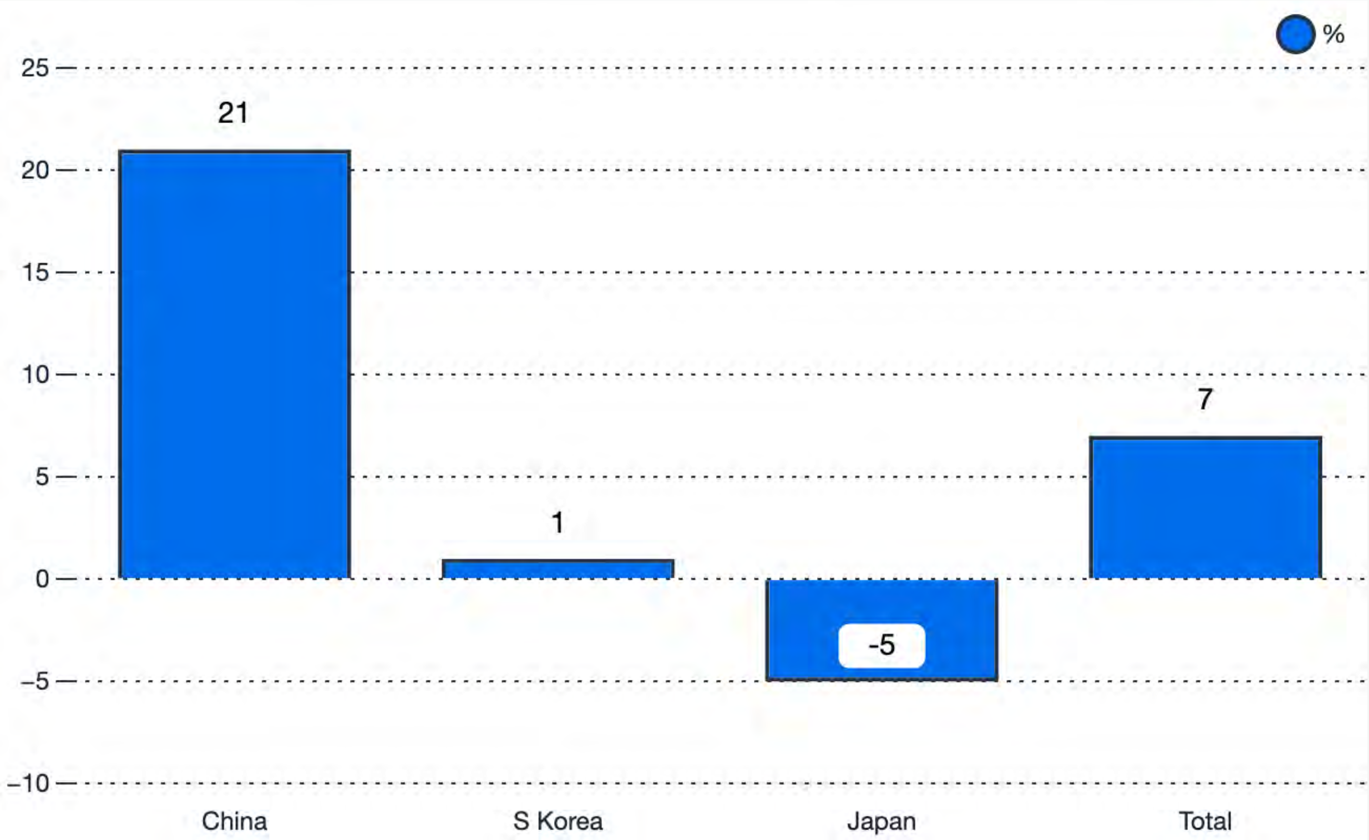
In 2024, vehicle sales in Höegh Autoliners' relevant destination markets were up 2% – marginally higher than the overall global sales growth. Vehicle electrification and EV industrial policies in Europe were a key driver behind strong European sales growth. Light vehicle demand in North America also continued to improve against previous year levels.

The outlook for global vehicle sales in 2025 is somewhat uncertain. The light vehicle demand recovery in the U.S. may lose some momentum due to the new U.S. Administration introducing new tariffs and trade policies. However, our current estimate is for global sales to improve by 1.7% reflecting a mix of both opportunities and threats. Consumer demand could remain challenged by affordability issues, including higher interest rates and energy prices.

Vehicle shipments

Total light vehicle shipments in Höegh Autoliners' relevant deep sea trade lanes increased by an estimated 9% in 2024 – a result of a solid, supply-unconstrained sales growth across all markets. Asia further increased its role as the most important sourcing region of vehicle exports. Total light vehicle exports from Asia expanded by 7% in 2024, driven by strong Chinese shipments (up 21% y-o-y).

Vehicles exports from Asia 2024 vs 2023

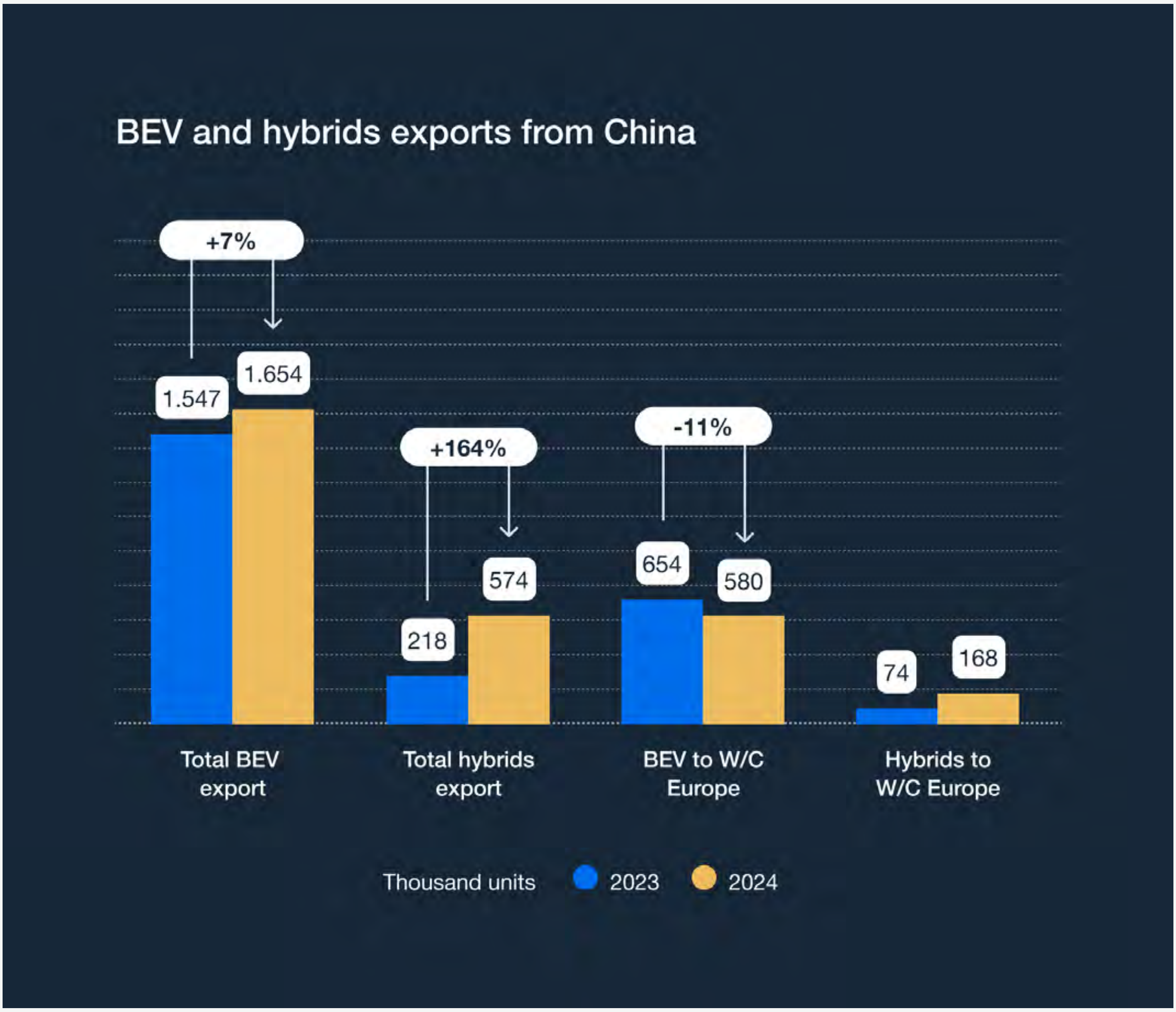


Sources: JAMA; KAMA, CAAM

China continued to cement its position as the largest vehicle exporting country by volume with 2024 total exports of 5.9 million units (incl. overland and shortsea volumes), compared to 4.2 million units exported from Japan.

China's 2024 BEV exports to Western and Central Europe declined by 11% y-o-y as a direct result of

EU's import tariffs on Chinese electric cars in 2H 2024. However, this decline was more than offset by growth in Chinese exports of hybrid vehicles – up by 127% in 2024 with most of this growth taking place in Q4.

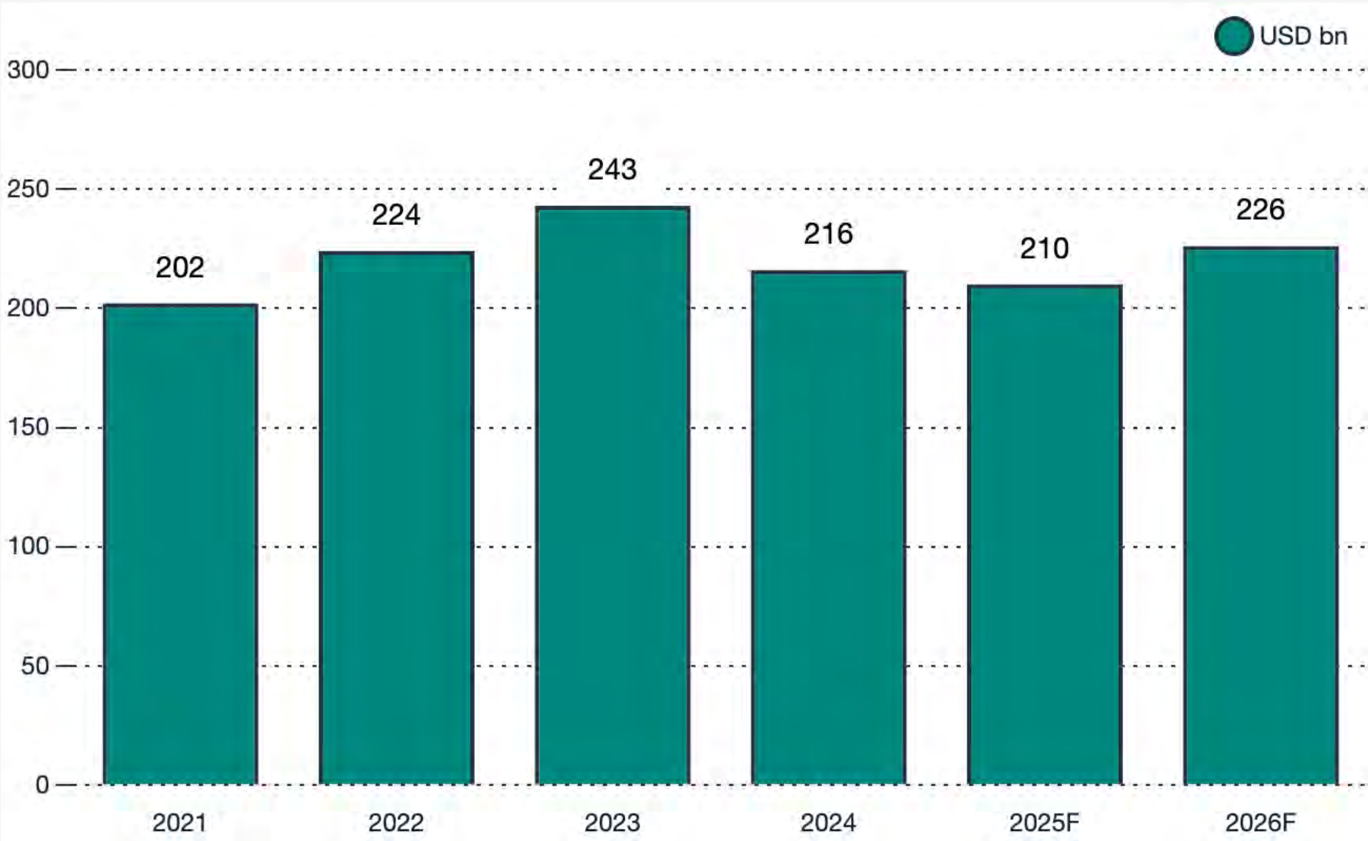


Japan's vehicle exports contracted by 5% in 2024, with shipments to Europe down 14% and shipments to the US down 8%. In the same period, S. Korean vehicle shipments were up a modest 1% (with 10% growth to U.S. largely offset by a 10% decline to Europe).

High & Heavy (HH) sales and shipments

2024 was a year of readjustment for the global construction equipment market, which had seen strong sales during the pandemic years. Higher interest rates have dampened global construction and resulted in an estimated 11% fall in global equipment sales (in value terms). The outlook for 2025 is somewhat flat with an expected pick up from 2026.

Global H&H sales



Sources: MSI Q4 2024, S&M Mobility – Global Trade Atlas, Jan 2025, Macrobond.

After enjoying several consecutive years of record equipment sales, the N. American market is estimated to have declined by 10% in 2024 as demand cooled due to higher interest rates and uncertainty ahead of the presidential election with buyers holding off on purchasing until the policy agenda for the next four years is clearer. However, 2024 was still the third best year in history in terms of machines sold. 2025 will likely see a renewed activity with new Administration supporting domestic construction.

The Eurozone construction sector remained in decline at the end of 2024. Interest rates and the residential construction market were key factors negatively affecting the mini excavators and compact equipment segments (shipped mainly in containers). The demand for larger equipment (shipped mainly by roro) remained steady. Total equipment sales are expected to be flat to positive in 2025.

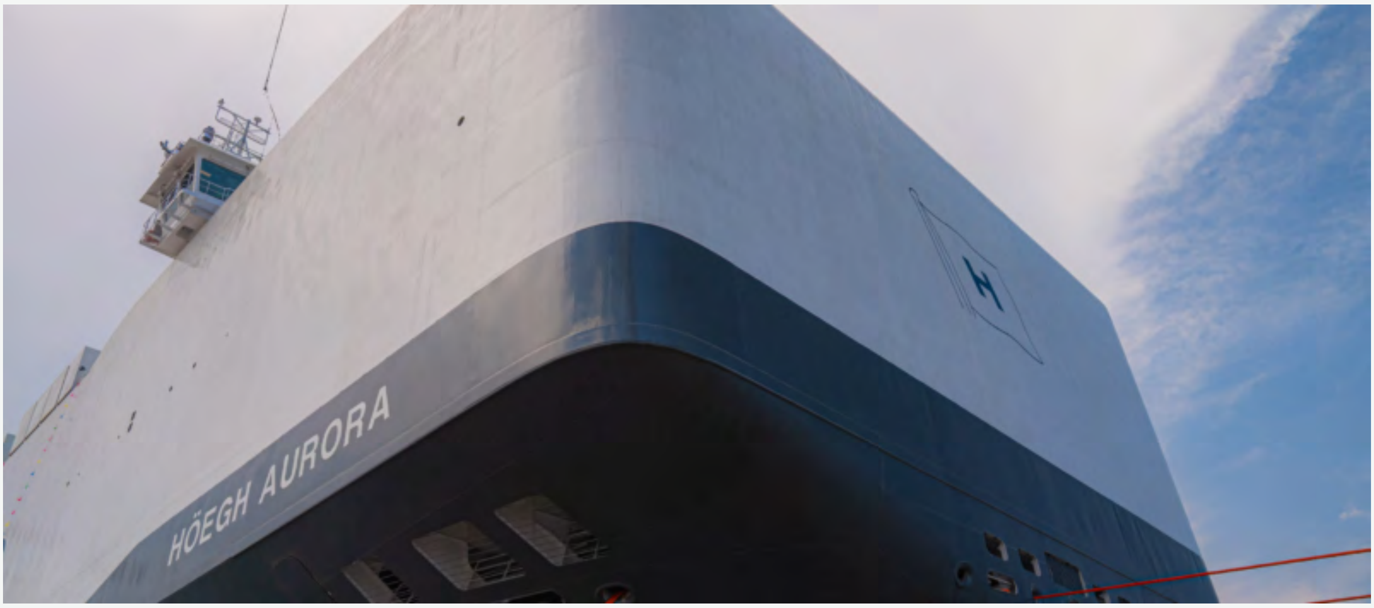
2024 global deep sea shipments of core H&H equipment reflected moderating, mixed demand recovery, contracting 1% y-o-y. Asia's core construction equipment shipments (all sizes) in deep sea trades were flat on 2023, but nevertheless 103% higher when compared to the same period in 2019 as China's deep sea shipments tripled between 2019 and 2024. China dominated deep sea shipments from Asia in 2024 (61% of total exported volume). The continuous Chinese export expansion was partly driven by weak domestic market and excess domestic production capacity. Shipments from Asia to USA, a key market for Höegh Autoliners, were up 14%.

2024 Asia deepsea exports of construction equipment (% change y-y)

Source: S&P Mobility, GTA Jan 2025 customs data 2024

Global PCTC fleet

The global PCTC fleet trading in the deep-sea trades totalled 724 vessels (4.3 million CEU capacity) by 4 March 2025. No vessels were recycled in 2024. The global order book counted 200 vessels, of which 57 vessels are scheduled for delivery in 2025, 58 vessels in 2026, 47 vessels in 2027, 38 vessels in 2028-2031. The capacity on order is equal to 37% of the total fleet.



Fleet presentation

A flexible and large fleet allows for economies of scale, as well as efficient and flexible services across the deep sea trade routes. With a current fleet wide average carrying capacity of ~7 000 CEU, Höegh Autoliners has the largest average vessel size within the car carrier industry.

The Höegh fleet

Per December 2024, Höegh Autoliners is operating a fleet of 38 vessels of which 35 owned and 3 on time charter. In addition, 8 newbuilds are to be delivered between 2025-2028.

A flexible and large fleet allows for economies of scale, lower emissions by cargo weight as well as efficient and flexible services across the deep sea trade routes.

With a current fleet wide average carrying capacity of ~7 000 CEU, Höegh Autoliners has the largest average vessel size within the car carrier industry.

For more details on our fleet, see Fleet list here.

Flexible fleet of 38 vessels with good capacity for profitable cargo

35 owned

of 38 vessels

3 on charter

of 38 vessels

8 newbuilds

to be delivered in 2025-2028

The vessels

	Capacity (CEU)	Owned	Time Chartered	Average age	Breakbulk
Aurora Class	9 100	4	-	< 1.0	44%
Post-Panamax	8 500	6	-	9.2	22%
Category 0	7 850	10[1]	-	19.8	22%
Category 1	~6 500	10	-	20.9	19%
<6 000	<6 000	5	3	18.5	22%

1) Includes vessels on long-term BB charter with purchase options/obligation

One of the most efficient PCTC operators, with clear pathway to offer customers net zero transportation towards 2040.

One of the most efficient PCTC operators

with the largest average vessel size and the lowest emissions in the industry

Continuous improvements

to existing fleet to save fuel and reduce emissions

Newbuilding program

accelerates the decarbonization of our customers' supply chains

Net zero

in vessel operations by 2040

Meet the Aurora Class

Our Aurora Class will be the largest and most environmentally friendly PCTC ever built, further accelerating our decarbonization efforts and setting a new standard for more sustainable deep sea transportation.

Our Aurora story

2021

The dawn of a new era

Design launch for the zero-carbon ready Aurora Class vessels.

2022

Realization of the Aurora dream

Contract ceremony with China Merchants Heavy Industry for the first eight vessels. Financing for the initial eight also secured.

2023

Birth of a new generation

First Aurora Class vessels began to take shape. The newbuilding program was extended from eight to 12 vessels.

2024

Aurora in operation

First four Aurora Class vessels delivered in Q3 and Q4 2024. Secures access to first four ammonia engines by Man Energy Solutions and Hyundai Heavy Industries.

2027

Path to zero

The Company launches the first ammonia-powered Aurora Class vessels straight from the yard.

At the yard

China Merchants Heavy Industry, Jiangsu, China

- All vessels contracted with the Norwegian flag and DNV-class
- Bridge system by Kongsberg Maritime
- Main engine delivered by MAN
- Ammonia- and methanol-ready notation by DNV
- 1 500 m^2 solar panels
- Shore power ready
- 47% of existing fleet added from this renewal cycle

- Q3 2024 first vessel inauguration
- 2 vessels to be delivered every six months
- 4 vessels currently in construction
- 12 Aurora vessels in operation by 1H 2028

Shaping the future of green shipping

2020 - 2023: Design and commit

- Industry cutting edge dual fuel design (Deltamarin)
- USD 1 200 million investment in green vessel program
- Optionality for ammonia design and launch agreed

2024 - 2026: Launch and scale

- Consortium for safe ammonia handling (DNV, YARA, MAN, Norwegian Maritime Authority)
- Securing clean ammonia supply (Sumitomo, YARA, North Ammonia)
- – 58% Emissions reductions with Aurora vessels launched 2024

2027 and beyond: all the way to 0

- 2027: Intention to launch segment first PCTC ammonia vessel
- 30 by 30
- 0 by 40

Our fleet

As of 31 December 2024

Name	Built	CEU	Ownership	Category
Höegh Aurora	2024	9100	Owned	Aurora class
Höegh Borealis	2024	9100	Owned	Aurora class
Höegh Australis	2024	9100	Owned	Aurora class
Höegh Sunlight	2024	9100	Owned	Aurora class
Höegh Target	2015	8500	Owned	Horizon
Höegh Tracer	2016	8500	Owned	Horizon
Höegh Trapper	2016	8500	Owned	Horizon
Höegh Traveller	2016	8500	Owned	Horizon
Höegh Trigger	2015	8500	Owned	Horizon
Höegh Trotter	2016	8500	Owned	Horizon
Höegh Asia	2000	7850	Owned	0
Höegh Berlin	2005	7850	Owned	0
Höegh Copenhagen	2010	7850	Leased	0
Höegh Detroit	2006	7850	Owned	0
Höegh London	2008	7850	Owned	0
Höegh Seoul	2004	7850	Owned	0
Höegh Shanghai	2007	7850	Owned	0
Höegh St. Petersburg	2009	7850	Owned	0
Höegh Tokyo	2004	7850	Owned	0
Höegh Trader	1998	7850	Owned	0
Alliance Fairfax	2005	6000	Owned	1
Alliance Norfolk	2007	6500	Owned	1
Alliance St. Louis	2005	6500	Owned	1
Höegh Jacksonville	2014	6500	Owned	1
Höegh Jeddah	2014	6500	Owned	1
Höegh New York	2005	6500	Owned	1
Höegh Transporter	1999	6500	Owned	1
Höegh Trident	1995	6500	Owned	1
Höegh Trooper	1995	6500	Owned	1
Höegh Trove	2000	6500	Owned	1
Höegh Caribia	2010	2000	Leased	<6000
Höegh Beijing	2010	4900	Owned	<6000
Höegh Brasilia	2007	5400	Leased	<6000
Höegh Sydney	2007	5400	Leased	<6000
Höegh Manila	2007	5400	Owned	<6000
Höegh Osaka	2000	5400	Owned	<6000
Höegh Oslo	2008	5400	Owned	<6000
Höegh Yokohama	2000	5400	Owned	<6000

New buildings - Aurora class

Name (hull number)	Built	CEU	Ownership	Category
CMHI-269-5	2025	9100	Owned	Aurora class
CMHI-269-6	2025	9100	Owned	Aurora class
CMHI-269-7	2026	9100	Owned	Aurora class
CMHI-269-8	2026	9100	Owned	Aurora class
CMHI-269-9	2027	9100	Owned	Aurora class
CMHI-269-10	2027	9100	Owned	Aurora class
CMHI-269-11	2027	9100	Owned	Aurora class
CMHI-269-12	2027	9100	Owned	Aurora class

Shareholder information

Höegh Autoliners consistently being one of the top performers in the Oslo Stock Exchange since the listing in 2021 and has distributed a total of USD 1.1 billion in dividends.

Share capital and share price development

Höegh Autoliners shares are traded under ticker code “HAUTO” and were first listed on the Oslo Euronext Growth on 29 November 2021 and then transferred to the Oslo Stock Exchange main list on 2 May 2023. As per 31.12.2024, the Company had 190 769 749 outstanding shares with a nominal value of NOK 14.80.

As per year end 2024, the shares were trading at NOK 113.2 per share, valuing the company at NOK 21.6 billion. This implies an increase of 23% compared to the closing price of NOK 92.25 at year end 2023, outperforming the OSEBX main index which increased by 9.1% in the same period. Adding dividends paid in 2024, the implied total return to shareholders is 74% in a year.

Höegh Autoliners’ share price achieved strong growth throughout 2024 on the back of strong earnings momentum, resolute newbuilding program and ambitious dividend payouts to shareholders. The exceptional market foundation persisted in 2024. This was driven by limited capacity growth for an extended period, coupled with continuing robust demand from customers. The Company was able to fully leverage the favourable market conditions by successfully repricing the contract portfolio with rates at sustainable levels, while also filling the remaining capacity with well-paid spot cargo. This is reflected in the Company’s strong quarterly performance and positive earnings momentum throughout the year.

During the calendar year 2024, total dividends paid amounted to USD 841 million (USD 4.4084 per share) following the dividend policy that came into effect in Q4 2023. The Company’s unwavering commitment to a green shipping future, demonstrated by the ambitious Aurora Class newbuilding program, was also positively embraced by the market, having taken delivery of four ships in 2024. The Aurora Class are among the biggest, greenest, smartest vessels ever built.

Höegh Autoliners has given total shareholder returns up to 800% since the listing in 2021.

Key figures

	2024	2023	2022
Share price, high (NOK)	142.80	94.20	67.50
Share price, low (NOK)	90.55	54.70	24.60
Share price, closing 31.12 (NOK)	113.20	92.25	64.90
Market cap (NOK billion)	21.60	17.60	12.38
Earnings per share (NOK)	36.79	31.17	15.38
Dividend per share (NOK)	47.61	13.546	1.842

Notes:
1) Source: Euronext live
2) Assumed USD/NOK rate of 11.35 as of 31.12.2024, 10.12 as of 31.12.2023 and 9.86 as of 31.12.2022

Dividend

Höegh Autoliners' dividend policy has been in effect since the fourth quarter of 2023. The policy aims to distribute quarterly dividends to shareholders of around 100% of cash generation after amortization of debt facilities, capital expenditure and payable taxes. Any declaration of dividends will be at the at the discretion of the Board of Directors considering also the outlook and the Company's financial position. Dividends will be declared in USD and paid in NOK.

The Board of Directors resolved the distribution of USD 109 million (USD 0.57 per share) post Q1 2024, USD 127 million (USD 0.68 per share) post Q2 2024 and USD 245 million (USD 1.28 per share) post Q3 2024 which accounted for gains from sale of Höegh Kobe and Höegh Chiba booked during that quarter. A dividend of USD 90 million (USD 0.47 per share) was paid out in March 2025 post Q4 2024, having taken delivery of three of the new Aurora class vessels during the quarter. In February 2025, the Company reduced its share capital to support its dividend capacity and expects to maintain it at a solid level given the current market outlook.

Ownership structure

14 831

As per 31.12.2024, Höegh Autoliners had 14 831 shareholders.

71 %

Our top 20 largest shareholders held 71% of our shares.

56 %

The majority of the shares were held in Norway.

Shareholders by geographical region	Share (%)
Norway	55.70
Europe (excl. Norway)	30.70
Of which Italy	8.73
Of which UK	1.76
North America	11.60
Asia-Pacific	0.10
Rest of the world	0.10

1) As per 31 December 2024, based on the shareholder analysis.
Source: VPS per 31.12.2024

Top 20 largest shareholders per 31.12.2024

Investor	Number of shares	% of total	Country
Leif Höegh & Co AS	67 750 000	35.51 %	NOR
Clearstream Banking S.A.	20 933 664	10.97 %	LUX
Folketrygdefondet	8 206 675	4.30 %	NOR
UBS Switzerland AG	6 850 000	3.59 %	ITA
BNP Paribas	5 015 000	2.63 %	ITA
Intesa Sanpaolo S.p.A	4 310 115	2.26 %	ITA
State Street Bank and Trust Comp	3 735 292	1.96 %	USA
JPMorgan Chase Bank, N.A., London	2 584 437	1.35 %	USA
State Street Bank and Trust Comp	1 581 941	0.83 %	USA
Verdipapirfondet Alfred Berg Gamba	1 535 000	0.80 %	NOR
Avanza Bank AB	1 464 466	0.77 %	SWE
Verdipapirfondet DNB Norge	1 453 905	0.76 %	NOR
Caseis Bank	1 404 135	0.74 %	LUX
State Street Bank and Trust Comp	1 395 042	0.73 %	USA
The Bank of New York Mellon	1 317 314	0.69 %	USA
State Street Bank and Trust Comp	1 193 042	0.63 %	USA
VPF DNB AM Norske aksjer	1 186 876	0.62 %	NOR
US Bank National Association	1 135 568	0.60 %	USA
Interactive Brokers LLC	1 115 802	0.58 %	USA
Nordnet Bank AB	1 096 135	0.57 %	SWE
Top 20 shareholders - Total	135 265 249	70.90 %	

Investor relation

Höegh Autoliners aims at an open and trustful dialogue with the financial market, and all communication shall be on basis of equal treatment. In addition to the quarterly reporting, the Company keeps the investors and analysts updated by sending out monthly trading updates, arranging roadshows and investor events, together with attending industry conferences. Both virtual and physical meetings were organised to provide all investors – domestic and international – with latest developments. As per the date of the report, Höegh Autoliners is covered by 8 sell-side analysts, predominantly from international investment banks. For more investor related information, please visit the Investor section on the Company's website.

Financial calender 2025

Annual Report 2024

25 April 2025

Quarterly Presentations

Q1 2025: 25 April 2025
Q2 2025: 22 August 2025
Q3 2025: 30 October 2025

Annual General Meeting

27 May 2025

Analyst coverage

Company	Analyst Name	Phone	Email
ABG Sundal Collier	Petter Haugen	+47 22 01 61 39	petter.haugen@abgsc.no
Arctic Securities	Kristoffer Barth Skeie	+47 41 36 36 63	kristoffer.skeie@arctic.com
Clarksons Platou Securities	Frode Mørkedal	+47 22 01 63 27	frode.morkedal@clarksons.com
DNB Markets	Jørgen Lian	+47 24 16 91 88	jorgen.Lian@dnb.no
Fearnley Securities	Fredrik Dybwad	+47 22 93 63 73	f.dybwad@fearnleys.com
Nordea	Sondre Snesrud	+47 90 25 05 11	sondre.snesrud@nordea.com
Pareto Securities	Eirik Haavaldsen	+47 24 13 21 20	eirik.haavaldsen@paretosec.com
SEB	Jon Skåland	+47 22 82 70 06	jon.skaland@seb.no

Governance

Board of Directors

The Board of Directors has the ultimate responsibility for the management of the Company and must ensure that the activities are organised in a prudent manner.

The composition of the Board of Directors meets the need for expertise, capacity and diversity to achieve the Company's goals, handle its main challenges and promote the common interests of all shareholders. The Board of Directors consists of eight directors and one deputy director, all elected at the annual general meeting.

Leif O. Høegh
Chair

Leif O. Høegh was elected to the board of the Company in 2008. He serves as a Director of Höegh EVI. He Chairs investment company Höegh Capital Partners and real estate developer Höegh Eiendom.

Leif O. Høegh has more than 30 years' experience within shipping and investing and has worked for McKinsey & Company and the Royal Bank of Canada group. He has previously been a director in several companies listed on the Oslo Stock Exchange and the New York Stock Exchange. As a Norwegian national, he holds an MA in Economics from the University of Cambridge and an MBA from the Harvard Business School.

Morten W. Høegh

Deputy Chair

Morten W. Høegh was elected to the board of the Company in 2008. Among others, he serves as Chair of Höegh Evi, he is a Partner of Höegh Capital Partners, Alternate Director of Höegh Eiendom, and serves as Chair of Gard P.&I. (Bermuda) and the Western Europe committee of DNV. From 1998 to 2000 he worked as an investment banker with Morgan Stanley in London.

Morten W. Høegh holds an MBA with High Distinction (Baker Scholar) from Harvard Business School and a Bachelor of Science in Ocean Engineering and Master of Science in Ocean Systems Management from Massachusetts Institute of Technology.

Jan B. Kjærvik

Director

Jan B. Kjærvik was elected to the board of the Company in 2013 and serves today also as Chair of its Audit Committee. He served recently as Interim Treasurer for GE Energy businesses (GE Vernova), preparing for demerger from General Electric parent. Jan has many years of banking and corporate experience in financial roles across banking, energy and maritime sectors. He was most recently Head of Group Finance & Risk Management of A.P Møller-Maersk Group from 2008 until his retirement from Maersk end of April 2021. Prior to that he was Head of Enterprise Risk & Group Treasurer of Aker Solutions from 2002 to 2008 and at Nordea in various roles from 1983-2002.

He holds a Lic.Oec. HSG from St. Gallen, Switzerland and he has held a number of board positions, including; Maersk Supply Service, Britannia PI, Danish Ship Finance, VP Securites and Maersk Insurance. He is currently Board Member at Seadrill Ltd, where he serves on its Audit Committee and Board Member of Odfjell SE, where he is Chair of the Audit Committee.

Martine Vice Holter

Director

Martine Vice Holter was elected to the board of the Company in 2011. She is a Senior Advisor to Höegh Capital Partners (HCP), having stepped down as CEO in 2023 after 17 years. HCP is a family investment office co-located in London and Oslo which oversees all of the investment interests of the Høegh family, including public and private direct investments as well as cross asset class financial investments. Martine continues to serve as a non-executive Board Director on selected Höegh-controlled investments. Her earlier career spanned investment banking at Goldman Sachs based in New York and Hong Kong, management consulting at McKinsey & Company based in London and venture capital at Arts Alliance Ventures. She has broad cross-sector experience working across North America, Asia, Europe and Sub-Saharan Africa.

Martine received her MBA from INSEAD and her joint honours BA in Economics and Political Science from Queen's University (Canada).

Johanna Hagelberg

Director

Johanna Hagelberg was elected to serve on the Company's Board of Directors in 2021. She currently holds the position as Executive Vice President of the Biomaterials Division at Stora Enso Oyj and was previously the Executive Vice President and Head Sourcing & Logistics. She has also held the position of Chief Procurement Officer at Vattenfall AB after leading Sourcing and Supply Chain positions at NCC, RSA Scandinavia and at General Motors/SAAB. She is a Chair of the Board of directors of Veracel and member of the Board of directors of Montes del Plata.

Johanna Hagelberg holds a MSc in Industrial Engineering & Management from Linköping University and a MSc in Engineering and Management of Manufacturing Systems from Cranfield University.

Kjersti Aass

Director

Kjersti Aass was elected to the board of Höegh Autoliners in 2021. She currently serves as Senior Advisor to the United Nations Global Compact, where she leads a strategic partnership with the International Chamber of Shipping, the International Transport Workers' Federation, and the International Maritime Organization.

Previously, Kjersti was Sustainability Development Director at Yara International where she also served on the Board of Directors. Her earlier experience includes humanitarian work with Médecins Sans Frontières in Afghanistan and Ethiopia. She has served on the board of The Norwegian Trekking Association (DNT) in Oslo and as Vice Chair of the board of The Development Fund.

Kjersti Aass holds a MSc in Industrial Economics and Technology Management, specializing in entrepreneurship, from the Norwegian University of Science and Technology.

Kasper Friis Nilaus

Director

Kasper Friis Nilaus was elected to the board of Höegh Autoliners ASA in 2021. Kasper is CEO of Svitzer, the world's leading towage provider. Prior to this, Kasper has held various positions in Svitzer primarily within commercial and business development and worked as a lawyer in Jonas Bruun Law firm in Copenhagen before joining Svitzer.

Kasper holds a Master of Law from the University of Copenhagen and an MBA from the University of Nottingham Business School. Before studying law, Kasper served as an officer of the reserve in the Danish Navy.

Gyrid Skalleberg Ingerø

Director

Gyrid Skalleberg Ingerø was elected to the board of Höegh Autoliners ASA in 2023. Gyrid has extensive management experience in financial and accounting matters from CFO positions in different listed companies. She has served as EVP & Group CFO in Kongsberg Gruppen ASA from 2017 to April 2023. Her impressive career also includes her time in Nordea Bank, Komplett Group ASA, Reiten & Co Private Equity, Telenor Norge AS and Telenor Digital Businesses AS. She worked 8 years at KPMG before her CFO positions.

Gyrid also holds broad board experience from several companies and organisations and is currently a board member of Gjensidige ASA, KID ASA, Kitron ASA, ITERA ASA, and Deputy Chair at Telenor ASA.

Thor Jørgen Guttormsen

Deputy for Morten W. Høegh

Thor Jørgen Guttormsen has had a long career with Höegh. He held the position as CEO of Höegh LNG from November 2021 to August 2022, and the position of CEO of Höegh Autoliners from September 2019 to September 2020. He was elected to the board of Höegh Autoliners in 2014 and has been on the board of Höegh Autoliners until August 2021, except for a leave of absence while he was CEO of Höegh Autoliners. He has been CEO of Höegh & Co from 1992 to 2008. Prior to this period, he held positions as Manager in Price Waterhouse and IKO Strategy AS and as CEO of JSA Holding BV (a Paris based shipping company).

Thor Jørgen has been president of the Norwegian Shipping Association and a Board member of BIMCO and ECSA. He is presently on the boards of directors of Telenor Maritime, and Danmarks Skibskredit. He has served as a director in Höegh LNG AS and has been an alternate director in Höegh LNG Holdings. Thor Jørgen holds an MSc from The Norwegian School of Economics and Business Administration (NHH) and has participated in the International Executive Program at the Institute for Management Development (IMD) in Lausanne, Switzerland.

Executive Management

Höegh Autoliners' Executive Management Team is situated in the Corporate Head Office in Oslo.

Andreas Enger

Chief Executive Officer (CEO)

Andreas Enger took the position as CEO of Höegh Autoliners in September 2020. He joined Höegh Autoliners as CFO in September 2019. Until July 2019, he was a Partner at Deloitte holding roles as Head of Financial Advisory in Norway, Nordic lead of Monitor Deloitte and Chief Strategy Officer of Deloitte Nordic.

He has previously served as Chairman of Posten Norge AS (the Norwegian Postal Service), Chief Financial Officer of Norske Skog ASA, Executive management group member in charge of strategy and M&A at Petroleum Geo-Services ASA, Chairman & CEO of Peterson Packaging and Partner of McKinsey & Co. Andreas holds a MSc in Engineering Cybernetics from NTNU in Trondheim, Norway, and a MBA from INSEAD in Fontainebleau, France.

Sebjørn Dahl

Chief Operations Officer

Sebjørn Dahl joined Höegh in 1992. In 1996 he was appointed Vice President of Safety and Quality and Fleet Personnel. He was stationed in East Asia from 1998 where he was responsible for the establishment of Höegh offices in Manila, Philippines and Quanzhou, China. Sebjørn was appointed Executive Vice President in Höegh Fleet Services (HFS) in 2003 and in April 2011 he was appointed Chief HR Officer. In combination with this role Sebjørn was appointed President of HFS in August the same year and has been a member of the top management group since 2011. He was appointed Chief Operations Officer in March 2018. Sebjørn is educated at the Royal Norwegian Naval Academy and London Business School.

Espen Stubberud

Chief Financial Officer

Espen Stubberud assumed the role as CFO in January 2025. He joined Höegh Autoliners in 2007 as a Maritime Trainee and has held various commercial and operational positions in the Company including one period in Hong Kong and one in the US. In 2016, he was appointed Head of Global Sales before being appointed Chief Trade and Capacity Officer in October 2017.

Espen holds a Master's degree from the Norwegian School of Economics and Business Administration (NHH).

Lise Duetoft

Chief Strategy, People and Digital Officer

Lise Duetoft was appointed the position as Chief Strategy and Analytics Officer in September 2020. In 2025, her position was extended to integrate strategy to organisation and digital transformation, and was renamed to Chief Strategy, People and Digital Officer. Lise has worked as an Investment Director at Höegh Capital Partners (HCP) and serves as a director of Höegh Eiendom. Prior to joining Höegh Capital Partners, Lise held senior leadership roles in strategy, M&A and commercial development at European technology company Computacenter. Earlier in her career, Lise worked for McKinsey & Co as an Engagement Manager.

Lise brings with her more than 20 years of experience in business through a career focused on advising companies on corporate strategy, strategic investments, alliance opportunities and global M&A activity. Lise holds a B.Sc and M.Sc in International Business Administration and Modern Languages from Copenhagen Business School. She has also attended MBA and Corporate Finance programmes at Kellogg Graduate School of Management in Chicago and at London Business School.

Oskar Orstadius

Chief Sales Officer

Oskar Orstadius took the position as Chief Sales Officer in September 2020. Oskar joined Höegh Autoliners in 2012 as Head of Global Port and Cargo Operation. In 2014, he transferred to the commercial department as Head of Breakbulk and expanded our breakbulk portfolio. In 2018 he moved to Tokyo, Japan as Head of Asia to lead the teams in the South-east and East Asia region.

Oskar is educated as a Master Mariner at the Merchant Marine Academy in Kalmar, Sweden. Earlier in his career he served as an officer on board PCTC and Deep sea RoRo vessels. After his active career at sea, Oskar continued working within the PCTC industry in various operational roles including five years in Germany.

John Syvertsen

John Syvertsen

Chief Trade and Capacity Officer

John Syvertsen joined Höegh Autoliners in 2007 and has held various positions in Trade and Capacity management, including three years in Japan. In 2018 he was appointed Head of Global Trade Management and held the position until he was appointed Chief Trade and Capacity Officer in August 2024. John holds a MSc in Economics and Business Administration (Siviløkonom) from Agder University College.

Sigve Reme Sand

Chief Legal Officer

Sigve Reme Sand assumed the role of Chief Legal Officer at Höegh Autoliners in July 2023. He has been an integral part of the company since 2018 when he joined as legal councel. Prior to his tenure at Höegh Autoliners, Sigve gained valuable experience as a lawyer at the renowned Norwegian law firm BAHR. Following that, he served as a legal counsel for DNB Bank ASA, specializing in the bank’s Ocean Industries division. Sigve completed his Master’s degree in law at the University of Oslo, graduating in 2011.

Mirjam Peters

Mirjam Peters

Chief Customer Sustainability Officer

Mirjam Peters takes the position of Chief Customer Sustainability Officer in May 2024. Mirjam is a studied natural scientist, with emphasis on sustainability research ever since. After her PhD graduation she started her career at Continental AG in the automotive supplier business. She was holding several positions in the Tire Sector including international assignments in South Africa and China in technology development, R&D and OE. In her last position in Continental AG, she was responsible for the development and execution of the global sustainability strategy of the Industry Sector, reporting to the COO and CEO.

Corporate governance statement

Höegh Autoliners ASA is a public limited company which complies with Norwegian law. The Company considers good corporate governance to be a prerequisite for value creation, trust from stakeholders and access to capital.

1. Implementation and reporting on corporate governance

Höegh Autoliners ASA (‘Höegh Autoliners or ‘the Company’) is a public limited company which complies with Norwegian law. The Company considers good corporate governance to be a prerequisite for value creation, trust from stakeholders and access to capital.

The Company wish to comply with the Norwegian legal framework applicable to companies listed on the Oslo Stock Exchange, and the Company endorses the Norwegian Code of Practice for Corporate Governance (Nw.: Norsk anbefaling for eierstyring og selskapsledelse), issued by the Norwegian Corporate Governance Board, and most recently revised as of 14 October 2021 (the “Code”).

The Company will annually report its corporate governance requirements and recommendations within the annual report, covering every section of the Code. As set out below, the Company is in compliance with the Code.

The Company’s corporate governance policy regulates the division of roles between the Company’s shareholders, Board of Directors, executive management and committees. The corporate governance policy also provides the structure through which the objectives of the Company are set, and the means of attaining those objectives and monitoring performance are determined.

The Company believes that good corporate governance involves transparent and effective cooperation between all parties involved with the Group and its business. This includes the Company’s shareholders, Board of Directors and the Group’s executive management team, employees, customers, suppliers, and other business partners, as well as public authorities and society at large.

The Company’s Articles of Association can be found on the Company’s website. →

2. The business

The Company's activities and operations is restricted to the business objective specified in Article 3.

The Company's business objective according to section 3 of the Articles of Association reads as follows: "Shipping and other economic activities, including participation and financing of other companies."

3. Equity and dividends

Equity

As of 31 December 2024, the total equity amounted to USD 1 177 million, corresponding to 56%, down from 69% at the end of 2023. The liquidity position is good, with cash and cash equivalents of USD 208 million at year end 2024. The Group had net interest-bearing debt of USD 581 million at the end of 2024. The Group complied with all loan covenants at year-end 2024.

The Board of Directors considers the Company's capital structure as satisfactory.

Dividend policy

The Board of Directors has adopted the following dividend policy, which waws in effect as of 31 December 2024:

Höegh Autoliners targets to distribute quarterly dividends to shareholders of around 100% of cash generation after amortization of debt facilities, capital expenditure and payable taxes. Any declaration of dividends will be at the discretion of the Board of Directors considering also the outlook and the Company's financial position. Dividends will be declared in USD and paid in NOK.

The reason for any proposal to grant the Board of Directors an authorisation to approve distribution of dividends should be explained and the explanation should state to which extent the authorisation is based on the Company's dividend policy. An authorisation granted to the Board of Directors to approve distribution of dividends shall be limited in time and not be granted for a longer period than until the next annual general meeting.

4. Equal treatment of shareholders

Shareholders

As of 31 December 2024, the Company had 14 831 shareholders, of which 496 were foreign, and the remaining were Norwegian. The Norwegian shareholders account for 104 793 094 of the Company's shares, or 56% of the total number of shares.

Pre-emptive rights

The Company has one class of shares in issue and, in accordance with the Norwegian Public Limited Companies Act, all shares in that class provide equal rights in the Company, including the right to any dividends. Each of the shares carries one vote.

If the Board of Directors resolves to issue new shares and deviate from existing shareholders' pre-emptive rights pursuant to an authorization granted to the Board of Directors, the Board will make sure to publicly disclose in a stock exchange announcement issued in connection with the share issue.

Transactions in treasury shares

The Company owns 3 652 treasury shares 31 December 2024. The Company purchased 330 000 shares in November 2024 for the purpose of meeting obligations arising from the Company's share incentive programs. 326 348 shares were granted to participants in the share incentive programs in December 2024.

Transactions with close associates

Any transactions taking place between a principal shareholder or close associates and the Company will be conducted on arm's length terms. In the event of non-immaterial transactions, the Company will seek independent valuation. Relevant transactions will be publicly disclosed to seek transparency. Pursuant to the instructions issued by, and for the Board, Directors are required to inform the Board if they have interests and/or relations, directly or indirectly, with other companies within the Höegh Autoliners group.

5. Freely transferable shares

The shares of the Company are freely transferable and there are no limitations on any party's ability to own or vote for shares in the Company. The Company's shares are listed on the Oslo Stock Exchange under the ticker "HAUTO".

6. General meetings

The general meeting will be held in the second quarter of the year.

The Board of Directors will ensure that the Company's shareholders can participate and exercise their voting rights in the Company's general meeting.

The Board of Directors will further ensure that:

- The resolutions and any ancillary documentation are sufficiently detailed and comprehensive, thereby allowing shareholders to understand and make an opinion on all matters to be considered at the general meeting

- The notice of the general meeting and any ancillary documents and background information on the resolutions to be considered at the general meeting will be available on the Company's website no later than 21 clear days prior to the date of the general meeting.

- Shareholders wishing to attend the general meeting must notify the Company at least two working days before the meeting takes place.

- The Board of Directors and the chair of the general meeting will ensure that shareholders are able to vote separately on each matter and each candidate nominated for election to the Company's Board of Directors.

- The chair of the Board of Directors and the CEO will be present at the general meeting.

Participation without being present

Shareholders who are unable to attend a general meeting will be given the opportunity to attend the general meeting electronically, be represented by proxy and to vote by proxy. The Company will in this respect provide information and procedure for electronic attendance and attendance by proxy, and prepare proxy forms or written voting forms, which will make it possible to vote separately on each individual matter on the agenda and for candidates nominated for election.

7. Nomination committee

The Company has established a nomination committee, consisting of three members elected at the annual general meeting. The Board of Directors has approved instructions applicable for the nomination committee's work. The current members are Terje Askvig (chair), Øyvin Brøymer (member) and Birthe Skeid (member). The members are elected for two years at a time, until the annual general meeting in 2026.

The nomination committee shall ensure that the Board of Directors is composed in such a manner that the interests of the shareholders and the Company's needs for competence, independence and diversity are maintained.

The nomination committee is also responsible for proposing the remuneration to the members of the Board of Directors and the nomination committee.

8. Board of Directors: Composition and independence

The Company's Board of Directors is elected by the general meeting. The Board shall consist of between six and twelve members. The Board of Directors currently comprises of eight members and one deputy board member.

Name	Function
Leif O. Høegh	Chair
Morten W. Høegh	Deputy chair
Jan B. Kjærvik	Director
Martine Vice Holter	Director
Johanna Hagelberg	Director
Kjersti Aass	Director
Kasper Friis Nilaus	Director
Gyrid Skalleberg Ingerø	Director
Thor Jørgen Guttormsen	Deputy for Morten W. Høegh

The composition of the Board of Directors meets the need for expertise, capacity and diversity to achieve the Company's goals, handle its main challenges and promote the common interests of all shareholders.

The Board of Directors is composed so that it can act independently of any special interests. The composition of the Board of Directors is in compliance with the independence requirements of the Code. Four of the directors are women, and the majority of the directors are independent of the Höegh Autoliners group's executive management and material business connections. No member of the Company's executive management serves on the Board of Directors. Five of the directors, Johanna Hagelberg, Kjersti Aass, Kasper Friis Nilaus, Gyrid Skalleberg Ingerø and Jan B. Kjærvik, are independent of the Company's major shareholders. Information on the background and experience is available on the Company's website.

9. The work of the Board of Directors

The Board of Directors has implemented instructions its own work, focusing on determining allocation of internal responsibilities and duties.

The Board of Directors has the ultimate responsibility for the management of the Company and must ensure that the activities are organised in a prudent manner.

The Board of Directors has implemented procedures so that the Board of Directors and executive management are aware of any material interests that they may have in matters to be considered by the Board of Directors, so that these can be considered on an unbiased and satisfactory manner.

The Board of Directors establishes an annual plan for its own work, with particular focus on objectives, strategy and implementation, and annually evaluates its performance and expertise.

Höegh Autoliners has a directors' and officers' liability insurance. It applies globally for any past, present or future director or officer in the Group. The directors' and officers' liability insurance is designed to provide financial protection to directors and officers for claims made against them in respect of acts committed (or alleged to have been committed) in their capacity as such and as a result of an alleged error, omission, or breach of duty.

Audit Committee

The Company's Audit Committee currently consists of four members: Jan B. Kjærvik (Chair), Morten W. Høegh, Johanna Hagelberg and Gyrid Skalleberg Ingerø. All members of the Audit Committee are independent of the Company's executive personnel, and at least two members of the Audit Committee are competent in respect of finance and audit.

The Audit Committee's objective is to act as a preparatory working committee and support the Board's supervisory roles with respect to financial and non-financial reporting and the effectiveness of the Company's internal control and risk management systems. The Audit Committee also monitors that the external auditor is independent in relation to services rendered and relationships that may impact objectivity and independence between the external auditor and the Company, including review and pre-approval of non-audit services provided by the external auditor.

Governance and Compensation Committee

The Company has a Governance and Compensation committee consisting of Martine Vice Holter (Chair), Leif O. Høegh, Kjersti Aass and Kasper Friis Nilaus. The members are independent of the Company's executive personnel.

The Governance and Compensation Committee's objective is to ensure thorough and independent preparations of matters relating to governance and compensation of the Company's executive management.

Management team

In 2024, the executive management team at Höegh Autoliners ASA consists of a Chief Executive Officer (CEO) and nine other team members:

- Chief Financial Officer (CFO)
- Chief Operations Officer (COO)
- Chief Strategy and Analytics Officer
- Project Executive
- Chief Trade and Capacity Officer
- Chief Sales Officer
- Chief HR and Communications Officer
- Chief Legal Officer
- Chief Customer Sustainability Officer

The executive management team discusses and coordinates all main business and management issues relevant to the Company.

An overview of the background and expertise of the executive management team is available on the Company's website.

10. Risk management and internal control

The Board of Directors has the responsibility to ensure that the Company has sound internal control and risk management systems and believes the systems are appropriate in relation to the scope and nature of the Company's activities. Risk management is integral to all of the Company's activities, and risks within each business area are continuously monitored and managed.

The Company has a global management system where governing documents, code of conduct, policies, guidelines are available to the employees of the Company. Various internal control activities ensure that the financial systems are working adequately and according to management's expectations.

The Board of Directors regularly reviews the Company's risk matrix and internal control arrangements.

11. Remuneration of the Board of Directors

The remuneration of the Board of Directors is recommended by the Company's Nomination Committee and determined by the shareholders at the Company's Annual General Meeting. The remuneration shall reflect the Board of Directors' expertise, the complexity of the Company and its business, time spent, and the level of activity performed. The remuneration is not linked to the Company's performance and share options are not granted to the directors.

12. Remuneration of executive management

The Company's remuneration approach is to ensure the compensation of the executive management complies with relevant regulatory requirements, is aligned with the Company's values and reward policies. A prerequisite for the successful implementation of the Company's strategy and safeguarding of its long-term interests, including sustainability, is that the Company can recruit and retain qualified people.

The Board determines the CEO's remuneration and establishes the framework for salary increases and bonus payments for other employees including the rest of the executive team effective 1 January each year. An overview of the executive management remuneration packages is detailed in the Remuneration report published on the Company's website.

The compensation package consists of three main elements:

1. Base salary – benchmarked using external provider
2. Variable pay including short- and long-term incentives
3. Benefits including insurances, pension and other non-financial elements

13. Information and communications

Höegh Autoliners´ investor relations policy describes our guidelines for communication with shareholders and the financial market. We seek to conduct an open and continuous dialogue to ensure good basis for the financial market in evaluating trade in the Höegh Autoliners' share.

The Board of Directors has adopted guidelines covering the Company's communication with its shareholders and other key stakeholders.

Communication

Our main communication channels for share relevant information are stock exchange notices, the Company´s web site, quarterly reports and presentations and direct dialogue conducted by designated employees.

Höegh Autoliners publishes financial results on quarterly basis in accordance with its financial calendar. The financial calendar is published annually and updated when needed.

Silent period

Höegh Autoliners will not participate in meetings, conferences nor direct dialogue regarding financial results thirty (30) days prior to publishing of the quarterly results.

14. Takeovers

The Board of Directors has established principles for its actions in the event of a takeover offer in accordance with the principles of the Code.

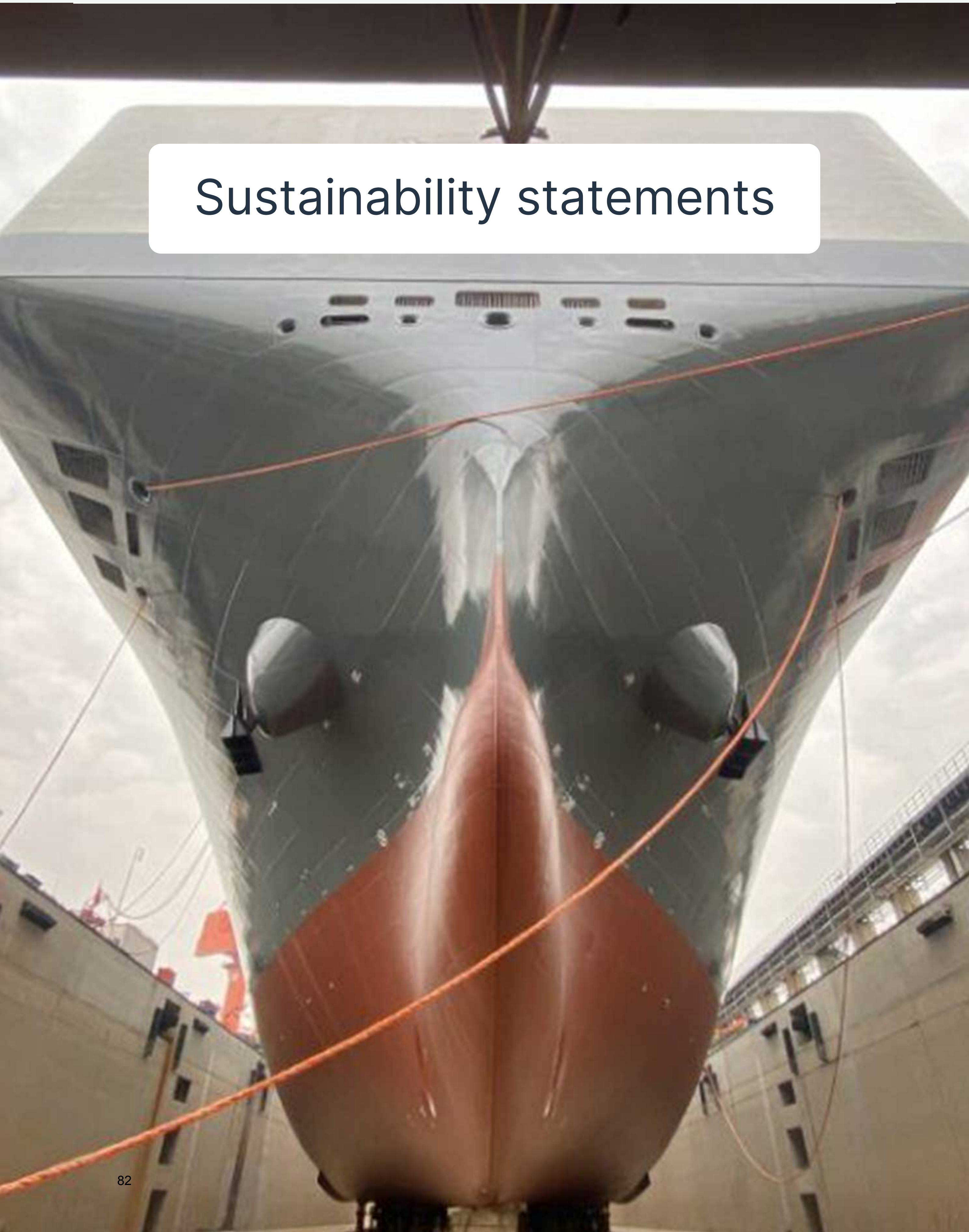
In a takeover process, the Board of Directors and the executive management each have independent responsibilities to ensure that the Company’s shareholders are treated equally and that there are no unnecessary interruptions to the Company’s business activities. The Board of Directors has a particular responsibility to ensure that the shareholders are given sufficient information and time to assess the offer.

15. Auditor

Höegh Autoliners’ external auditor is elected at the AGM, which also approves the auditor’s fees for the parent company. The Company’s auditor, PwC, attends all Audit Committee meetings and participates in any meeting regarding the annual accounts or assessment of important accounting estimates. The auditor annually presents an audit plan to the Audit Committee.

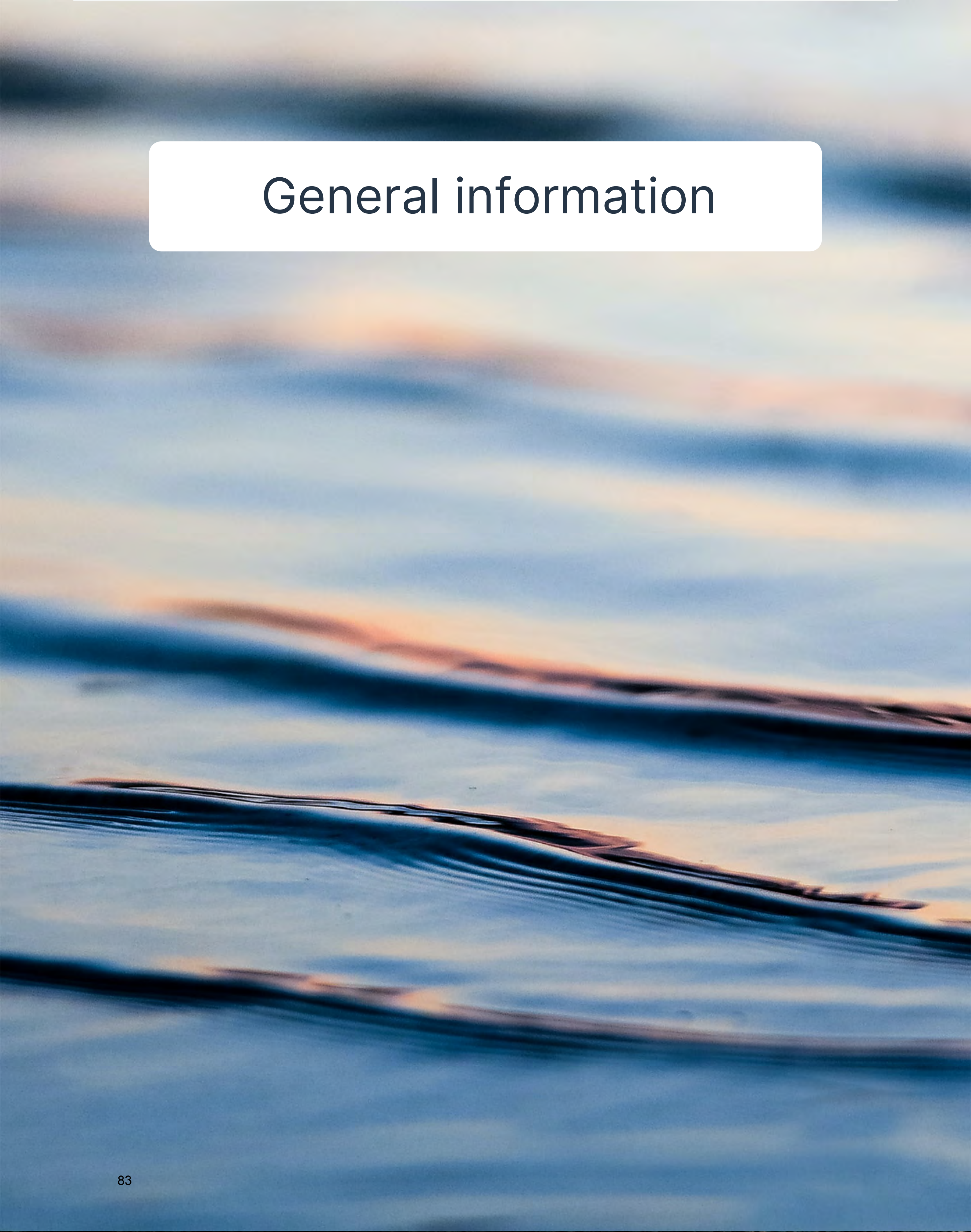
Information about the auditor’s fees, including a breakdown of audit related fees and fees for other services, is included in the notes to the financial statements.

For the financial year 2024, Peter Wallace was the Company’s engagement partner from PwC.



Sustainability statements

General information



ESRS 2 – General disclosures

The Sustainability Statements provide detailed information on our sustainability and business practices. In the following statements, we disclose our material impacts on people and environment, including the material effects of sustainability matters in our business activities.

Basis for preparation

General basis for preparation of the Sustainability Statements

ESRS 2 – BP-1

This year, the Sustainability Statements have been restructured and new disclosures have been included to align with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

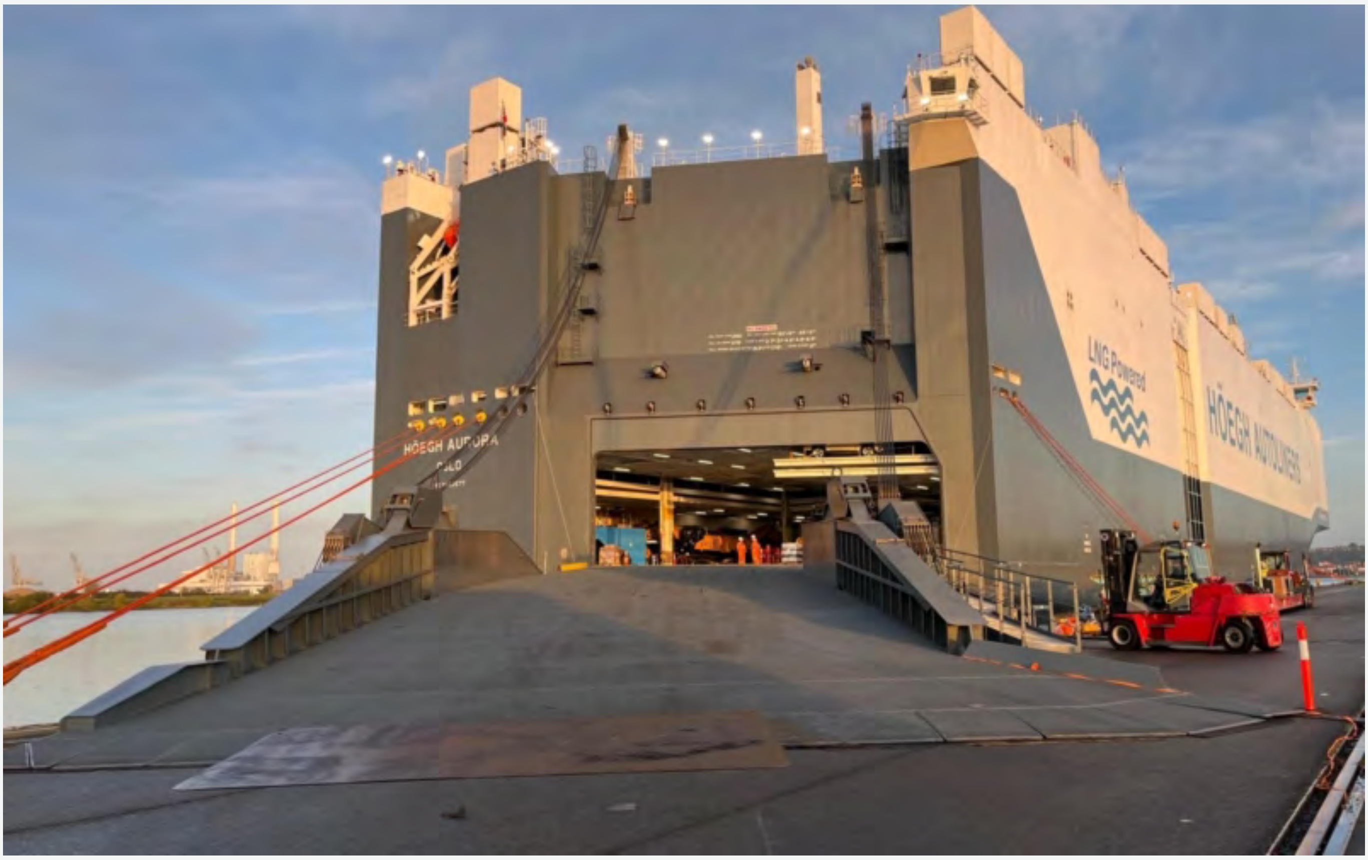
Our Sustainability Statements have been prepared on a consolidated basis, aligning with the scope of the financial report for 2024. This report is our mandatory annual statutory sustainability reporting in accordance with chapter 2 of the Norwegian Financial Statements Act and the EU Sustainable Finance Taxonomy.

The scope of our Sustainability Statements mirrors our financial statements, ensuring consistency and comprehensive coverage of our operations and activities. Our Sustainability Statements cover both upstream and downstream aspects of our value chain. A focus is placed on our own operations and our first-tier suppliers.

All data points found in the topical standards have been subject to a double materiality assessment (DMA). For a detailed description of the scope, methodology and assumptions of our DMA process, please refer to ESRS 2 IRO-1 below.

The Sustainability Statements follow the categorisation of the short-term time horizon as defined in ESRS 1, section 6.4. However Höegh Autoliners has deviated from medium- and long-term time horizons (please refer to ESRS 2 BP-2 (9)).

No information corresponding to intellectual property, know-how or the results of innovation has been omitted from the Sustainability Statements.



Disclosures in relation to specific circumstances

ESRS 2 – BP-2

In line with the adaptation to the CSRD and the ESRS, Höegh Autoliners has restructured its sustainability reporting format. These modifications include:

- The Sustainability Statements now include new disclosures and metrics required by the ESRS.
- The layout of the Sustainability Statements has been revised to comply with the ESRS reporting demands.

Time horizons have been applied for impacts, risks, and opportunities. ESRS 1 section 6.4 defines the short-, medium- and long-term horizons for reporting purposes, where short-term is defined as 0-1 years, medium term is defined as 1-5 years and long-term is defined as more than 5 years. Höegh Autoliners has deviated from the defined medium- and long-term horizons as guided by ESRS 1 and has defined medium term as 1-10 years and long-term as more than 10 years.

This approach is based on Höegh Autoliners' corporate strategy to ensure comparability between strategic periods and sustainability assessments. The rationale builds on the longer cycles in the shipping sector and a longer-term decarbonisation target by 2040. Höegh Autoliners also operates an asset base with an expected lifetime of 30 years.

Scope 3 emissions are calculated using the methodology as described in the Greenhouse Gas Protocol (Technical Guidance for Calculating Scope 3 Emissions). This involves using external proxies, such as widely recognized emission factors and sector average data. Until we can obtain accurate primary data throughout our value chain, these proxies and sector averages represent our best estimates.

For detailed accounting policies on Scope 3 data, please refer to section E1 – Climate Change.

List of disclosure requirements incorporated by reference

Disclosure requirement	Paragraph	Section
ESRS 2 GOV-1	Composition and diversity of the administrative, management and supervisory bodies	Board of Directors
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	Remuneration report, page 6
ESRS 2 SBM-1	Strategy, business model and value chain	Strategy and business
E1-5	Net revenue, Note 2 in to the financial statements	Financial Statements (Note 2 - page 13)
E1-6	Net revenue, Note 2 in to the financial statements	Financial Statements (Note 2 - page 13)

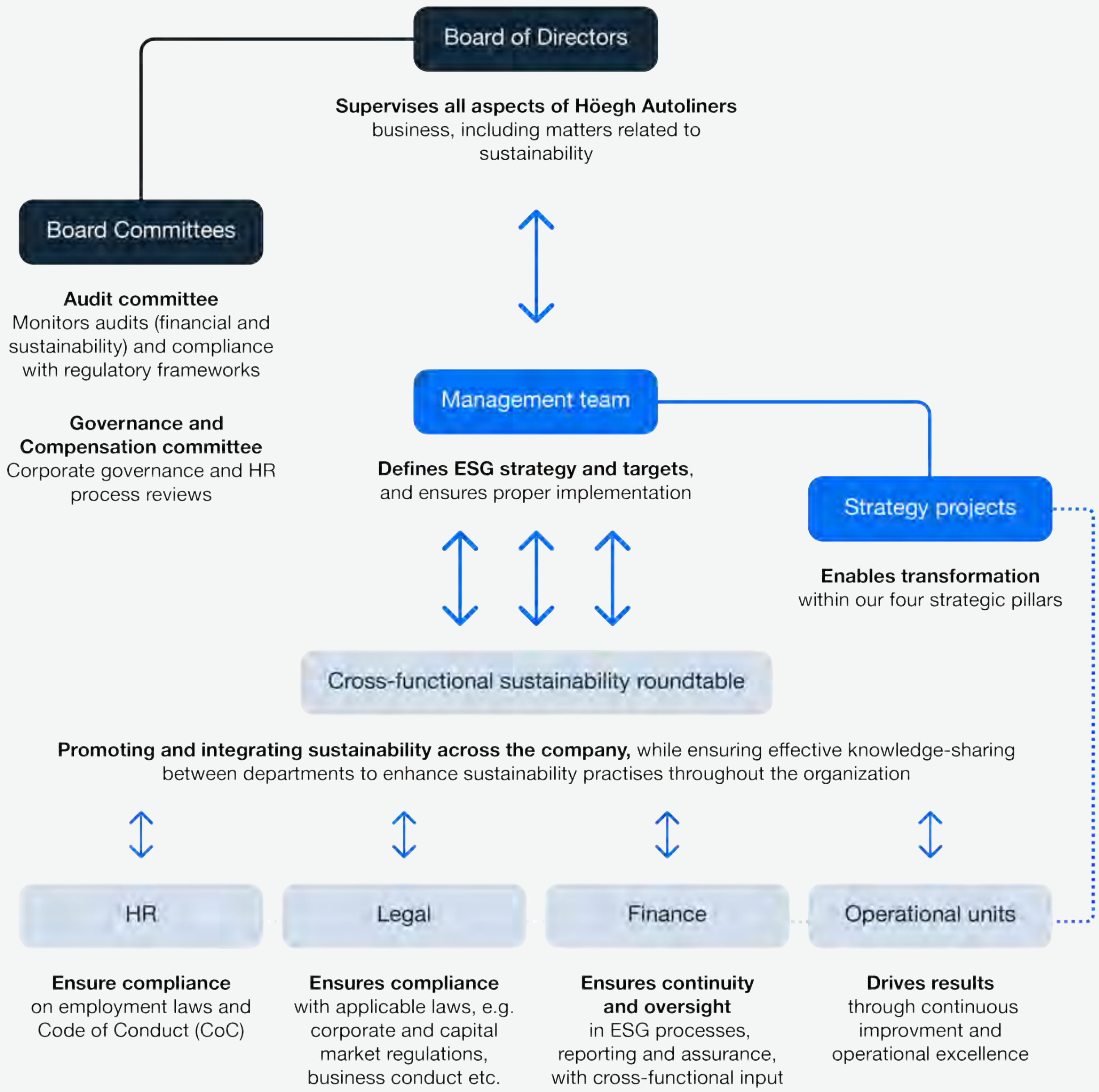
In 2024, Höegh Autoliners has chosen to exercise the following phase-in provisions: ESRS 2-SBM-1 paragraph 40b-c, ESRS 2-SBM-3 paragraph 40e, E1-9, E2-6, E4-6, E5-6, S1-7, S1-8, S1-11, S1-12 and S1-14 (related to non-employees).

Governance

ESRS 2 – GOV-1

The role of the administrative, management and supervisory bodies

Our governance model secures commitment throughout the organisation



Höegh Autoliners' Board of Directors (BoD) consist of 9 members, consisting of eight directors and one deputy director. No member of our executive management serves on the board. Board members possess diverse expertise relevant to our sector, service, and geographic locations. This includes individuals with extensive experience in the shipping industry, sustainability, finance, and global market dynamics, ensuring well-rounded insights into our operations. The entire board is composed to possess strong experience and skills in the conduct of business leadership. Leveraging these skills enhances our ability to proactively manage and capitalise on opportunities associated with sustainability, contributing to our overall resilience and responsible business practices.

Additionally, the members of the BoD evaluate annually its performance and expertise. Over the next 12 months this self-assessment will be expanded to also include sustainability skills and expertise.

Höegh Aurora visiting Le Havre

Regarding gender diversity, our board comprises 44% female and 56% male members. Five of the directors (56%) are independent from the Company's major shareholders, contributing to a robust governance structure and a substantial proportion of unbiased decision-making within our unitary board. We currently do not have any employee representatives on the board. Further information on our board members can be found here.

As illustrated by our governance model, the board of directors is the governing body responsible for approving the Company's overall strategy and the necessary investments to achieve our targets and goals. By approving and issuing new and revised policies, the board integrates all aspects of Höegh Autoliners' business, including climate change and other sustainability topics. The board oversees Höegh Autoliners' sustainability approach, monitors performance, and approves the double materiality assessment, including material impacts, risks, and opportunities. It also reviews and approves the annual Sustainability Statements.

Our Audit Committee oversees our reporting and audit processes, including our system of internal controls and compliance with laws and regulations. In addition to monitoring regulatory reporting and the audit process, the Audit Committee's 2024 focus included overseeing the Group's compliance work, risk management, IT security, and its environmental, social and governance reporting processes.

The Governance and Compensation Committee (GCC) ensures thorough and independent preparation of matters relating to the governance and compensation of the Company's executive management. For most of 2024, the committee was known as the Sustainability, Governance, and Compensation Committee (SGCC), also focusing on sustainability. However, this responsibility has since been transferred to the board of directors, and the committee has been renamed to the Governance and Compensation Committee.

During 2024, the GCC reviewed compensation elements for both staff and the Executive team, along with long-term organizational development plans, considering the shift towards achieving our sustainability goals. Additionally, the GCC reviewed and assessed the DMA on behalf of the board of directors, ensuring comprehensive oversight of sustainability reporting.

The Company has established a Nomination Committee, consisting of three members elected at the annual general meeting. The board of directors has approved instructions for the committee's work. The Nomination Committee ensures the board of directors is composed to meet the shareholders' interests and the Company's needs for competence, independence, and diversity. It is also responsible for proposing remuneration for the board of directors and the Nomination Committee members.

The responsibility of defining and implementing our strategy and targets lies with our management. Relevant sustainability topics are assigned to their respective departments, defined, and prioritized within the framework of our four strategic priorities. This work is supported by our cross-departmental strategic projects, where each strategic project is owned and sponsored by a member of the management team, who drives the project and is responsible for the final content presented to the management team and the board.

Sustainability is embedded in our strategy, represented by environmental, social and governance aspects as reported in their respective sections in these Sustainability Statements. Dedicated controls and procedures are integrated into the relevant departments to effectively manage impacts, risks, and opportunities. Integration ensures alignment with other critical internal processes, reinforcing comprehensive risk and sustainability management throughout the organisation.

Sustainability is embedded in our strategy, represented by environmental, social and governance aspects as reported in their respective sections in these Sustainability Statements.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

ESRS 2 – GOV-2

Throughout the year, we consistently monitor various impacts, risks, and opportunities. To ensure effective performance monitoring, we track our progress against targets and report this in our quarterly and annual reports. Updates on our performance are also reported to the Board of Directors quarterly. Health and safety are routine topics of discussion at these meetings (more details are found in the social S1 – section). Similarly, climate-related topics, including our efforts towards achieving decarbonization goals, are frequently reviewed by our governance bodies. For additional details see the E1 – section.

Governance topics including anti-corruption, are also addressed and discussed in the Board meetings.

The Audit Committee has been thoroughly upskilled to competently oversee the CSRD reporting process. Through targeted training sessions and workshops, committee members have enhanced their understanding of the relevant standards and requirements. This ensures they are well-equipped to provide effective oversight and guidance, aligning with the company's commitment to transparency and accountability in sustainability reporting.

Administrative, management, and supervisory bodies evaluate the implementation of due diligence, effectiveness of policies, and the outcomes of actions, metrics, and targets. Reviews are conducted annually, with special sessions convened when significant changes occur, or new risks emerge. From 2025, quarterly reporting of impacts, risks, and opportunities will inform the administrative, management, and supervisory bodies discussions on the business's strategy, major transactions, and risk management processes.

During the reporting period, executive management and the Board of Directors have reviewed specific IROs related to our most material topics, including climate change, biodiversity, health and safety, and governance.

Integration of sustainability-related performance in incentive schemes

ESRS 2 – GOV-3

Höegh Autoliners integrates sustainability-related performance in management's short-term incentive scheme. This aligns goal achievements with corporate objectives and sustainability ambitions, covering both environmental and social topics. For more details on this incentive scheme, please refer to our Remuneration Report available on our website.

Statement on due diligence

ESRS 2 GOV-4

The following table includes a mapping of the information provided in these Sustainability Statements regarding the due diligence process.

See table →

Due diligence

Core elements of due diligence	Paragraphs in the Sustainability Statements	Section
a) Embedding due diligence in governance, strategy and business model	Strategy	General information / ESRS 2 - General disclosures
	Impact, risk and opportunity management	General information / ESRS 2 - General disclosures
	Governance	General information / ESRS 2 - General disclosures
b) Engaging with affected stakeholders in all key steps of the due diligence	SBM-2 Interests and views of stakeholders	General information / ESRS 2 - General disclosures
	S1-2 Processes for engaging with own workforce and workers' representatives about impacts	Social information / S1 Own workforce
	S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns	Social information / S1 Own workforce
	S1-4 Processes for engaging with value chain workers about impacts	Social information / S1 Own workforce
	S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	Social information / S2 Workers in the value chain
	G1 Business conduct	Governance information / G1 Business conduct
c) Identifying and assessing adverse impacts	Governance	General information / ESRS 2 - General disclosures

Core elements of due diligence	Paragraphs in the Sustainability Statements	Section
d) Taking action to address those adverse impacts	E1 Climate change	Environmental information/ E1 Climate change
	E2 Pollution	Environmental information / E2 Pollution
	E4 Biodiversity and Ecosystems	Environmental information / E4 Biodiversity and ecosystems
	E5 Resource use and circular economy	Environmental information / E5 Resource use and circular economy
	S1 Own workforce	Social information / S1 Own workforce
	S2 Value chain workers	Social information / S2 Workers in the value chain
	G1 Business conduct	Governance information / G1 Business conduct
e) Tracking the effectiveness of these efforts and communicating	E1 Climate change	Environmental information/ E1 Climate change
	E2 Pollution	Environmental information / E2 Pollution
	E4 Biodiversity and Ecosystems	Environmental information / E4 Biodiversity and ecosystems
	E5 Resource use and circular economy	Environmental information / E5 Resource use and circular economy
	S1 Own workforce	Social information / S1 Own workforce
	S2 Value chain workers	Social information / S2 Workers in the value chain
	G1 Business conduct	Governance information / G1 Business conduct

Risk management and internal controls over sustainability reporting

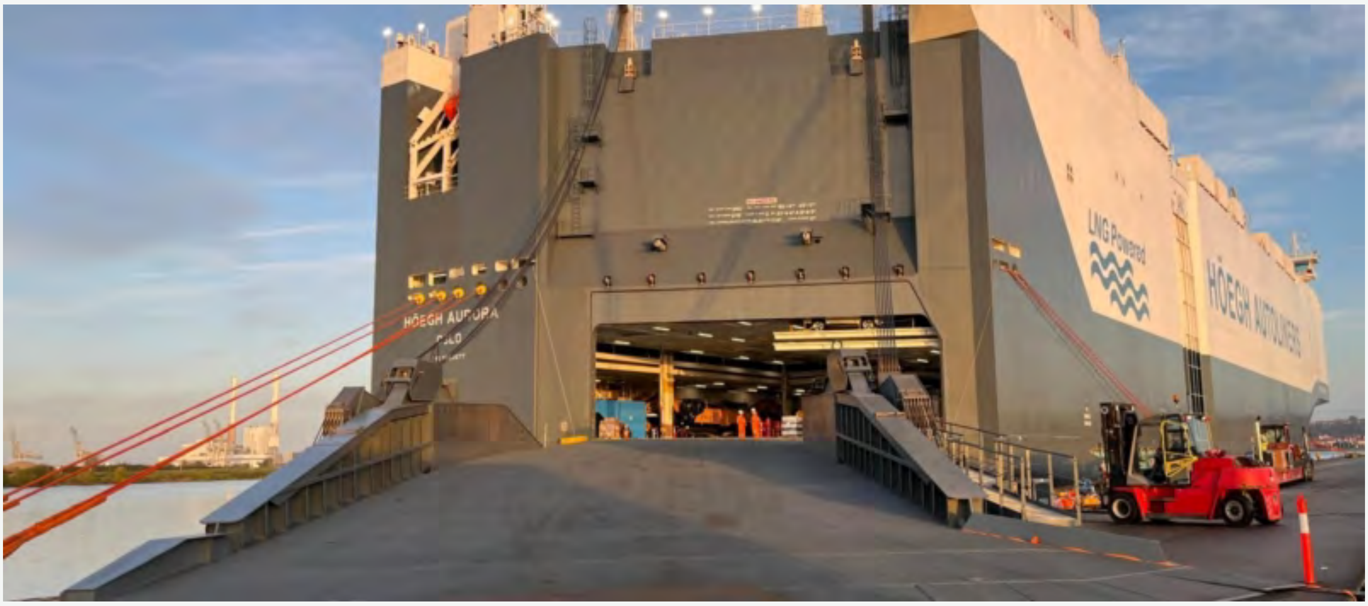
ESRS 2 GOV-5

The corporate reporting department is responsible for developing group-wide annual reports, including Sustainability Statements. This involves organizing and leading essential activities such as the Double Materiality Assessment, climate-risk assessments, and data collection. These efforts are carried out in close collaboration with our cross-functional sustainability team to ensure accuracy and alignment with our strategic goals.

Gathering relevant data and information for the annual report is a continuous effort, and the process is exposed to risk of material misstatement due to human errors or missing data. To manage this risk, the Company is establishing relevant internal controls over sustainability reporting. This includes standardisation of definition, calculations, and critical metrics such as emission factors in accordance with the GHG Protocol and other recognised industry standards.

The goal is to adopt a centralized reporting approach, enabling the department to act as an information hub that identifies and corrects inconsistencies or errors in data submitted by business units. Over the past years, additional resources have been allocated to enhance overall sustainability governance and reporting.

The corporate reporting department regularly informs the management team about the progress of sustainability reporting, and the management team then subsequently updates the board quarterly. Starting in 2025, the progress and performance of the Group's sustainability reporting will be reported quarterly to the Audit Committee.



Strategy

Strategy, business model and the value chain

ESRS 2 SBM-1

Höegh Autoliners is a leading global provider of Roll-on Roll-off (RoRo) ocean transportation services, specializing in port-to-port transport of automobiles, mining equipment, and breakbulk cargo. We operate a global network with Pure Car and Truck Carrier (PCTC) vessels, making over 2 000 port calls annually. Each year, we transport around 1.6 million car equivalent units (CEU) and other rolling and static cargo. Our clients range from global vehicle manufacturers to producers of heavy construction equipment and other rolling and non-rolling stock. Höegh Autoliners currently operates a fleet of 38 PCTC vessels, with 34 owned and 4 chartered.

Our vision is a near-zero emissions shipping future. We have clear strategic targets where we aim to reduce our carbon footprint and support the decarbonization of our customers' supply chains by becoming the leading green PCTC operator and the preferred partner for sustainability-focused customers.

Our newbuilding program for near-zero GHG emission-ready Aurora Class vessels is a key part of realizing this vision. The first four Aurora Class vessels were delivered in 2024.

Höegh Autoliners has a fully integrated global organization with significant in-house expertise in commercial and operational management, technical services, and crewing. We have over 400 onshore employees and more than 1 200 seafarers, with 24 different nationalities, working out of 16 offices around the globe. More information about the employee characteristics can be found in section S1 – Own Workforce.

Our vision is a zero emissions future, and our ambition is to operate a fleet with net zero GHG emissions by 2040. For more details on our net-zero ambitions, please refer to E1-1.

We have defined four core strategic priorities to reach that ambition. We want to be:

- **Customer centric**, by delivering shipping services that create customer satisfaction and loyalty.
- **Greener**, by becoming the greener deep-sea operator to secure our future.
- **Highly efficient**, by reducing voyage costs and maintain a lean operating model to reduce unit costs.
- **Digitally enabled**, to leverage digital tools to improve customer experience and improve efficiencies.

Our corporate purpose and development goals are aligned with the three core sustainability pillars, Planet, People and Prosperity. To achieve our strategy and corporate purpose, all goals are cascaded throughout the organisation and assured through our integrated reporting framework.

For more details, please refer to the Strategy and Business section of our annual report.

- Coal: 0% of our business activities are related to coal extraction.
- Oil: 0% of our operations involve oil extraction and sales.
- Gas: 0% of our business revolves around gas production.
- We have no taxonomy-aligned economic activities related to fossil gas.

Main features of our value chain

- **Direct operations:** Ocean transportation, ports, terminals and offices
- **Upstream activities:** Ship building at shipyards
- **Downstream activities:** Ship recycling at end-of-life

Main business actors in our value chain

- Customers
- Stevedores
- Terminal operators
- Freight forwarders
- Port and canal authorities
- Tug operators
- Shipyard
- Bunker suppliers

Interests and views of stakeholders

ESRS 2 SBM-2

Active stakeholder engagement is a fundamental aspect of our strategy. This interaction shapes our understanding of material issues and supports solutions and initiatives that form our roadmap and sustainability commitment.

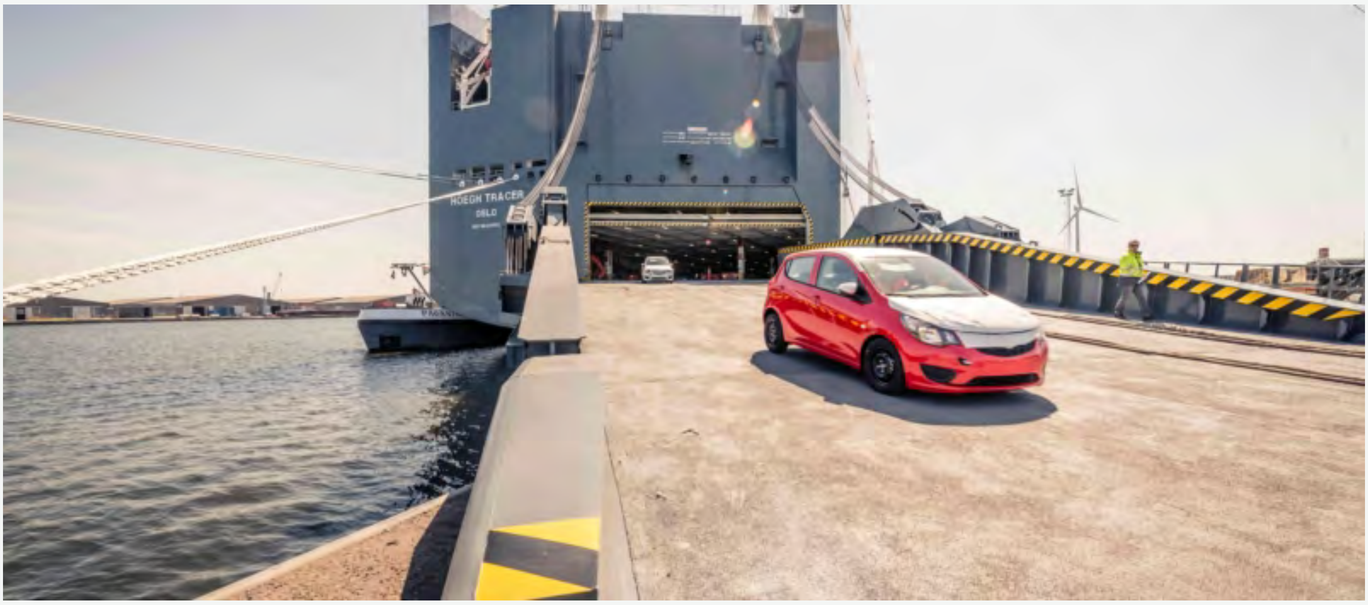
We engage across various areas of our organization, from daily operational matters and regulatory engagements to regular sales meetings. We identify key stakeholders throughout the value chain, encompassing both external stakeholders—such as customers, suppliers, investors, and regulators—and internal stakeholders, including employees and board members.

The views of our stakeholders are essential inputs both to our annual materiality assessment and continuous due diligence efforts. How we engage with key stakeholder groups, as well as the purpose and outcomes are summarized in the following table.

Key stakeholders	How we engage	Why we engage	Examples of outcomes from engagements
Marketplace			
Customers	Customer support and discussions in day-to-day operations	Understand our customers' expectations and requirements	Strategic partnerships for our segment leading green service offerings Development of solutions serving customer expectations and requirements
	Tender processes and contract renewals	Provide green and sustainable solutions to assist decarbonization of their supply chains	Longer contracts with customers sharing our business philosophy
	Sanctions screening	Risk management, reputational protection and ensure compliance with laws and regulations	Business relationships with responsible counterparties Informed selection of customers
	Customer's ESG questionnaires	Understand our customers' expectations and requirements	Updated policies and procedures
Suppliers	Discussions through day-to-day operations	Understanding our suppliers sustainability impacts	Sustainable sourcing of goods and services
	Supplier questionnaires and on-site due diligence assessments	Ensure compliance with our code code of conduct throughout our supply chain	Enhance effectiveness of supplier practices and engagements
	Sanctions screening	Risk management, reputational protection and ensure compliance with laws and regulations	Informed selection of suppliers
Workplace			

Employees	Active engagement through the working environment committee (AMU) and communication through internal channels	Understand employees expectations and requirements	Action plans, improved working environment and updated internal policies and procedures
	Yearly engagement surveys	Detect improvement areas	Action plans for improved working environment
	Training and upskilling	Provide our employees with necessary knowledge and understanding	Feedback with improvement points on current available training
Financial community			
Investors, analysts, banks, insurance	Regular investor updates	Build credibility and showcase our strategy and performance	Improved sustainability communication in all sources
	Annual and interim reporting	Keep new and existing investors updated on performance and plans	A robust strategy to meet investors expectations
	Investor meetings, presentations and roadshows	Understand expectations and requirements	
	ESG ratings	Promote transparency towards external stakeholders	Gap analysis and plans to improve current ESG ratings
Society			
Governments, regulators and International policy makers	Dialogue with governments and policy makers	Identify and address climate-related transition risks and opportunities	Set our decarbonisation strategy and plans on the agenda
	Regulatory tracking and analysis	Ensure compliance within operations and reporting	Resilient business model and strategy
Media	Regular external communication in several channels	Inform and build trust among stakeholders	Good reputation among stakeholders

Industry and sustainability associations	Direct dialogue with industry and sustainability associations	Assist the industry to engage policymakers	Good reputation among stakeholders



Own workforce

ESRS 2 – S1 – SBM-2

Our workforce plays a crucial role in shaping our commitment to a safe working environment, equal treatment and opportunities and respect of human rights. We engage with them through various channels, such as internal communications, town halls, focus groups, and surveys, to understand their experiences and perspectives. By promoting an inclusive and diverse environment, we ensure that all employees, regardless of background, have equal access to opportunities. Upholding their right to equality is essential for fostering trust.

Employees are encouraged to raise any concerns through our dedicated reporting channels, and safety-related concerns via our independent reporting system. Acknowledging their human rights is vital for building trust, as well as incorporating their views and concerns into our health & safety strategy is essential to ensure a safe working environment.

Workers in the value chain

ESRS 2 – S2 – SBM-2

Höegh Autoliners engages value chain workers through collaboration with suppliers, implementing human rights and ethical business policies, and conducting regular audits to ensure fair treatment and safety. An independent whistleblowing mechanism allows any stakeholder to report concerns with full confidentiality, and with the option of reporting anonymously.

Remediation processes are in place to address potential negative impacts, and supplier onboarding and risk assessments support alignment with ethical standards. These measures aim to protect the rights and well-being of value chain workers, fostering a responsible and ethical business environment.

Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM-3

In 2023, Höegh Autoliners conducted its first Double Materiality Assessment, laying the groundwork for 2024 ESRS compliance and identifying key sustainability topics. This process involved collaboration with a diverse range of stakeholders, including employees, suppliers, customers, investors, analysts, and financial institutions, using interviews, workshops, and extensive research to pinpoint material sustainability impacts, risks, and opportunities.

The Group annually assesses material impacts and risks as part of its strategy review, evaluating the resilience of its business model over the medium term. A qualitative climate-related analysis has demonstrated the business model's resilience with adequate measures in place.

Environmental topics are largely systemic to the industry. Among these topics, Höegh Autoliners is having the largest impact on climate change due to the nature of the business. Shipping is contributing to about 3% of total GHG emissions globally, and the industry has significant potential for climate change mitigation through decarbonisation efforts, which is why Höegh Autoliners has developed a decarbonisation plan to meet its net zero ambitions by 2040. Pollution, including air pollution, water pollution and noise pollution from underwater noise and vibrations, is a systemic negative impact. We have not identified any material adjustments to our financial statements for this year or the next reporting period.

Biodiversity impacts are identified through potential introduction of invasive species via ballast water and anti-fouling operations. Resource use and circular economy impacts are noted through steel consumption in newbuilding activities and waste from vessel operations. Höegh Autoliners' strategy, policies, and procedures are informed by regulations from IMO, the EU, and other bodies to maximize operational efficiency while focusing on environmental protection.

Our strategy prioritizes workforce health and safety, addressing systemic risks such as fire, adverse weather, and equipment handling. Transporting electric vehicles and using new fuels like LNG and ammonia introduce additional safety risks, requiring specialized equipment and training for safe bunkering and handling. A key positive impact is our integrated strategy, which supports long-term seafarer careers, continuity, belonging, and essential skills development through comprehensive training, assessments, and certifications.

For our value chain workers, key groups include those at yards (newbuilding and dry-docking activities), third-party seafarers on Höegh-operated vessels, and workers at recycling facilities. Addressing potential negative impacts on these workers is important for Höegh Autoliners, and our supplier due diligence processes are designed to identify and mitigate such impacts.

Being a responsible business partner is vital for Höegh Autoliners. Issues related to anti-corruption, bribery, and facilitation payments are systemic in the industry. We are members of the MACN network, promoting anti-corruption through transparency, training, and awareness programs.

All material impacts, risks, and opportunities identified during the materiality assessment are further discussed in these Sustainability Statements, alongside the relevant ESRS topics: E1 Climate Change, E2 Pollution, E4 Biodiversity and Ecosystems, E5 Resource Use and Circular Economy, S1 Own Workforce, S2 Workers in the Supply Chain, and G1 Business Conduct. In addition to the IROs corresponding to sub-topics prescribed in the ESRS, an entity-specific sub-topic (Noise pollution) is included as part of E2 Pollution.

Environment

Material environmental topics

Climate change	Impact
Climate change mitigation	Negative Impact, Risk, Opportunities
Pollution	
Pollution to air	Negative Impact, Risk
Pollution to water	Negative Impact
Noise pollution	Negative Impact, Risk
Biodiversity and ecosystems	
Direct impact drivers of biodiversity loss	Negative Impact, Risk
Resources use and circular economy	
Resource inflows	Negative Impact
Waste management	Negative Impact
Ship recycling	Negative Impact

Social

Material social topics

Own workforce	Impact
Working conditions	Negative Impact
Health and safety	Negative Impact, Positive Impact, Risk
Equal treatment and opportunities	Negative Impact
Workers in the value chain	
Working conditions	Negative Impact
Other work related rights	Negative Impact

Governance

Material governance topics

Business conduct	Impact
Corporate culture	Negative Impact
Protection of whistle-blowers	Negative Impact
Political engagement	Positive Impact
Relationship with suppliers	Negative Impact
Corrution and bribery	Negative Impact

Negative Impact   Positive Impact   Opportunities   Risk

Impact, risk and opportunity management

Description of the processes to identify and assess material impacts, risks and opportunities

ESRS 2 IRO-1

During 2024, Höegh Autoliners updated its materiality assessment in accordance with the ESRS. The foundation of such an assessment involved identifying and objectively assessing impacts, risks and opportunities (IROs). This resulted in a completed DMA. Our assessment is set to cover the full value chain, focusing on our own operations and our first-tier suppliers. Actual and potential negative impacts, as well as actual and potential positive impacts are also included in the evaluation. The same applies for the financial risks and opportunities.

The impacts, risks and opportunities identified through the DMA are described under the relevant topical ESRS sections in this report.

Identifying sustainability matters

The initial phase focused on evaluating Höegh Autoliners' activities and business relationships, value chain and affected stakeholders to pinpoint relevant sustainability matters as outlined in ESRS 1, paragraph AR16. We have established a longlist of ESG topics that are relevant to our business operations by adding relevant information on industry good practices, media, and prevailing sustainability reporting standards.

The longlist serves as a starting point in our DMA process, through which the material topics are identified at a sub-sub-topic level, in accordance with the ERFRAG list of data points and were evaluated accordingly with the ESRS disclosure requirements.

This approach ensured a thorough examination of critical sustainability topics through a sector-specific perspective, alongside the exploration of company-specific matters. Immaterial sustainability topics and sub-topics that did not align with Höegh Autoliners' business model were excluded from the assessment.

Stakeholder engagement

Key internal stakeholders, with insights into affected stakeholders and users of Sustainability Statements, were included in the DMA process. Their role was vital in highlighting sustainability challenges, identifying, and evaluating important reporting outcomes (IROs), considered to be a foundational assumption of the methodology. Höegh Autoliners' policy on internal stakeholders' engagement emphasises the acting engagement and understanding of the stakeholders expectations. These insights inform our business strategy, due diligence processes and DMA.

External stakeholders, including investors, financial institutions, suppliers, customers, and regulatory bodies were also engaged in the impact assessment. Interviews with both stakeholder groups were conducted with the aim of identifying impacts, risks and opportunities on a sub- and sub-subtopic level.

The actual and potential impacts on our operations, as well as the financial risks and opportunities linked to sustainability-related development were identified through the stakeholder engagement. This process enables us to understand the significance of these impacts, risks, and opportunities for our business and our stakeholders.

Materiality scoring approach

To evaluate the impact materiality of each identified ESG topic, we established a scoring method and criteria in accordance with ESRS 1 requirements. Both negative and positive impacts were prioritized based on severity (scale, scope, irremediable nature of the impact) and likelihood.

In assessing scale, we evaluated the magnitude of the impact on the environment or society, categorizing it as 'low', 'medium', or 'high'. Indicators such as potential affected areas, geographical regions, and number of employees were used to measure the extent of the impact. Scope was scored as 'limited', 'medium', or 'global'. In terms of remediability, we considered the complexity of reversing the damages in terms of cost and timeframe, scoring negative impacts as 'easy to remediate', 'difficult/costly to remediate', or 'irreversible.

Likelihood was applied to potential impacts to determine how likely it is that the impact will occur, scored on a scale of 1 to 5.

To score risks and opportunities for our business, we considered financial consequences and likelihood. We assessed the magnitude of financial metrics in the event of a risk or opportunity, scoring the financial consequence as 'low', 'medium', or 'high'. Likelihood was used to cover how likely it is that the financial consequence will occur.

The scoring process was disaggregated at the specific impact, risk, and opportunity level, involving key internal stakeholders to accurately determine the significance of the IROs.

Whenever feasible, the scoring incorporated timeframes and thresholds from Höegh Autoliners' Enterprise Risk Management (ERM) processes, aligning sustainability-related risks and opportunities with other enterprise risks and opportunities. Thresholds were further supported by Höegh Autoliners' internal approval matrices, due diligence processes, including human rights and climate risk assessments, supplier audits, and a multitude of certifications and policies.

The quantitative assessment was complemented by a qualitative evaluation when relevant to determine the final scoring results. A sustainability topic is deemed material or not, based on the final scores for the specific IROs.

Topics falling below the set thresholds were concluded to be immaterial. A workshop with key internal stakeholders served as the validation session to finalize conclusions on material sustainability topics.

Höegh Autoliners will revisit the DMA process annually to identify, assess, and prioritize IROs, considering evolving trends, underlying assumptions, and regulatory changes.

Climate-related impacts, risks and opportunities

ESRS 2 – E1 – IRO-1

As part of conducting the DMA to identify material impacts, risks and opportunities related to climate change, Höegh Autoliners has performed a qualitative climate-related analysis of its business model. This analysis addresses chronic and acute climate-related hazards and has been guided by Task Force on Climate-related Financial Disclosures (TCFD) guidelines.

Own operations as well as relevant activities in the upstream and downstream value chain have been included. The analysis has incorporated the IPCC's very high GHG emission scenario (SSP5-8.5 w/warming exceeding 4C by 2100) compared to a low GHG emissions scenario (SSP1-2.6 w/warming of 1.5 to 2C by 2100). The timeframes used in the scenario analysis are aligned with the short, medium, and long term as defined in ESRS 2 SBM-3.

Given that Höegh Autoliners' sole economic activity is deep-sea shipping, climate change can impose weather-related risk to the Company.

Additionally, it considers the increasing regulatory pressure and societal demands for sustainable shipping, covering short, medium, and long-term horizons.The analysis includes both physical and transitional risks associated with climate change, with transitional risks identified as the primary financial risks to the Company.

Pollution-related impacts, risks and opportunities

ESRS 2 – E2 – IRO-1

Due to the close link between climate-change-related emissions (GHGs) and other air pollutants, the methodology for identifying pollution-related impacts, risks, and opportunities has closely followed the same approach used for climate change-related impacts. As part of the double materiality assessment, water pollution and noise pollution have been identified as additional pollution-related topics, alongside air pollution. These were deemed relevant after engaging stakeholder representatives to assess pollution-related impacts beyond those arising from fuel consumption, including air and water pollution from Höegh Autoliners' vessels. Regulatory frameworks, particularly those from the International Maritime Organisation (IMO), were also considered during the assessment, including guidelines for protecting sensitive sea areas, marine mammals, and general marine life.

Water and Marine Resources-related impacts, risks and opportunities

ESRS 2 – E3 – IRO-1

Höegh Autoliners has screened its activities to assess the potential impacts on water and marine resources. The outcome is that there is no material use of water, other than using the ocean to perform its shipping services. For its leased office facilities globally, Höegh Autoliners has done a high-level water stress assessment to understand our impact on water stress in areas with higher water security risks. The conclusion of the assessment is that no water-related risks are identified as part of its operations.

Biodiversity and ecosystems-related impacts, risks and opportunities

ESRS 2 – E4 – IRO-1

Höegh Autoliners has reviewed its processes to identify and assess material impacts, risks, and opportunities related to biodiversity and ecosystems across our operations and value chain. By being a pure shipping company, the business is not having any direct dependencies on biodiversity and ecosystems. None of Höegh Autoliners' sites in its own operations are located in or near biodiversity-sensitive areas. In respect to its value chain, the plan is to update our assessment and scope to get a better understanding of how sites in its value chain are impacting the biodiversity. We do acknowledge that the increased awareness of marine biodiversity conservation in addition to the long-lasting focus on biodiversity and ecosystems within the industry, can over time impose financial risks for the company through stricter regulations. Geographical biosecurity challenges have also informed our process, particularly when entering ports in Australia and New Zealand.

Resource use and circular economy-related impacts, risks and opportunities

ESRS 2 – E5 – IRO-1

Höegh Autoliners has assessed its operations and value chain to identify material impacts, risks, and opportunities related to resource use and the circular economy. The process involved a screening of our assets, activities, and relationships within both our upstream and downstream value chains, including shipbuilding and ship recycling processes. We subsequently evaluated impacts, identifying resource inflows, outflows, and waste generation. The shipping sector has been strictly regulated for decades, and our IRO assessment has been informed by local and international regulations, such as the International Maritime Organisation's MARPOL regulations and the EU Ship Recycling Regulation (EU SRR).

Business conduct-related impacts, risks and opportunities

ESRS 2 – G1 – IRO-1

Höegh Autoliners has thoroughly evaluated its procedures and measures to identify impacts, risks, and opportunities related to business conduct across our operations and value chain. This assessment included a comprehensive review of our procedures against business conduct. We have also screened other regulatory frameworks, such as the minimum social safeguards in the EU Taxonomy. Potential negative impacts identified through the DMA are being addressed by implementing appropriate policies and measures accordingly.

ESRS 2 IRO-2

Disclosure Requirements in ESRS covered by the undertaking's Sustainability Statements

View →

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

View →

Disclosure requirements that derive from other EU legislation

ESRS 2 - IRO 2

The table below provides an overview ESRS data points that derive from other EU legislation, ref. ESRS 2 Appendix B and where this information can be found if considered material.

Disclosure requirement and related datapoint	SFDR	Pillar 3 Reference	Benchmark Reference	EU Climate Law Reference	Materiality (✓/ x)	Section
ESRS 2 GOV-1 - Board's gender diversity paragraph 21 (d)	x		x		✓	General information/ESRS 2 - General disclosures
ESRS 2 GOV-1 - Percentage of board members who are independent paragraph 21 (e)			x		✓	General information/ESRS 2 - General disclosures
ESRS 2 GOV-4 - Statement on due diligence paragraph 30	x				✓	General information/ESRS 2 - General disclosures
ESRS 2 SBM-1 - Involvement in activities related to fossil fuel activities paragraph 40 (d) i	x	x	x		x	N/a
ESRS 2 SBM-1 - Involvement in activities related to chemical production paragraph 40 (d) ii	x		x		x	N/a

ESRS 2 SBM-1 - Involvement in activities related to controversial weapons paragraph 40 (d) iii	x		x		x	N/a
ESRS 2 SBM-1 - Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			x		x	N/a
ESRS E1-1 - Transition plan to reach climate neutrality by 2050 paragraph 14				x	✓	Environmental information/ E1 Climate change
ESRS E1-1 - Undertaking excluded from Paris-aligned Benchmarks paragraph 16 (g)		x	x		✓	Environmental information/ E1 Climate change
ESRS E1-4 - GHG emission reduction targets paragraph 34	x	x	x		✓	Environmental information/ E1 Climate change
ESRS E1-5 - Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	x				✓	Environmental information/ E1 Climate change
ESRS E1-5 Energy consumption and mix paragraph 37	x				✓	Environmental information/ E1 Climate change

ESRS E1-5 - Energy intensity associated with activities in high climate impact sectors paragraph 40-43	x				✓	Environmental information/ E1 Climate change
ESRS E1-6 - Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	x	x	x		✓	Environmental information/ E1 Climate change
ESRS E1-6 - Gross GHG emissions intensity paragraph 53-55	x	x	x		✓	Environmental information/ E1 Climate change
ESRS E1-7 - GHG removals and carbon credits paragraph 56				x	x	N/a
ESRS E1-9 - Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			x		x	N/a
ESRS E1-9 - Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		x			x	N/a
ESRS E1-9 - Location of significant assets at material physical risk paragraph 66 (c)		x			x	N/a
ESRS E1-9 - Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		x			x	N/a

ESRS E1-9 - Degree of exposure of the portfolio to climate-related opportunities paragraph 69			x		x	N/a
ESRS E2-4 - Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil paragraph 28	x				✓	Environmental information / E2 Pollution
ESRS E3-1 - Water and marine resources paragraph 9	x				x	N/a
ESRS E3-1 - Dedicated policy paragraph 13	x				x	N/a
ESRS E3-1 Sustainable oceans and seas paragraph 14	x				x	N/a
ESRS E3-4 - Total water recycled and reused paragraph 28 (c)	x				x	N/a
ESRS E3-4 - Total water consumption in m^3 per net revenue on own operations paragraph 29	x				x	N/a
ESRS 2 SBM-3 - E4 - Material impacts, risks and opportunities and their interaction with strategy and business model paragraph 16 (a) i	x				✓	Environmental information / E4 Biodiversity and ecosystems

ESRS 2 SBM-3 E4 - Material impacts, risks and opportunities and their interaction with strategy and business model paragraph 16 (b)	x				✓	Environmental information / E4 Biodiversity and ecosystems
ESRS 2 SBM-3 E4 - Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities paragraph 16 (c)	x				✓	Environmental information / E4 Biodiversity and ecosystems
ESRS E4-2 - Sustainable land / agriculture practices or policies paragraph 24 (b)	x				x	N/a
ESRS E4-2 - Sustainable oceans / seas practices or policies paragraph 24 (c)	x				✓	Environmental information / E4 Biodiversity and ecosystems
ESRS E4-2 - Policies to address deforestation paragraph 24 (d)	x				x	N/a
ESRS E5-5 - Non-recycled waste paragraph 37 (d)	x				✓	Environmental information / E5 Resource use and circular economy
ESRS E5-5 - Hazardous waste and radioactive waste paragraph 39	x				✓	Environmental information / E5 Resource use and circular economy

ESRS 2- SBM3 - S1 - Risk of incidents of forced labour paragraph 14 (f)	x				x	N/a
ESRS 2- SBM3 - S1 - Risk of incidents of child labour paragraph 14 (g)	x				x	N/a
ESRS S1-1 - Human rights policy commitments paragraph 20	x				✓	Social information / S1 Own workforce
ESRS S1-1 - Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 paragraph 21			x		✓	Social information / S1 Own workforce
ESRS S1-1 - Processes and measures for preventing trafficking in human beings paragraph 22	x				✓	Social information / S1 Own workforce
ESRS S1-1 - Workplace accident prevention policy or management system paragraph 23	x				✓	Social information / S1 Own workforce
ESRS S1-3 - Grievance/complaints handling mechanisms paragraph 32 (c)	x				✓	Social information / S1 Own workforce
ESRS S1-14 - Number of fatalities and number and rate of work-related accidents 88 (b) and (c)	x		x		✓	Social information / S1 Own workforce

ESRS S1-14 - Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	x				✓	Social information / S1 Own workforce
ESRS S1-16 - Unadjusted gender pay gap paragraph 97 (a)	x		x		✓	Social information / S1 Own workforce
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	x				x	N/a
ESRS S1-17 - Incidents of discrimination paragraph 103 (a)	x				✓	Social information / S1 Own workforce
ESRS S1-17 - Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	x		x		✓	Social information / S1 Own workforce
ESRS 2- SBM3 – S2 - Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	x				✓	Social information / S2 Workers in the value chain
ESRS S2-1 - Human rights policy commitments paragraph 17	x				✓	Social information / S2 Workers in the value chain
ESRS S2-1 Policies related to value chain workers paragraph 18	x				✓	Social information / S2 Workers in the value chain
ESRS S2-1 - Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	x		x		✓	Social information / S2 Workers in the value chain

ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 paragraph 19			x		✓	Social information / S2 Workers in the value chain
ESRS S2-4 - Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	x				✓	Social information / S2 Workers in the value chain
ESRS S3-1 - Human rights policy commitments paragraph 16	x				x	N/a
ESRS S3-1 - Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	x		x		x	N/a
ESRS S3-4 - Human rights issues and incidents paragraph 36	x				x	N/a
ESRS S4-1 - Policies related to consumers and end-users paragraph 16	x				x	N/a
ESRS S4-1 - Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	x		x		x	N/a
ESRS S4-4 - Human rights issues and incidents paragraph 35	x				x	N/a

ESRS G1-1 - United Nations Convention against Corruption paragraph 10 (b)	x				x	N/a
ESRS G1-1 - Protection of whistleblowers paragraph 10 (d)	x				x	N/a
ESRS G1-4 - Fines for violation of anticorruption and anti-bribery laws paragraph 24 (a)	x		x		✓	Governance information / G1 Business conduct
ESRS G1-4 - Standards of anti-corruption and anti-bribery paragraph 24 (b)	x				✓	Governance information / G1 Business conduct

Disclosure requirements covered by Höegh Autoliners' Annual Report 2024

ESRS 2 - IRO 2

The table below provides an overview ESRS datapoints covered by Höegh Autoliners' Sustainability Statements

ESRS 2 - GENERAL DISCLOSURE		Section
BP-1	General basis for preparation of the sustainability statements	General information / ESRS 2 - General disclosures
BP-2	Disclosures in relation to specific circumstances	General information / ESRS 2 - General disclosures
GOV-1	The role of administrative, management and supervisory bodies	General information / ESRS 2 - General disclosures
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	General information / ESRS 2 - General disclosures
GOV-3	Integration of sustainability-related performance in incentive schemes	General information / ESRS 2 - General disclosures
GOV-4	Statement on due diligence	General information / ESRS 2 - General disclosures
GOV-5	Risk management and internal controls over sustainability reporting	General information / ESRS 2 - General disclosures
SBM-1	Strategy, business model and value chain	General information / ESRS 2 - General disclosures
SBM-2	Interests and views of stakeholders	General information / ESRS 2 - General disclosures

SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	General information / ESRS 2 - General disclosures
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	General information / ESRS 2 - General disclosures
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	General information / ESRS 2 - General disclosures
E1- CLIMATE CHANGE		Section
ESRS 2 - E1 - GOV-3	Integration of sustainability-related performance in incentive schemes	Remuneration report
E1-1	Transition plan for climate change mitigation	Environmental information/ E1 Climate change
ESRS 2 - E1 - SMB-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Environmental information/ E1 Climate change
ESRS 2 - E1 - IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	General information / ESRS 2 - General disclosures
E1-2	Policies related to climate change mitigation and adaptation	Environmental information/ E1 Climate change
E1-3	Actions and resources in relation to climate change policies	Environmental information/ E1 Climate change
E1-4	Targets related to climate change mitigation and adaptation	Environmental information/ E1 Climate change
E1-5	Energy consumption and mix	Environmental information/ E1 Climate change
E1-6	Gross Scopes 1,2,3 and total GHG emissions	Environmental information/ E1 Climate change
-	Entity-specific metric	Environmental information/ E1 Climate change
E2 - POLLUTION		Section
ESRS 2 - E2 - IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	General information / ESRS 2 - General disclosures

ESRS 2 - E2 - SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Environmental information / E2 Pollution
E2-1	Policies related to pollution	Environmental information / E2 Pollution
E2-2	Actions and resources related to pollution	Environmental information / E2 Pollution
E2-3	Targets related to pollution	Environmental information / E2 Pollution
E2-4	Pollution of air, water and soil	Environmental information / E2 Pollution
-	Entity-specific metrics	Environmental information / E2 Pollution
E4 - BIODIVERSITY AND ECOSYSTEMS		Section
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Environmental information / E4 Biodiversity and ecosystems
ESRS 2 - E4 - SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Environmental information / E4 Biodiversity and ecosystems
ESRS 2 - E4 - IRO-1	Description of the process to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	General information / ESRS 2 - General disclosures
E4-2	Policies related to biodiversity and ecosystems	Environmental information / E4 Biodiversity and ecosystems
E4-3	Actions and resources related to biodiversity and ecosystems	Environmental information / E4 Biodiversity and ecosystems
E4-4	Targets related biodiversity and ecosystems	Environmental information / E4 Biodiversity and ecosystems
E5 - RESOURCE USE AND CIRCULAR ECONOMY		Section
ESRS 2 - E5 2 - IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	General information / ESRS 2 - General disclosures
ESRS 2 - E5 - SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Environmental information / E5 Resource use and circular economy

E5-1	Policies related to resource use and circular economy	Environmental information / E5 Resource use and circular economy
E5-2	Actions and resources related to resource use and circular economy	Environmental information / E5 Resource use and circular economy
E5-3	Targets related to resource use and circular economy	Environmental information / E5 Resource use and circular economy
E5-4	Resource inflows	Environmental information / E5 Resource use and circular economy
E5-5	Resource outflows	Environmental information / E5 Resource use and circular economy
S1 - OWN WORKFORCE		Section
ESRS 2 - S1 - SBM-2	Interests and views of stakeholders	General information / ESRS 2 - General disclosures
ESRS 2 - S1 - SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Social information / S1 Own workforce
S1-1	Policies related to own workforce	Social information / S1 Own workforce
S1-2	Processes for engaging with own workers and workers' representatives about impacts	Social information / S1 Own workforce
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Social information / S1 Own workforce
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Social information / S1 Own workforce
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social information / S1 Own workforce

S1-6	Characteristics of the undertaking's employees	Social information / S1 Own workforce
S1-9	Diversity metrics	Social information / S1 Own workforce
S1-13	Training and skills development metrics	Social information / S1 Own workforce
S1-14	Health and safety metrics	Social information / S1 Own workforce
S1-15	Work-life balance metrics	Social information / S1 Own workforce
S1-16	Compensation metrics (pay gap and total compensation)	Social information / S1 Own workforce
S1-17	Incidents, complaints and severe human rights impacts	Social information / S1 Own workforce
S2 - WORKERS IN THE VALUE CHAIN		Section
ESRS 2 - S2 - SBM-2	Interests and views of stakeholders	General information / ESRS 2 - General disclosures
ESRS 2 - S2 - SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Social information / S2 Workers in the value chain
S2-1	Policies related to value chain workers	Social information / S2 Workers in the value chain
S2-2	Processes for engaging with value chain workers about impacts	Social information / S2 Workers in the value chain
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Social information / S2 Workers in the value chain
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Social information / S2 Workers in the value chain
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social information / S2 Workers in the value chain
G1 - BUSINESS CONDUCT		Section

ESRS 2 - G1 - SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Governance information / G1 Business conduct
ESRS 2 - G1 - GOV-1	The role of the administrative, supervisory and management bodies	General information / ESRS 2 - General disclosures
ESRS 2 - G1 - IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	General information / ESRS 2 - General disclosures
G1-1	Corporate culture and business conduct policies	Governance information / G1 Business conduct
G1-2	Management of relationships with suppliers	Governance information / G1 Business conduct
G1-3	Prevention and detection of corruption and bribery	Governance information / G1 Business conduct
G1-4	Confirmed incidents of corruption or bribery	Governance information / G1 Business conduct
G1-5	Political influence and lobbying activities	Governance information / G1 Business conduct
G1-6	Payment practices	Governance information / G1 Business conduct

Environmental information

E1 Climate Change

Decarbonizing our shipping services

Strategy

Transition plan for climate change mitigation

E1-1

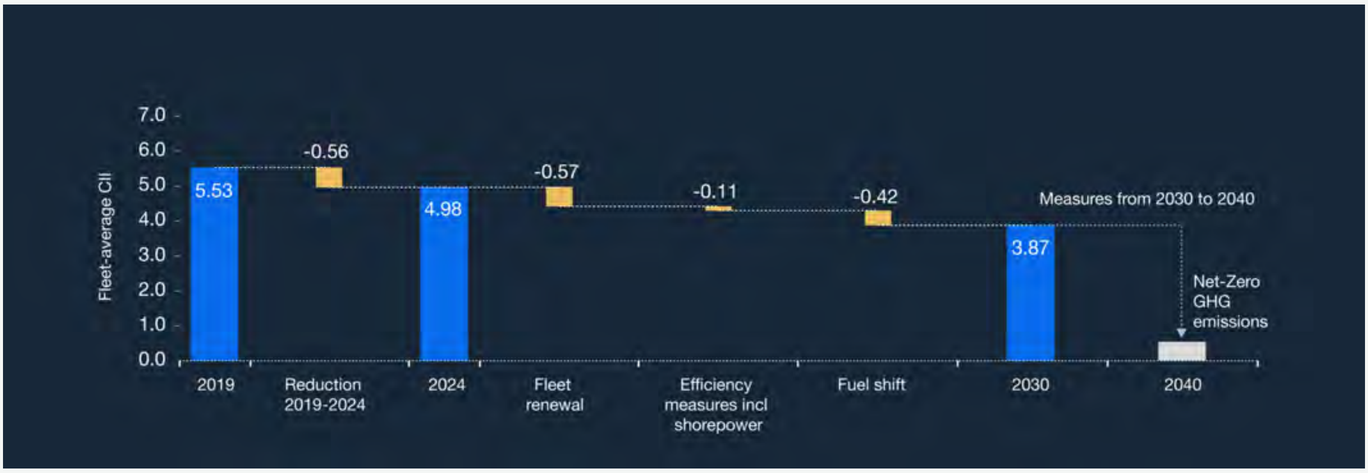
Höegh Autoliners has set two clear strategic targets for decarbonizing its vessel operations. The first target is to reduce fleet-wide carbon intensity by more than 30 percent by 2030, compared to 2019 levels. The second target is to achieve net-zero emissions in its vessel operations by 2040. To meet these decarbonization targets, Höegh Autoliners has developed a comprehensive decarbonization plan that includes both necessary and ambitious measures within its own operations and supply chain. This plan is integrated into Höegh Autoliners' business strategy and financial planning and has been approved by the board as part of the updated decarbonization strategy and ambitions launched in 2022.

Our net-zero ambitions and decarbonization plan focus on the life-cycle emissions of fuel used in vessel operations* (well-to-wake). We plan to expand this scope over time to also include other parts of our value chain emissions, and to obtain an external validation confirming alignment with the Paris Agreement's 1.5-degree objective. On the other hand, our 2040 target positions us ahead of the International Maritime Organization's goal of net-zero by 2050.

*Includes emissions from scope 1 and scope 3 – category 3

Roadmap to 2040

Höegh Autoliners has two key priorities for decarbonizing its vessel operations. Firstly, we aim to enhance the energy efficiency across our existing fleet. While energy efficiency measures alone will not bring us all the way to our net-zero GHG ambitions, they are important for reaching our carbon intensity target by 2030. Secondly, and most importantly, we need to transition our fleet to one that is capable of, and compatible with, the fuel shift necessary to achieve our net-zero ambitions by 2040. Decarbonization levers undertaken during the reporting year are detailed further in section E1-3.



The decarbonisation plan outlined above highlights two primary drivers of our decarbonisation strategy: energy efficiency measures for the existing fleet and the shift to alternative fuels. Fleet renewal will play an essential role, encompassing both energy efficiency improvements and the adoption of alternative fuels.

Being aware of the increased uncertainties due to both internal and external factors beyond 2030, Höegh Autoliners has identified the following key decarbonisation levers to reach net-zero ambition in 2040:

Replacement of existing fleet

A substantial replacement of the current fleet is necessary for the Company to achieve its decarbonization targets, as the existing fleet cannot operate entirely on near-zero emission fuels. The current newbuilding program, initially comprising 12 vessels, has already seen two vessels enter operation in 2024. This program will ultimately deliver eight ammonia-ready vessels (vessels 1-8) and four ammonia-capable vessels (vessels 9-12). The first eight vessels can be converted to ammonia-capable vessels. Additionally, eight vessels from the current fleet, along with the newbuildings, are expected to remain in service by 2040 and are planned to be converted to run on near-zero emission fuels. Vessels reaching their expected lifetime of 30 years are typically phased out. These vessels will over time be replaced by those compatible with the fuel switch as part of the decarbonisation plan, sourced from the second-hand market, chartering market, or through an additional newbuilding program.

We have invested/committed nearly USD 1.4 billion in CapEx for our ongoing newbuilding program, directly supporting the decarbonization strategy, and it will require a significant amount of additional CapEx to successfully transition to net-zero in own vessel operations.

Information on EU Taxonomy eligible and aligned revenues, CapEx, and OpEx is provided in the EU Taxonomy section.

Adoption of alternative fuels

Achieving a net-zero capable fleet requires vessels capable of running on near-zero emission fuels, and Höegh Autoliners is committed to transitioning its fleet accordingly. As part of the decarbonisation strategy, Höegh Autoliners aim to operate its fleet on near-zero emission fuels, such as clean ammonia, or drop-in fuels like biodiesel and bio-LNG. By introducing the ammonia-capable Aurora class vessels to the market in 2027, Höegh Autoliners aims to demonstrate that zero-emissions shipping is possible, provided the fuel is commercially viable. For these vessels to be deployed at scale, the industry relies heavily on a well-functioning fuel market with the necessary infrastructure in place, supported by a global regulatory framework that incentivizes the long-term adoption of green technologies and fuels. We also depend on our customers' willingness to contribute to the decarbonization journey. Through its membership in the First Movers Coalition, Höegh Autoliners has committed to running at least 5% of its deep-sea operations with green fuels by 2030. To achieve this commitment, the company is actively engaging and collaborating with external stakeholders, including fuel producers, regulators, and customers, to commercialize and build efficient supply chains for green fuels.

The current fleet will lead to locked-in emissions for certain vessels still included in our fleet in 2040. At the end of 2024, this relates to future emissions from eight legacy vessels that currently are not able to run on near zero-carbon fuels, except biofuels. In addition, the first eight vessels delivered as part of the ongoing newbuilding program will also contribute to locked-in emissions after 2040 if they are not converted to near net-zero capable propulsion.

Supporting its decarbonisation strategy, Höegh Autoliners integrates sustainability-related performance in management's short-term incentive scheme. This aligns goal achievements with corporate objectives and sustainability ambitions, covering both environmental and social topics. For more details on this incentive scheme, please refer to our Remuneration Report available on our website.

Höegh Autoliners is not excluded from the EU Paris-aligned Benchmarks.

Green fuels definition

Aligned with the EU hydrogen classification scheme, Höegh Autoliners defines 'green fuels' as renewable fuels of non-biological origin (RFNBOs) that has been produced from renewable energy sources and are able to achieve a minimum of 70% reduction in GHG emissions compared to traditional fossil fuels.

Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM – 3

The double materiality assessment (DMA) process as described in ESRS 2 – IRO-1 identified the following material impacts, risks and opportunities:

Impacts, risks and opportunities		Location in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
GHG emissions in own operations	Actual negative impact		●		●	●	●
GHG emissions in the value chain	Actual negative impact	●		●	●	●	●
Financial consequences of climate change	Financial risks	●	●	●	●	●	●
	Financial opportunities		●		●	●	●

Negative impacts on climate change

GHG emissions in own operations

Höegh Autoliners vessel operations produce a significant amount of greenhouse gases from combustion of fuel. These emissions contribute negatively to climate change, which can also have negative effects for human health and other environmental impacts. These impacts are part of its own operations, are systemic to the shipping sector, and are relevant in the short, medium, and long term.

GHG emissions in the value chain

A significant share of Höegh Autoliners' GHG emissions occur within the value chain. Besides emissions from our newbuilding activities, the primary sources are the extraction, refining, and transportation of fuel used in our operations (Scope 3, Category 3). Emissions from purchased goods and services also significantly contribute. Additionally, end-of-life ship recycling of vessels that have surpassed their expected lifetimes is also expected to contribute significantly over the coming years.

Financial consequences of climate change

Physical climate risks

Climate change threatens global shipping lanes, potentially impacting Höegh Autoliners through heavy weather systems, canal droughts and port flooding. Critical routes like the Panama Canal have recently proven to be especially vulnerable. Such situations can potentially lead to increased operational cost due to operational downtime for suppliers, re-routing of own vessels and loss of revenues due to operational delays.

A qualitative climate-related analysis has been conducted concluding that our current fleet is expected to withstand the anticipated physical climate risks over its lifetime due to the nature of the assets. For the lower temperature scenario, we expect lower physical climate risks, with transitional risks being more relevant. Höegh Autoliners supports a 1.5-degree scenario and concludes that physical climate risks related to its shipping operations should be monitored over time, they are not material for this year's reporting. For more information on the resilience analysis, please refer to ESRS 2 – IRO 1.

Transitional climate risks

The risks identified in the double materiality assessment are aggregated and presented in IROs Table above. The table indicates that certain financial risks are relevant across all time horizons, and each material risk identified is disaggregated and further detailed below.

- Pace of decarbonisation not meeting stakeholder expectation

The uncertainty surrounding our ability to decarbonize shipping operations at a pace that meets the expectations of external stakeholders—such as customers, investors, regulators, and financial institutions—represents a strategic transitional risk for Höegh Autoliners and depends on several external factors.To meet our decarbonization targets, we rely on global regulatory frameworks that ensure a level playing field across shipping participants. This framework should incentivize the adoption of alternative fuels until the market can regulate itself and become commercially viable.

This can be achieved through global carbon taxes, fuel standards regulating carbon intensity, or contracts for differences. Without a well-functioning market for decarbonization solutions, there is a risk that customers will opt out of decarbonization efforts, making it financially unsustainable to fully execute our decarbonisation strategy. These risks are relevant over the medium and long term.

- The choice of future propulsion technology

Höegh Autoliners has secured access to four dual-fuel ammonia engines, enabling vessels 9-12 in the newbuilding program to run on ammonia straight from the yard. However, investment decisions made today for assets with an expected lifetime of 30 years, come at a risk. The risk associated with the chosen fuel technology for our fleet transition program remains substantial and is relevant over the medium and long term.

- Increased CapEx/OpEx required for successful fleet transition

To fully execute a successful decarbonization strategy, increased CapEx and OpEx will be required. As shipping is an asset-intensive industry, substantial CapEx will be needed for our fleet renewal program. This includes not only the ongoing newbuilding program but also technical upgrades to the existing fleet and the future acquisition of net-zero capable vessels, either through newbuilds or the second-hand market. On the OpEx side, costs will rise due to more expensive fuels, carbon taxes, compliance costs for both onshore and offshore employees, and the training and upskilling of crew. These risks are relevant in the short, medium, and long term.

- Potential stranded assets, financial losses, and reduced access to favorable capital

The introduction of stricter environmental regulations poses significant financial risks for the existing fleet. Vessels that fail to comply with these regulations may be restricted from operating in certain regions or ports and, in the worst case, could become stranded assets with decreased asset values. Additionally, customers, investors, and financial institutions are increasingly factoring in environmental compliance in their decision-making, making it difficult for non-compliant vessels to attract favourable capital. These risks are particularly relevant in the medium and long term.

"Climate change threatens global shipping lanes, potentially impacting Höegh Autoliners through heavy weather systems, canal droughts and port flooding."

Opportunities

The opportunities identified in the double materiality assessment are aggregated and presented in the IROs Table above. The table indicates that certain financial opportunities are relevant across all time horizons, and each material opportunity identified is disaggregated and further detailed below.

- Being a first mover can position the company as the preferred green shipping partner for decarbonizing customers' supply chains

  The ongoing fleet transition presents an opportunity not only to achieve low greenhouse gas emissions and comply with upcoming regulations, but also to demonstrate strong leadership. This can position ourselves as the preferred green shipping partner for our customers, supporting them in decarbonizing their supply chains. This opportunity is relevant over the short, medium, and long term.

- Potential access to favourable capital

  Having a fleet of vessels being compliant with environmental regulations, such as the EU Taxonomy, can result in access to favourable capital. This opportunity is relevant over the short, medium, and long term.

Aurora maiden voyage

Impact, risk and opportunity management

Policies related to climate change mitigation and adaptation

E1-2

IMO regulations serve as clear guidelines for policy development within Höegh Autoliners. By implementing policies reflecting our vision of a near-zero emission future for shipping—through fleet transition and adoption of alternative fuels—we establish a clear direction for our decarbonisation strategy.

Höegh Autoliners' Environmental Policy

"Höegh Autoliners' Environmental Policy" prioritizes managing and reducing our environmental footprint by continuously improving performance in areas like decarbonization and renewable energy use. It outlines initiatives to reduce emissions across our value chain, foster innovation and research and engage stakeholders. The policy applies to all subsidiaries, with the Chief Executive Officer bearing ultimate responsibility for oversight.

Environmental Focus Plan

The "Environmental Focus Plan" is an annual plan that describes our efforts on various environmental topics throughout the year, assigning detailed initiatives to each area. This plan was developed to enhance awareness of the environmental footprint of our vessel operations and to foster a safe and inclusive working environment. It sets clear objectives, targets, and actions for relevant environmental topics, with a particular focus on reducing GHG emissions and the consumption of non-renewable resources. Policy development and implementation are overseen and approved by the Chief Operations Officer, with the leaders in the Operations department responsible for driving the processes and initiatives, such as the Head of Höegh Technical Management, holding the fleet responsibility for compliance with the International Safety Management (ISM) code.

Supplier Code of Conduct

Höegh Autoliners' "Supplier Code of Conduct" sets forth environmental requirements for our suppliers. This includes a commitment to best practices in environmental management, sustainability, and energy and resource efficiency.

All policies mentioned above are available to all employees through our internal intranet.

Actions and resources in relation to climate change policies

E1-3

Höegh Autoliners focuses on two main areas for decarbonizing its shipping services: first, enhancing energy efficiency in our existing fleet and second, fleet transition, including the uptake of alternative fuels. To support the objectives and targets of our climate-related policies, we have implemented the following actions in accordance with our fleet wide Ship Energy Efficiency Management Plans (SEEMPs):

Enhancing energy efficiency in our existing fleet

Höegh Autoliners continues to follow up on its planned initiatives or technical upgrades, which are fully aligned with its long-term efforts to increase energy efficiency of the existing fleet.

The following upgrades have been installed in 2024:

Technical upgrades

- New propellers were installed on nine vessels, with additional orders placed for two vessels upgrades by the end of the reporting period. These propellers are customized to meet our operational requirements and are designed to enhance hydrodynamic efficiency through their integrated propulsive unit. Depending on trading pattern and speed, it is expected that they will deliver 3-6% fuel savings annually per vessel.
- Propeller boss cap fins have been retrofitted to four vessels, with orders in place for an additional three vessels. The expected annual fuel savings is around 2-2.5% per vessel.
- Turbocharger modifications have been completed on five vessels this year, with additional orders placed for three vessels at the end of the reporting period. These modifications aims to increase the vessels' speed range, allowing for reduced fuel consumption while maintaining the same operational speeds. It is expected that the initiative will present 2-3% fuel savings annually per vessel depending on the operational profile of the vessels.
- eMarine variable frequency drives have been installed on 4 vessels, with orders in place for an additional eight vessels. The aim is to ensure that pumps and ventilation fans operate at optimal frequency and power levels, with the aim to yield fuel savings of up to 2% annually.
- In 2024, Höegh Autoliners allocated approximately MUSD 7.5 in CapEx for technical upgrades. We expect to invest an additional MUSD 3 in similar initiatives in 2025.

Additionally, other important initiatives related to energy efficiency is hull cleaning and vessel maintenance. This is performed for all operating vessels on a regular basis. With the same cleaning and maintenance plan year over year, the annual efficiency improvement is limited. However, the outcome of a hull cleaning improves energy efficiency by reducing drag and optimizing the vessel's performance. It is expected that each hull cleaning contributes with 3-5% fuel savings when comparing consumption before and after cleaning.

Digitalisation

- The implementation of a fleet-wide digital trim monitoring system optimises vessels' trim in the water. By adjusting the trim based on real-time data, this reduces water resistance, leading to reductions in fuel consumption. This initiative is expected to yield 1% in fuel savings annually per vessel.

Fuel initiatives

- Höegh Autoliners has taken delivery of approximately 6,200 metric tons of ISCC-certified sustainable biofuel (B100) this year. Additionally, we have taken delivery of 450 metric tons of biofuel blend (B24). Together, these deliveries will contribute to reduced GHG emissions of 19,700 metrics tons of CO2 equivalents.
- We have signed several Letters of Intent (LOIs) with partners across various segments of the clean ammonia supply chain. These collaborations aim to foster innovation and accelerate the adoption of clean ammonia as a viable alternative fuel, further supporting our decarbonization targets. Clean ammonia will substantially reduce the life-cycle emissions for the fuel we use by at least 70%.
- In late 2024, Höegh Autoliners partnered with one of its port suppliers in Australia. Four port calls of the recently delivered Höegh Aurora, were towed using biofuels, reducing scope 3 emissions by close to 100%. Höegh Autoliners will continue to seek similar opportunities in its efforts to decarbonize its supply chain.

Höegh Aurora visiting Le Havre

Fleet transition, and uptake of alternative fuels

Reaching our decarbonisation goals requires a substantial transition of our fleet. This includes the addition of near zero-emission capable vessels, phase-out of legacy tonnage and the uptake of alternative fuels.

Introduction of Aurora Class Vessels

In 2024, Höegh Autoliners took delivery of four of our twelve near zero-emission ready Aurora Class newbuildings – Höegh Aurora, Höegh Borealis, Höegh Australis and Höegh Sunlight.

Key features of the Aurora Class:

DNV's "ammonia ready" notation

Aurora Class vessels are equipped with DNV's "ammonia ready" notation and has a capacity of 9,100 CEU.

Vessels 1-8: LNG dual-fuel engines

The first 8 vessels of the newbuilding program have been and will be delivered with LNG dual-fuel engines, which have the potential to reduce carbon emissions per car transported by up to 58% when compared to the industry standard PCTC vessel running on fuel oil/diesel. Additionally, they can connect to shore power for emissions-free port operations.

In the upcoming year, Höegh Autoliners is set to take delivery of two additional LNG dual-fuel vessels, with deliveries scheduled for Q2 and Q3 of 2025. Furthermore, two more vessels are expected to be delivered in 2026.

Vessels 9-12: Ammonia dual-fuel engines

Höegh Autoliners has continued its work to have vessels number 9-12 in the newbuilding program delivered with ammonia dual-fuel engines, with the first vessel scheduled to be delivered in 2027. These engines have been confirmed from MAN Energy Solution, enabling these vessels to run on clean ammonia with near zero carbon emissions when delivered from the yard.

All vessels of the newbuilding program are expected to be delivered by 2028.

Investments related to the Aurora Class vessels

In 2024, Höegh Autoliners paid approximately MUSD 357 in CapEx instalments related to the newbuilding program. By the end of 2024, the remaining CapEx for the project is estimated at USD 645 million, with USD 634 million expected to come from secured debt drawdowns and USD 11 million from equity. The total investment/commitment for the entire newbuilding program is estimated to be around USD 1.4 billion as of period end. Milestone payments are capitalized as part of additions to newbuildings (refer to note 7 in the financial statements).

During the year, Höegh Autoliners secured NOK 255.4 million in funding from Enova to de-risk the investments, aiming to enable Aurora Class vessels 9-12 to operate on clean ammonia upon their delivery in 2027.

In early 2024, the group linked MUSD 720 in long-term corporate financing to its decarbonization strategy through a sustainability-linked loan. The financing framework and its emissions trajectory, verified by DNV through a second-party opinion (SPO), is aligned with our 2030 carbon intensity reduction target. We measure and monitor carbon intensity development quarterly and obtain annual verification of the KPI as part of our loan agreement obligations. Four of the Aurora Class vessels are and will be pledged in the loan when delivered, while the remaining eight will be financed through sale-leaseback arrangements upon delivery.

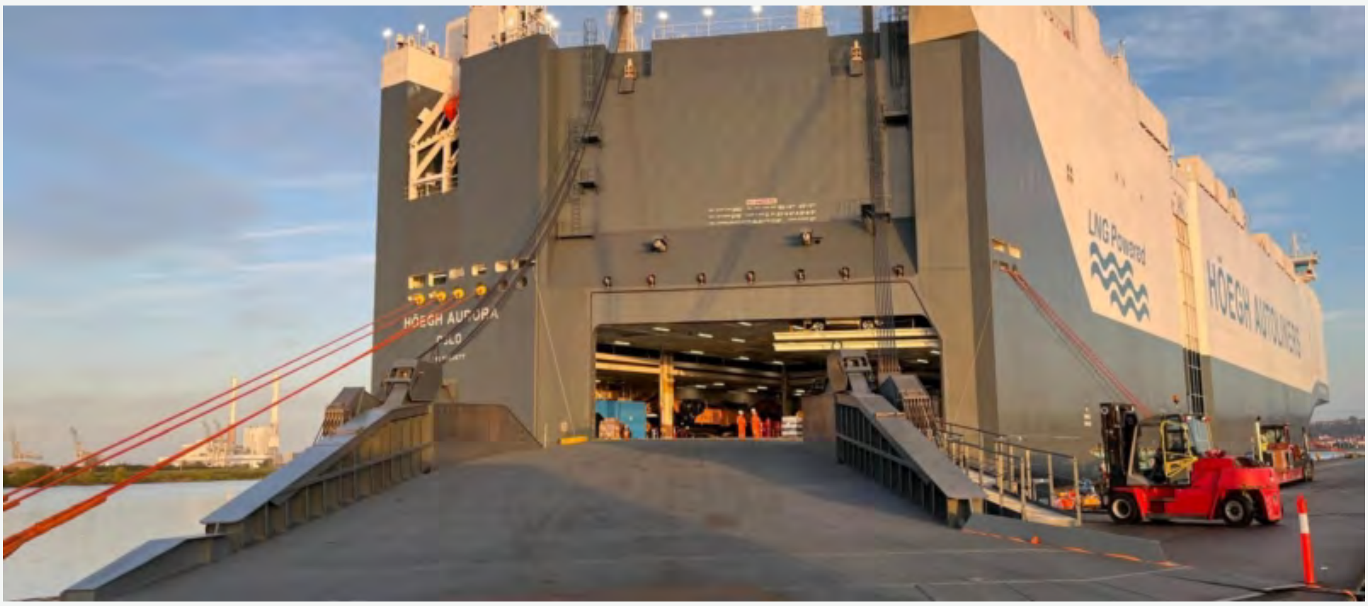
Phase-out legacy tonnage

In 2024, Höegh Autoliners sold and delivered two vessels to their new owners, Höegh Chiba, and Höegh Kobe, both built in 2006. With the introduction of the Aurora Class vessels to the fleet, the company used this opportunity to optimize its fleet from both commercial and sustainability perspectives. The vessel sales are anticipated to have a positive contribution to achieving the decarbonisation targets.

One vessel (Höegh New York) was declared sold during the year and will be delivered to her new owners in Q1 2025. This sale is also expected to have a positive contribution to the decarbonisation targets.

Vessels that exceed their expected lifetime of 30 years are generally considered as candidates for recycling. In line with our decarbonisation plan, all candidate vessels will undergo a thorough assessment before any recycling decisions are made.

Going forward, Höegh Autoliners continues to be strongly committed to achieving its decarbonisation targets and will continue to explore innovative ways and new partnerships to optimize its current energy efficiency, and to further reduce their environmental footprint.



Metrics and targets

Targets related to climate change mitigation and adaptation

E1-4

Höegh Autoliners has embedded two overarching climate-related targets into its corporate strategy through its corporate development goals, namely fleet transition and fleet efficiency:

Reduce fleet carbon intensity by more than 30% by 2030, from 2019 levels

For the medium term, Höegh Autoliners has set a target with the aim to reduce fleet carbon intensity by more than 30% by 2030, using a 2019 baseline. This target is an intensity target. The scope includes all vessels owned or technically managed by the Höegh Group. We have selected 2019 as the baseline year because it is the most recent full year with available global GHG emissions data under normal operations, verified by externally audited IMO DCS data. Please refer to entity specific measures below for more details.

Reach net zero in vessel operations by 2040

Höegh Autoliners has set a target to reach net-zero in vessel operations by 2040. This target is an absolute target. The scope covers all vessels operated by the Group in the reporting year and includes the life cycle emission of fuels consumed.

We have set 2023 as the base year for our net-zero ambitions covering all operated vessels, as it is the first year we reported a complete carbon inventory across all scopes and calculated our scope 1 and scope 3 category 3 emissions using our current methodology.

The target is designed to support the policies and procedures related to our own operations, addressing climate change impacts, managing risks and opportunities, and ensuring compliance with global regulatory requirements, such as IMO regulations.

Energy consumption and mix

E1-5

In 2024, total energy consumption remained relatively stable compared to 2023, with an increase of less than 1%. This stability is a result of a consistent fleet size year over year, resulting in a minimal change in fuel consumption. Additionally, the introduction of Aurora Class vessels in 2024 incorporated LNG into our fuel mix.

Energy consumption

	Unit	2024	2023
1. Fuel consumption from coal and coal products	GWh	-	-
2. Fuel consumption from crude oils and petroleum products	GWh	1 748	1 726
3. Fuel consumption from natural gas	GWh	15	-
4. Fuel consumption from other fossil sources (Marine diesel oil)	GWh	264	289
5. Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	GWh	1	1
6. Energy consumption from fossil sources (sum of 1 to 5)[1]	GWh	2 028	2 016
7. Consumption from nuclear sources	GWh	-	-
8. Fuel consumption for renewable sources	GWh	51	53
9. Consumption of purchased or acquired electricity, heat steam and cooling from renewable sources	GWh	-	-
10. Self-generated non-fuel renewable energy	GWh	-	-
11. Energy consumption from renewable sources (sum of 8 to 10) [2]	GWh	51	53
TOTAL ENERGY CONSUMPTION (sum 6, 7 and 11)	GWh	2 079	2 069

[1] Total energy consumption from fossil sources: Energy consumption from fossil sources includes fossil-based energy used in Höegh Autoliners operations. This includes fuel oil, marine diesel oil, liquified natural gas (LNG), and the consumption of purchased or acquired electricity, heat, steam, and cooling derived from fossil sources.

[2] Total renewable energy consumption.

Accounting Policies - Energy consumption and mix

Consolidation: Energy consumption data is collected, categorized by type, and reported in megawatt-hours (MWh) according to IMO guidelines for energy consumption calculations.

Total energy consumption from fossil sources: Energy consumption from fossil sources includes fossil-based energy used in Höegh Autoliners operations. This includes fuel oil, marine diesel oil, liquified natural gas (LNG), and the consumption of purchased or acquired electricity, heat, steam, and cooling derived from fossil sources.

Total energy consumption from renewable sources: Energy consumption from renewable sources represents Höegh Autoliners consumption of biofuels.

Energy intensity

Due to Höegh Autoliners' activities being classified as a high climate impact sector (NACE code H50.2) under the Commission Delegated Regulation (EU) 2022/1288, we are presenting our energy intensity and mix below.

Energy intensity based on revenue

	Unit	2024	2023
Energy intensity [1]	GWh/net revenue	1.52	1.43
Share of fossil fuel sources in energy consuption	%	98%	97%
Share of renewable energy consumption [2]	%	2%	3%
Share of consumption from nuclear sources in total energy consumption	%	0%	0%

[1] Net revenue is reported in Note 2 - Financial statement. All of Höegh Energy consumption is considered as related to high climate impact sectors.

[2] The share of renewable energy consumption is a result of consumption of approximately 8,450MT of sustainable B100 biofuel.

Accounting Policies - Energy intensity and mix

Consolidation: Energy intensity refers to the ratio of total energy consumption to net revenue. The net revenue used in this calculation is detailed in Note 2 of the financial statements. All energy consumption is originating from sectors with high climate impact, as per (EC) No 1893/2006 (segments significantly contributing to GHG emissions due to its activities).

Gross Scopes 1, 2, 3 and Total GHG emissions

E1-6

In 2024, Höegh Autoliners' total emissions increased by 13% compared to 2023. The increase was primarily due to increased newbuilding activity, leading to higher emissions reported as part of our scope 3 emissions compared to 2023.

Gross scopes 1, 2, 3 and total GHG emissions

	Retrospective				**Milestones and target years**			
	Base year (2023)	2023	2024	% 2024 /2023	2025	2030	2040	Annual % target/Base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO2eq)	1 103 090	1 103 090	1 114 732	1%	N/A	N/A	96%	N/A
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)	N/A	N/A	15%	0	N/A	N/A	N/A	N/A
Scope 2 GHG emissions								

	Retrospective				Milestones and target years			
Gross location-based Scope 2 GHG emissions (tCO2eq)	N/A	399[1]	463	16%	N/A	N/A	N/A	N/A
Gross market-based Scope 2 GHG emissions (tCO2eq)	N/A	413[1]	478	16%	N/A	N/A	N/A	N/A
Significant Scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)	N/A	728 407	950 364	23%	N/A	N/A	N/A	N/A
1) Purchase goods and services	N/A	123 990	107 857	-13%	N/A	N/A	N/A	N/A
2) Capital goods	N/A	361 680[1]	598 620	66%	N/A	N/A	N/A	N/A
3) Fuel and energy-related activities (not included in Scope 1 or Scope 2)	240 076[1]	240 076[1]	241 265	0%	N/A	N/A	90%	N/A
6) Business travels	N/A	2 661	2 622	-1%	N/A	N/A	N/A	N/A
Total GHG emissions								
Total GHG emissions (location-based) (tCO2eq)	N/A	1 831 896[1]	2 065 560	13%	N/A	N/A	N/A	N/A
Total GHG emissions (market-based) (tCO2eq)	N/A	1 831 910[1]	2 065 574	13%	N/A	N/A	N/A	N/A

[1] Restated 2023 numbers due to improved reporting processes

Accounting Policies - Gross scopes 1, 2, 3 and total GHG emissions

Consolidation: Greenhouse gas (GHG) emissions information is consolidated using the control approach, where Höegh Autoliners accounts for 100% of emissions from operations under our control. Emissions reporting follows the Greenhouse Gas Protocol and relevant ISO standards, covering:

- Direct emissions from fuel combustion in our operations (Scope 1)
- Emissions related to electricity consumption (Scope 2)
- Indirect emissions throughout our value chain (Scope 3)

GHG emissions data are presented in CO2 equivalents (CO2eq) and include all operating vessels for the calendar year (January 1 to December 31, 2024). Consumption data for vessels under the ISM responsibility of the Höegh Autoliners Group is verified by the class society, adding an additional layer of quality assurance.

EMISSION CALCULATIONS:

The GHG emissions calculations use relevant emission factors related to fuel and energy consumption. These factors are in accordance with the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6, 2022), the Exiobase database, and the Third and Fourth IMO GHG Studies (2020).

Gross scope 1 emissions:

- Gross Scope 1 emissions encompass the sum of CO2, CH4, N2O, and HFC gases, all converted into CO2 equivalents. CO2, CH4 and N2O emissions are calculated based on fuel consumption. HFCs is calculated based on the reported consumption of refrigerants.

- Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%): this represents the proportion of Scope 1 GHG emissions covered by the EU Emissions Trading System (EU ETS).

Gross location-based scope 2 emissions:

- Gross location-based Scope 2 emissions include CO2 equivalents from electricity consumption in all Höegh Autoliners office locations, based on relevant location-based emission factors obtained from a third-party source. Electricity consumption in agent offices is not included in this consolidation.

Gross Scope 2 emissions – Market based:

- Gross market-based Scope 2 emissions include CO2 equivalents from electricity consumption in all Höegh Autoliners office locations, based on relevant market-based emission factors obtained from a third-party source. A residual mix factor is used, adjusted for any green certificate purchase. Electricity consumption in agent offices is not included in this consolidation.

Accounting Policies - Gross scopes 1, 2, 3 and total GHG emissions - continued

Gross Scope 3 emissions:

Gross Scope 3 Emissions include indirect emissions from Höegh Autoliners' value chain activities, both upstream and downstream. The GHG Protocol divides Scope 3 emissions into 15 categories. Based on our Scope 3 mapping, four categories are considered material, all related to upstream activities. Last year, two additional categories (5: Waste generated in operations and 7: Employee commuting) were calculated but found to be insignificant. We will continue to closely monitor and assess if additional categories should be included in our reporting going forward.

Excluded from the emissions reporting are the following categories:
- Category 4 – Upstream transportation and distribution. We do not transport nor distribute purchased products, or having third-parties to transport and distribute purchased products on our behalf.
- Category 5 - Waste generated in operations. Emissions derived from waste generated in operations were evaluated for our 2023 reporting and has for 2024 reporting been considered to be insignificant. It is therefore scoped out of the 2024 emissions reporting.
- Category 7 – Employee commuting. Emissions derived from employee commuting were evaluated for our 2023 reporting and has for 2024 reporting been considered to be insignificant. It is therefore scoped out of the 2024 emissions reporting.
- Category 8 – Upstream leased assets. Emissions from upstream leased assets are covered in scope 1 (Leased vessels), scope 3 (category 3)(Leased vessels) and scope 2 (electricity from leased office facilities).
- Category 9 – Downstream transportation and distribution. We do not produce any products requiring downstream transportation and distribution.
- Category 10 – Processing of sold products. We are not involved with selling any products.
- Category 11 – Use of sold products. We are not involved with selling any products.
- Category 12 – End-of-life treatment of sold products. This category will remain ‘not applicable’ until we report vessels sold for

recycling.
• Category 13 – Downstream leased assets. We are not leasing any assets to any third parties.
• Category 14 – Franchises. We are not involved with any franchises.
• Category 15 – Investments. We are not involved with any investments.

Total GHG emissions: The total of gross Scope 1 emissions, gross Scope 2 emissions (both location-based and market-based methods), and gross Scope 3 emissions. Due to changes in GHG accounting methodologies, some 2023 figures have been restated. These changes primarily involve improved methods for estimating emissions from purchased goods and services (Scope 3, category 1), enhanced methods for estimating emissions from ship construction (Scope 3, category 1), and updated emission factors for the upstream production and distribution of fuel used in vessel operations (Scope 3, category 3).

GHG emission intensity	Unit	2024
Total GHG emissions - location based per net revenue	1,000 tCO_2eq/USDm [1]	1.51
Total GHG emissions - market based per net revenue	1,000 tCO_2eq/USDm [1]	1.51

[1] Net revenue is reported in Note 2 - financial statements

Accounting Policies - GHG Intensity

GHG intensity: GHG intensity is calculated as the sum of gross Scope 1, Scope 2 (using the location-based approach), and Scope 3 emissions, reported as thousand tons of CO_2 equivalents per USDm of net revenue. The net revenue used in this calculation is detailed in Note 2 of the financial statements.

Entity specific metric (Carbon intensity)

Höegh Autoliners' short-term decarbonisation target is to reduce carbon intensity by more than 30% by 2030, using 2019 as the base year. To track performance against this target, we use the IMO's Carbon Intensity Indicator (CII), specifically the "capacity gross ton distance" (cgDIST).

The base year was chosen as it represents the most recent full year with available global GHG emissions data under normal operations, externally verified through IMO DCS emission data.

In 2024, the cgDIST was measured at 4.98, down from 5.15 in 2023. This represents a reduction of approximately 10% from 2019 levels.

	Unit	2024	2023	2022	2021	2020	2019
Capacity gross ton distance (cgDIST)*	Intensity	4.98	5.15	5.13	5.26	5.07	5.53

Since 2019, we have reduced the fleet-wide carbon intensity by more than 10% primarily driven by energy efficiency measures such as technical upgrades and a more efficient trading network.

We have also started to see positive effects from the fleet transition with two Aurora class vessels entering operation in 2024. The trajectory towards 2030 is expected to be steeper over the years to come as ten newbuildings will enter operations, with the last four capable of running on ammonia.

Accounting Policies - Carbon Intensity Indicator (CII)

Carbon intensity indicator (CII): The carbon intensity is measured according to the IMO CII definition, which is the "capacity gross ton distance (cgDIST)". It is calculated as $gCO_2/(GT*nm)$. This metric is annually validated by an external party as part of our loan agreement obligations.

Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

E1-9

Höegh Autoliners exercises its right, under the ESRS Phase-in allowances, to report on the anticipated financial effects from material physical and transition risks and potential climate-related opportunities, if any, from year 2.

E2 Pollution

Höegh Autoliners business operations are, due to its nature, negatively impacting the environment through pollution of both air and water.

As part of our commitment to address these negative impacts, we have used our double materiality assessment (DMA) process to further enhance our understanding of potential pollution-related impacts, risks, and opportunities. Detailed information about the DMA process can be found in the ESRS 2 section.

Impact, risk and opportunity management

Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM-3

The following material pollution-related impacts and risks have been identified:

Material risks, impacts and opportunities		Location in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Pollution of air	Actual negative impact	●	●	●	●	●	●
	Risk		●				●
Pollution of water	Actual negative impact		●		●	●	●
Underwater noise and vibration	Actual negative impact		●		●	●	●
	Risk		●				●

Pollution of Air

Impacts from Höegh Autoliners own operations

Pollutants, such as nitrogen oxides (NOx), sulphur oxides (SOx), non-methane volatile organic compounds (NMVOCs), and particulate matter (PM) are released into the atmosphere from the combustion of fossil fuels as part of vessel operations. These pollutants can negatively impact both the environment and human health. The impact is systemic to the maritime sector, and it is relevant in the short, medium, and long term.

Impacts through Höegh Autoliners value chain activities

As part of both shipbuilding and ship recycling activities, the environment may be negatively impacted through pollution of air. Höegh Autoliners is currently carrying out a newbuilding project consisting of 12 vessels, expected to be completed by the end of first quarter of 2028. At the same time, it is likely that some of our existing vessels will be recycled over the coming years. The negative impacts are relevant in a short, medium and long term.

Potential risk for Höegh Autoliners

Pollution of air poses possible financial risks for Höegh Autoliners through potentially stricter pollution requirements and additional taxes in the longer term. These factors could lead to higher operational costs due to taxes, regulatory compliance, and capital expenditures for technical improvements of the existing fleet.

Pollution of water

Impacts from Höegh Autoliners own operations

Höegh Autoliners' activities present potential risks of marine pollution from oil spills during bunkering operations, discharges of wastewater such as bilge and sludge water, and vessel cleaning activities. Bilge water, which contains a mixture of substances including water, oil, grease, sludge, and other chemicals, could potentially cause negative impacts if untreated water is released into the ocean. As these impacts are considered to be systemic matters in the maritime sector, it is relevant over both the short, medium, and long term.

Noise pollution

Impacts from Höegh Autoliners own operations

Sound is essential for marine animals and many species depend on it for locating food, navigating, and communicating. However, underwater noise and vibrations from shipping and other industries can disrupt these crucial activities. For Höegh Autoliners, this represents an actual negative impact of its vessels' operations. Recognizing the significance of this issue, it is likely that future regulations will address pollution of underwater noise. Höegh Autoliners discloses noise pollution as an entity-specific disclosure, not covered by ESRS requirement.

Potential risk for Höegh Autoliners

Enhanced knowledge and awareness of the impact of underwater noise and vibration, along with potential future regulations, represent a financial risk for Höegh Autoliners. The risk relates to potentially increased operational costs due to further re-routing to avoid both existing and new marine protected areas. Additionally, the risk is also linked with potential technical upgrades to the existing fleet to comply with new regulations.

Policies related to pollution

E2-1

Recognizing the severity of the mentioned impacts, the International Maritime Organization (IMO) has implemented strict regulations to limit the pollution within the sector through the IMO's International Convention for the Prevention of Pollution from Ships (MARPOL). Höegh Autoliners has established policies and procedures that are aligned with applicable regulations for both own operations and, where relevant, across the value chain. Relevant policies are accessible to all employees via our internal platform.

Höegh Autoliners' environmental actions, targets, and focus areas are outlined in its overarching Environmental Policy and Environmental Focus Plan, both detailed in disclosure requirement E1-2.

Policies related to pollution of air

The policies Emission Control Areas (ECA) / Sulphur Emission Control Areas (SECA) Compliance, are describing the procedures in place to regulate emissions from our vessels to prevent, reduce, and control air pollution of NOx, SOx and particular matter (PM). This policy is applicable to Höegh Autoliners' own shipping operations for certain areas.

The policy MARPOL Protected Areas provides operating guidelines to ensure all marine protected areas, special areas, emission control areas, and particularly sensitive areas are accurately identified and that all respective protective measures are strictly followed.

Policies related to pollution of water

The Sludge and Bilge Water Operation and Maintenance policy outlines required procedures for proper sludge and bilge water handling during vessel operations in compliance with international and national regulations. Among other things, the policy includes guidelines for processing, record-keeping, potential leakages, and maintenance of processing equipment.

Wastewater generated during vessel operations, such as sewage, is managed under our Sewage Handling and Responsibility Policy, which complies with the requirements of MARPOL Annex IV. The policy addresses how to treat sewage, and how the responsibility is allocated among the crew members.

Höegh Autoliners ensures seafarers are well-prepared for marine casualties and emergencies through comprehensive training and upskilling. This enhances the implementation and security of our policy procedures.

Policies related to noise pollution

Höegh Autoliners adheres to mandatory speed restrictions for vessels passing through the United States East Coast (USEC). The policy Speed Restrictions to Protect North Atlantic Right Whales describes guidelines on speed restrictions applicable to vessels passing USEC and Canada East Coast.

The Chief Operating Officer is responsible for implementing and monitoring the effectiveness of these policies.

Actions and resources related to pollution

E2-2

Actions related to pollution closely interact with other environmental initiatives, particularly those addressing E1 Climate Change. Höegh Autoliners' pollution-related efforts within own operations are detailed below, and additional measures targeting pollution in the upstream and downstream value chain are also discussed in sections E1-3 and E4-3.

Actions related to pollution of air

Executing fleet transition plan and energy efficiency measures

Pollution management is closely linked with energy efficiency, and Höegh Autoliners has systematically improved the fleet-wide energy efficiency through technical installations and operational measures. The planned fleet transition, and future adoption of alternative fuels, will help us move closer to our decarbonisation targets and corresponding reduction of non-GHG pollutants such as SOx and NOx.

Fuel consumption is the largest source of pollution in the shipping industry, and Höegh Autoliners is committed to using fuels compliant with the IMO Global Sulphur Cap 2020. To meet specific requirements of designated sea areas with stricter controls to minimize airborne emissions from ships (such as ECAs and SECAs), we have implemented strict fuel switching procedures to ensure compliance across all operational areas.

As pollution is a function of the fuel consumption, our decarbonization measures implemented as described in E1-4 will contribute to the reduction of non-GHG emissions. It is expected that reduced pollution of non-GHGs to air will follow the reduction in fuel consumption closely.

Actions related to pollution of water

Bilge water and oil spill management

The on-board Oily Water Systems (OWS) installed on all our vessels allow us to continuously monitor bilge water on board using an oil content meter. When bilge water cannot be processed through the OWS, it is collected and retained onboard until delivered to an approved shore reception facility. This ensures proper handling and disposal of all bilge and oily water and aims to prevent oil spills and release of untreated water to the sea. Operating the OWS in accordance with company policies mitigates the negative environmental impact of water pollution.

Further, we have comprehensive response plans and checklists in case of emergencies during bunkering operations. Our seafarers receive thorough training to prepare for potential oil spills. We promote crew awareness, conduct regular preventive maintenance (PMS) of vessels, and ensure equipment is well-maintained. This contributes to ensure we have the most prepared crew as possible and to enhance our emergency response capabilities.

Monitoring speed restriction

Höegh Autoliners complies to mandatory speed restrictions in specific marine areas and voluntarily adjusts sailing patterns to contribute to the protection of particularly sensitive marine areas. By having a continuous focus on controlling vessel speed and assessing alternative routes, we aim to reduce the negative impact of underwater noise and vibrations.

Metrics and targets

Targets related to pollution

E2-3

Based on regulatory requirements and stakeholder expectations, Höegh Autoliners has set pollution-related targets to reduce its environmental footprint and enhance business resilience. These targets address impacts from our own operations. While not externally validated, they support our policies and procedures, and address pollution-related impacts and risks identified in the DMA.

Zero major operational oil spills

This target aims to minimize operational oil spills from vessel operations. Achieving this target involves:

- Timely reporting of all types and quantities of accidental and operational oil spill into the water.
- Ensure crew awareness on company’s environmental policy.
- Strict monitoring of bunkering and bilge water operations.

Oil spills are reported based on their size: 700 tons categorized major oil spill.

In 2024 no major oil spills were recorded. We will continue to work on preventing the occurrence of oil spills, providing checklists on oil spill to use in case of emergency situations.

Zero fines related to oil spills

This target aims to avoid potential financial implications related to oil spills. By promptly reporting all types of potential oil spills and monitoring HIS reports, we aim to mitigate the risk of oil spill-related fines. The target covers the entire Höegh Autoliners' fleet.

In 2024, we have not reported any major operational oil spill to the environment, and as such, no fines related to oil spill were received.

No violation to the speed restrictions

This target aims to avoid potential implications related to violation to speed restrictions. This includes continuous monitoring of vessel speed in restricted areas and evaluation of alternative sailing patterns, where applicable.

In 2024 we have reported zero violation of speed restrictions.

Accounting policies - Metrics and targets

Our pollution-related targets are absolute targets without a relative measurement towards a baseline. Metrics are not validated by an external body other than the assurance provider of the Sustainability Statements.

Air pollution is closely linked with Climate Change. Therefore, Höegh Autoliners has not set specific targets for air pollution, as these are implicitly included in the targets outlined in E1-4. Consequently, the effectiveness of policies and actions related to air pollution is tracked with the same level of ambition as established for climate change.

Pollution of air, water, and soil

E2-4

Höegh Autoliners continues to report key metrics related to our environmental impacts, providing the reader with an understanding of the performance in relation to our climate and pollution-related targets and the methodologies and assumptions used to set them.

Air pollution reporting

	Unit	2024	2023 [1]
Black Carbon (BC)	MT	29	29
Carbon Monoxide (CO)	MT	971	945
Nitrogen Oxides (NOx)	MT	34 449	34 249
Particular Matter (PM)	MT	1 594	1 595
Sulphur Oxides (SOx)	MT	2 870	2 831
Volatile Organic Compouts (VOC)	MT	1 277	1 273

[1] 2023 numbers restated due to improved reporting processes.

Accounting policies - Air pollution reporting

Air pollution:
Pollution of air consists in the amount of air pollutants emitted by Höegh Autoliners operations, not already included in GHG emissions already reported under Climate Change. The calculation and consolidation follows the same methodology as described for scope 1 emissions, considering the amount of fuel consumption and the application of a relevant emission factor.

Entity-specific metrics

	Unit	2024	2023
Number of major oil spills	#	0	0
Fines related to oil spills	$	0	0
Number of violations to speed restrictions	#	0	2
Days in ECA/SECA (MARPOL)	#	1 784	1 729
Non-compliance with environmental laws and regulations	#	1	0
Generation of sludge water	m^3	5 884	5 311[1]
Generation of bilge water	m^3	5 892	4 824[1]

[1] 2023 numbers restated due to improved reporting processes.

In 2024, we recorded one instance of non-compliance with environmental laws and regulations, resulting in a minor fine due to the emission of black smoke from one of our vessel's funnels while transiting the Yangtze River in China.

Generation of sludge and bilge water

Höegh Autoliners continuously monitors the generation of sludge and bilge water, in line with our policies. These entity-specific metrics support our goal of preventing oil spills.

During the year, about 96% of sludge generated was disposed of at designated shore facilities. In relation to bilge water, 83% was discharged to sea following proper processing through OWS, while 11% was disposed of at shore facilities.

Accounting policies - Entity-specific metrics

Oil spills:
Oil spills are reported based on their size: 700 tons categorized major oil spills. Vessels report all spills monthly.

Speed restrictions:
Höegh Autoliners is required to comply with speed restrictions in specified marine areas. Vessels document route and speed, translating to speed restriction violations.

Days in ECA/SECA (MARPOL):
Number of days vessels navigate through areas with stricter emission controls, as per IMO guidelines. The calculation is performed manually using the date and time of entry and exit. The results are aggregated monthly and then reported manually at the end of each month through the EFP survey form.

Water pollution:
Includes oil leakage, sludge, and untreated bilge water released into the ocean. These entity-specific metrics support our goal of preventing oil spills.

Total sludge generated:
Total sludge generated is the sum of all sludge generated during the year by vessels technically managed by the Höegh Autoliners Group. Total sludge generated is measured and reported through the Environmental Aspect Log.

Total bilge water generated:
Total bilge water generated is the sum of all bilge water generated during the year by vessels technically managed by the Höegh Autoliners Group. Data is measured and reported through the Environmental Aspect Log.

Environmental laws and regulations primarily refer to MARPOL 73/78 under the International Maritime Organization (IMO), as well as local regulations applicable to vessels calling at ports in different port states.

Technically managed vessels refer to the vessels for which the Höegh Autoliners Group holds responsibility under the IMO's International Safety Management (ISM) Code.

Anticipated financial effects from pollution-related risks and opportunities

E2-6

Höegh Autoliners exercises its right, under the ESRS Phase-in allowances, to report on the anticipated financial effects from pollution-related impacts, risks and opportunities (E2-6), if any, from year 2.

E4 Biodiversity

Höegh Autoliners operates in a sector that interacts with marine and coastal ecosystems, with potential negative impacts on biodiversity and ecosystems through its deep-sea shipping activities.

Life below sea

Strategy

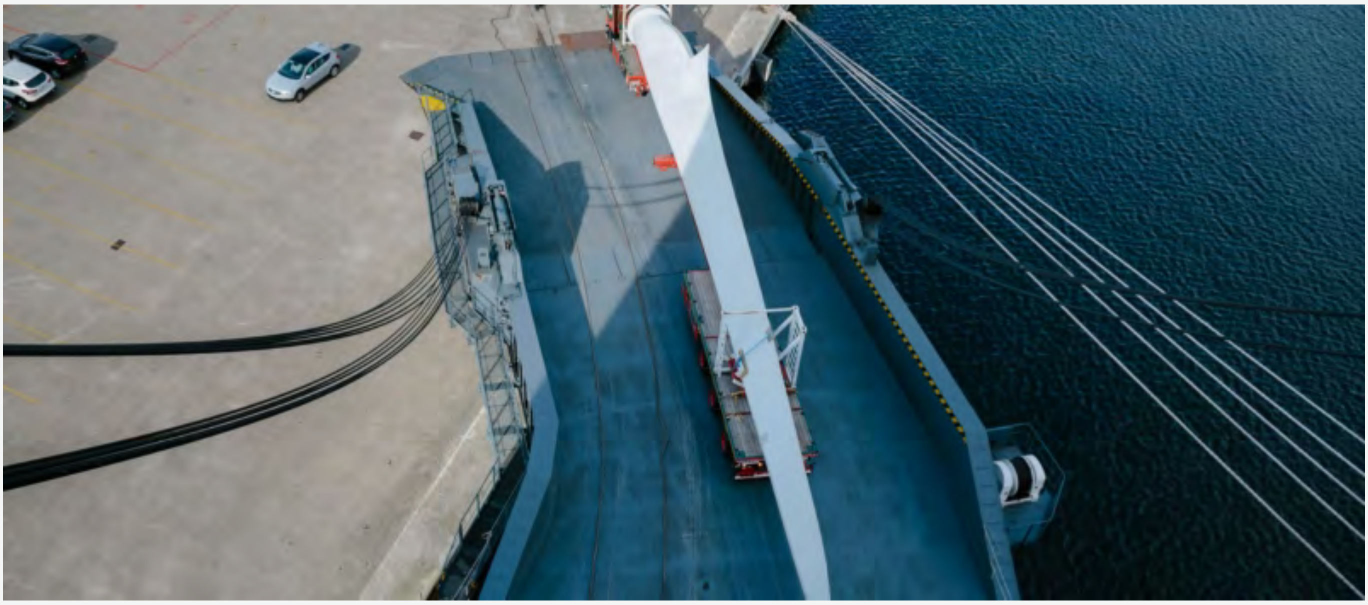
Transition plan and consideration of biodiversity and ecosystems in strategy and business model

E4-1

Höegh Autoliners operates in a sector that interacts with marine and coastal ecosystems, with potential negative impacts on biodiversity and ecosystems through its deep-sea shipping activities. To address these challenges, we work to adapt and implement necessary actions to minimize these impacts and align our business model with global efforts to protect nature and life below sea.Our business model's resilience to climate change and biodiversity loss is supported by our assessment of both transitional and physical risks. The assessment addresses the impacts of our operational activities on the marine environment, potential regulatory changes, necessary fleet adjustments, and increased operational costs due to stricter environmental compliance. Considerations provided by both internal and external stakeholders, give a better understanding of the increasing regulatory pressure, the societal demand for more sustainable shipping, and the company's biodiversity-related impacts, risks, and opportunities.

Based on our assessment, we believe that implementing new technologies and operational practices to manage negative impacts and business risks will enhance the resilience of our business to biodiversity and ecosystem-related challenges.

> "We believe that implementing new technologies and operational practices to manage negative impacts and business risks will enhance our resilience to biodiversity and ecosystem-related challenges."



Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 – SBM 3

Höegh Autoliners does not have sites located in or near biodiversity-sensitive areas. Consequently, the identified Impact, Risk, and Opportunities (IROs) are directly linked to our operational activities exclusively through shipping. The following material IROs have been identified for biodiversity. Further details on Höegh Autoliners' double materiality assessment (DMA) process can be found under ESRS 2 – IRO 1.

		Location in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Introduction of alien species through global vessel operations	Potential negative impact		●		●	●	●
	Risk		●				●

Invasive alien species

The spread of invasive alien species (IAS) is being recognized as one of the biggest threats to both ecological and economic well-being, as well as a leading cause of biodiversity loss. It is the primary potential impact on biodiversity linked to our own operations, to be considered important in a short, medium, and long-term.

Introduction of invasive alien species through global vessel operations

The ballast water taken onboard ships can hold thousands of aquatic or marine microbes, plants, and animals, which are then transported across the globe. By releasing untreated ballast water at the ship's destination, Höegh Autoliners risks introducing invasive alien species into new ecosystems, which could expand to wider areas over time.

Hull biofouling is also considered to be a contributor to the introduction of invasive alien species caused by the accumulation of microorganisms, plants, and algae on the ship's hull. Höegh Autoliners could introduce new invasive alien species by having improper anti-fouling systems, which might negatively impact ecosystems.

The introduction of Brown Marmorated Stink Bugs (BMSBs) poses a biosecurity risk due to their tendency to hitchhike. These highly mobile insects often seek shelter in cargo, vehicles, and machinery bound for the southern hemisphere, particularly Australia, during the Northern Hemisphere's colder months. To mitigate this biosecurity risk, stronger import measures are now in place. Unwanted insects on Höegh Autoliners vessels could introduce ecological threats to new environments over time.

Potential risk for Höegh Autoliners

The introduction of invasive alien species to new ecosystems poses a biodiversity transition risk to Höegh Autoliners. This risk can lead to increased operational costs due to additional fumigation expenses and inspections, port refusals, reputational damage from delays, and potential penalties. All of these may result in negative financial consequences for Höegh Autoliners.

Impact, risk and opportunity management

Policies related to biodiversity and ecosystems

E4-2

Höegh Autoliners has implemented a set of policies that govern our deep-sea shipping activities, aiming to minimize our impact on biodiversity and ecosystems. These policies are accessible to all staff via our internal intranet. Höegh Autoliners' relevant policies around biodiversity are detailed in the following section.

Ballast Water Management Overview

The policy "Ballast Water Management Overview" provides guidelines for control and management of ships' ballast water to address potential impact related to introducing invasive-alien species to ecosystems through ballast water. It is applicable to vessels under the US and IMO ballast water requirements and ISO 14001 environment aspects. In addition to this policy, each vessel has its own "Ballast water management plan," with specific guidelines according to its respective routes.

Biofouling Management Overview

Höegh Autoliners' "Biofouling Management Overview" outlines effective measures to prevent the introduction of invasive alien species through biofouling. This policy applies to vessels under the IMO MEPC 207 (62) regulation and ISO 14001 environmental standards. Additionally, vessel-specific "Biofouling Management Plans" provide detailed procedures for managing biofouling.

Invasive Species and Pest Management

The policy "Invasive Species and Pest Management" outlines the BMSB checklist and relevant treatment measures. Complementing this policy, "Höegh Autoliners' BMSB Reporting Guidelines" provides specific instructions for the bug season (September to April) to both the crew and the internal operations Support team. These guidelines include procedures to distinguish BMSB from other stink bugs and specific reporting requirements. Both policies apply to all vessels calling at any port in Australia and New Zealand.

The monitoring of relevant biodiversity policies is conducted continuously and updated as necessary. Policy development and implementation are overseen and approved by the Chief Operations Officer, with leaders in the relevant operations departments responsible for driving the processes and initiatives outlined in the policies.

Actions and resources related to biodiversity and ecosystems

E4-3

Höegh Autoliners' has implemented specific actions to support its respective biodiversity policies. The following initiatives are implemented and guided by the requirements established by the IMO:

Ballast Water Treatment Systems (BWTS) optimization

Höegh Autoliners has implemented compliant and effective BWTS on all vessels in our fleet. Ballast water is used to stabilise the vessel when it is not fully loaded with cargo. When sea water is pumped into the ship's ballast tanks, the water passes through filters to remove larger particles and organisms. This will effectively mitigate the risk of spreading of such species.

Additionally, we have continuously been working on ballast voyage optimization to reduce the use of ballast water during voyages, and we strictly adhere to bio-security requirements in the different ports and countries we operate. These requirements are constantly being monitored through submission of pre-arrival biosecurity requirements.

Anti-Fouling Systems

Anti-fouling coating, paints, surface treatment or device that is used to prevent marine organisms like barnacles and algae from attaching to the ship's hull. Only high standard anti-fouling paint is used for all of our vessels. This is not only to reduce hull resistance for energy efficiency purposes, but also to minimize the spread of invasive species by preventing the marine organisms from growing on the vessel's hulls.

Additionally, we also conduct regular hull cleanings and have installed Marine Growth Protection Systems (MGPS). During the year, we have ensured that the routines and procedures are in place and are being followed.

Brown Marmorated Stink Bugs

Höegh Autoliners has implemented invasive species and pest management procedures, including fumigation, chemical treatments, and heat treatments of cargo, followed by fumigation certification. These procedures are mandatory for vessels on routes to countries like Australia and New Zealand, where BMSBs pose significant biosecurity risks. The measures described above are important to minimize the spread of invasive species to new ecosystems. In 2024, these procedures have been strictly followed and verified prior to the vessels' arrivals in Australia and New Zealand.

By implementing these actions, Höegh Autoliners aims to achieve biodiversity-related outcomes that not only comply with regulations but also address the impacts of its operational activities. The outcomes are expected to contribute to the progress and the achievement of our biodiversity-related targets.

Future biodiversity-related actions will continue to mitigate existing impacts and comply with relevant international regulations. Additionally, the company will closely monitor the regulatory environment for potential new procedures and measures.

No biodiversity offsets have been incorporated into our action plan as described above. Local and indigenous knowledge, as well as nature-based solutions, are partly integrated into our preventive measures against the introduction of BMSBs to Australia and New Zealand, given their threat to agriculture and biosecurity. The treatment of ballast water and the use of high-standard antifouling paints are not based on such knowledge but are implemented in accordance with IMO guidelines.

Metrics and targets

Targets related to biodiversity and ecosystems

E4-4

Höegh Autoliners has established relevant targets to ensure adherence to existing biodiversity-related policies and procedures. Each target aligns with and supports our actions to address identified impacts and risks, ensuring compliance with relevant regulations.

Our biodiversity-related targets are not informed by or aligned with the Kunming-Montreal Global Biodiversity Framework. However, they share the same objectives: reducing the introduction of invasive alien species and minimizing their impact on the environment. These targets have been informed by regulatory requirements and stakeholder expectations to reduce our environmental footprint, while at the same time enhancing resilience of our business model. They are applicable to the entire fleet operated by Höegh Autoliners and applies for the current financial year.

Zero Ballast Water Management Infractions

This target aims to minimize the occurrence of ballast water management incidents. Specifically, this means ensuring that all applicable crew members undergo necessary training and familiarization in the implementation and carrying out of a ballast water management system. Further details are described in relevant policies. In 2024, we have reported zero ballast water management infractions. All vessels in our fleet have been equipped with Ballast Water Treatment systems.

Zero non-compliance to anti-fouling regulations

This target aims to minimize the occurrence of non-compliance to anti-fouling regulation, including engaging onboard management and vessel managers to ensure that the vessels' routine procedures are in place and in accordance with the anti-fouling regulations. In 2024, there were no cases of non-compliance with anti-fouling regulations.

Zero detentions/port refusals due to identification of bugs

This target aims to avoid implications related the identification of BMSBs. It includes engaging onboard crew and operations support handlers to ensure our policies related to invasive and pest management are being properly adhered to. In 2024, there were no port refusals due to identification of bugs, marking an improvement compared to previous year when one port refusal was reported.

Accounting policies - Metrics and Targets

Targets
Our biodiversity-related targets are not informed by or aligned with the Kunming-Montreal Global Biodiversity Framework. However, they share the same objectives: reducing the introduction of invasive alien species and minimizing their impact on the environment. These targets have been informed by regulatory requirements and stakeholder expectations to reduce our environmental footprint, while at the same time enhancing resilience of our business model. They are applicable to the entire fleet operated by Höegh Autoliners and applies for the current financial year.

Metrics
Metrics disclosed in this section are used to monitor the IROs related to biodiversity and ecosystems. These metrics are not validated by any external parties other than the assurance provider.

Ballast water management (BWM) infractions: Incidents resulting in Port State Control (PSC) deficiencies, vessel delays, and/or fines due to non-compliance with ballast water management regulations. Reported metric covers vessels technically managed by the Höegh Autoliners Group.

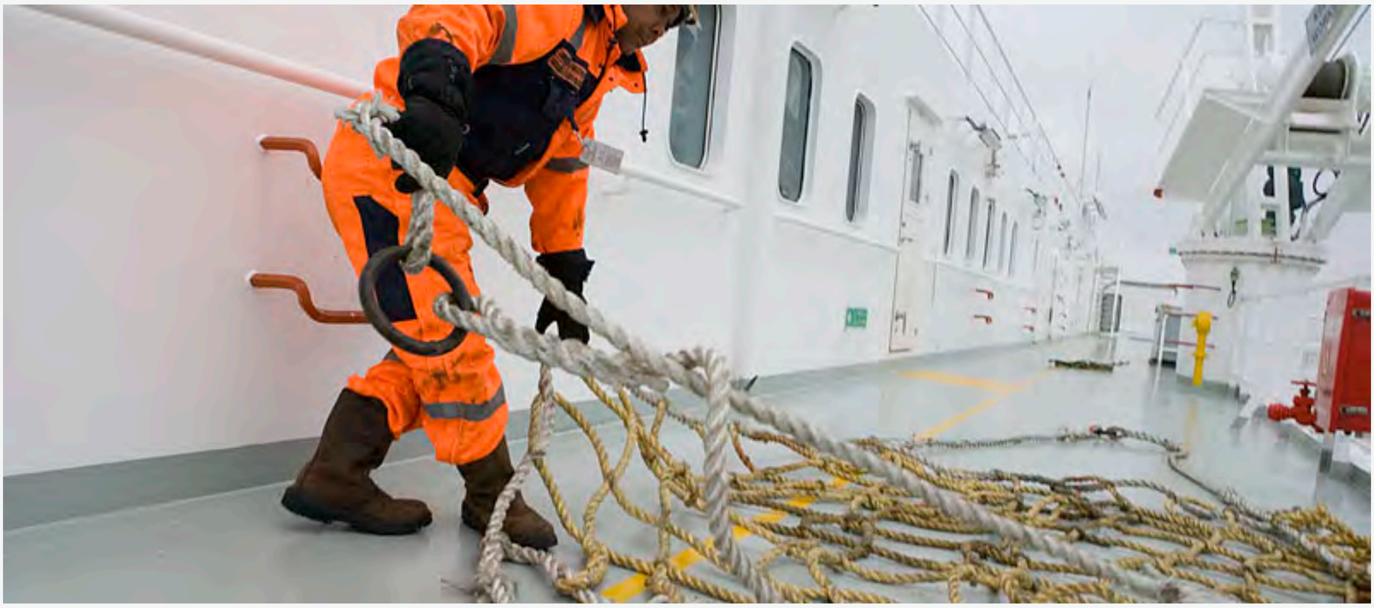
Non-compliance with anti-fouling regulations: Incidents resulting in vessel delays and/or Port State Control (PSC) deficiencies due to non-compliance with anti-fouling regulations. Reported metric covers vessels technically managed by the Höegh Group.

Port refusals due to identification of BMSBs: Incidents resulting in port refusals due to identification of BMSBs in Australian and New Zealand ports. Reported metric covers vessels technically managed by the Höegh Autoliners Group.

Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities

E4-6

Höegh Autoliners exercises its right, under the ESRS Phase-in allowances, to report on the anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities (E4-6), if any, from year 2.



E5 Resource use and circular economy

Impact, risk and opportunity management

Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 – SBM 3

The below impacts were identified as part of our double materiality assessment (DMA):

Material risks, impacts and opportunities		Location in the value chain: Upstream	Location in the value chain: Own Operations	Location in the value chain: Downstream	Time Horizon: Short-term	Time Horizon: Medium-term	Time Horizon: Long-term
Waste generated in vessel operations	Negative impact		●		●	●	●
Resource use in newbuilding process	Negative impact	●			●	●	●
Waste generated in ship recycling	Potential negative impact			●		●	●

Waste generated in vessel operations

During regular vessel operations, a significant amount of waste is produced. If this waste is not properly collected, segregated, and disposed of, it can negatively impact the environment. The waste includes both non-hazardous materials, such as cooking oil and food waste, and hazardous materials, such as plastics, sewage, and paint residues. This negative impact is located within our own operations over the short, medium, and long term in line with our expected shipping activity.

Resource use in newbuilding process

Newbuilding projects require substantial sourcing of raw materials, particularly for producing the steel used in vessel construction. This process involves the extraction and processing of iron ore, among other materials, which negatively impacts the environment through waste generation, and resource depletion. This negative impact is located within our upstream value chain over the short, medium and long-term in line with our expected newbuilding activity.

Waste generated in ship recycling

Vessels reaching its expected lifetime of 30 years are normally due for ship recycling. Improper recycling and disposal of waste generated as part of the recycling process can lead to releases of toxic substances and eventually depletion of natural resources. Proper recycling practices ensure safe disposal of hazardous materials, reduce pollution, and promote the reuse of recycled resources. The potential negative impact is located within our downstream value chain over the medium and long term in line with our decarbonisation plan and expected recycling activity.

Policies related to resource use and circular economy

E5-1

Höegh Autoliners' group wide Environmental Policy provides clear guidelines on proper handling of waste generated during its operations, including the newbuildings and recycling activities.

The annual Environmental Focus Plan further supports this policy by detailing specific focus areas, actions, and targets, putting emphasis on our zero-waste overboard principle and green recycling. When established, relevant policies have been informed by local and international regulations such as the International Maritime Organisation MARPOL regulations, and the EU Ship Recycling Regulation (EU SRR).

Policy development and implementation are overseen and approved by the Chief Operations Officer. Leaders in the Operations department are responsible for driving these processes and initiatives. All policies are accessible to employees via our intranet.

Policies related to waste generated in vessel operations

Höegh Autoliners has established a comprehensive garbage management plan, providing fleet-wide guidelines for proper waste management. Each vessel also has a specific garbage management plan, with waste generation continuously monitored by the Health, Safety, Security, Environment and Quality (HSSEQ) team. A separate policy addresses the handling and disposal of biological waste following hull cleaning procedures.

Wastewater generated during vessel operations, such as sewage, is managed under our 'Sewage Handling and Responsibility' policy, which complies with the requirements of MARPOL Annex IV. All relevant vessel-specific plans and policies are approved by class to ensure compliance with international regulations and are maintained in our internal document system, accessible to all employees, including seafarers.

Policies related to newbuilding and ship recycling

Procedures are in place to ensure proper newbuilding activities and green recycling in accordance with local and international regulations. Höegh Autoliners adopts responsible ship recycling practices, as outlined in the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships and the EU Ship Recycling Regulation (EU SRR). This involves selecting qualified recycling facilities that comply with strict safety and environmental standards, ensuring the safe disposal of old vessels without harming people or the environment.

Additionally, the company mandates that recycling facilities adhere to Höegh Autoliners' Green Recycling Standard and that both newbuilding yards and recycling facilities comply with the company's Supplier Code of Conduct, which requires the use of fully licensed and permitted facilities for both upstream and downstream waste management. Finally, Höegh Autoliners strictly adheres to regulations for handling hazardous materials, implementing specific manuals to ensure full compliance.

Actions and resources related to resource use and circular economy

E5-2

Actions related to waste generated in vessel operations

- Waste segregation on board is strictly enforced under a zero-waste overboard principle, ensuring thorough collection and monitoring of generated garbage data. Only certain food waste is disposed to sea, in accordance with MARPOL regulations.The regulations also require waste to be stored in labelled, color-coded containers, and each vessel has a designated garbage management officer responsible for maintaining and recording this data. These MARPOL requirements are reviewed and assessed every five years by the class during renewal survey in which a statement of compliance with respect to MARPOL Annex V is issued.

- Each vessel also has a specific garbage handling form detailing the storage capacity of garbage containers. All busted cargo hold lights on existing vessels will be replaced with LED lights, and LED lights will be installed on all newbuilds being delivered over the coming years. Further, each vessel is equipped with placards that inform the crew and passengers about the ship's disposal requirements.Additionally, procurement processes require chandlers and suppliers to minimize the use of plastic packaging when delivering spares and to collect plastic packaging from their deliveries as much as practically possible to reduce plastic waste. Garbage data is documented daily in a record log, along with details on how it is managed.

- To prevent any spills into the sea, strict handling procedures for sewage and greywater are implemented. Effective wastewater management involves raising crew awareness of relevant policies and procedures, along with specific training for spill response. All accidental and operational spills, regardless of type or quantity, must be reported immediately.

- Additionally, any malfunctions in the approved sewage treatment plants must be promptly reported to the ship's vessel manager. Proper operation of the sewage treatment unit includes training the engine crew, maintaining adequate spare parts, and performing maintenance according to the Planned Maintenance System (PMS) and manufacturer recommendations.

Actions related to newbuilding/recycling process

- Shipbuilding processes are inherently resource-intensive, requiring significant amounts of steel.

Once a project is scoped and agreed upon, there are limited opportunities to implement mitigating actions regarding steel usage. Consequently, no formal actions are currently in place. However, before entering into future newbuilding projects, we will to a larger degree consider this negative impact and aim to reduce resource use in shipbuilding processes.

- To prepare for future recycling activities, Höegh Autoliners ensures that each vessel possesses the necessary documents related to their Inventory of Hazardous Materials (IHM), including compliance certificates throughout the vessel's lifetime. Additionally, existing vessels are required to maintain their IHM Maintenance documentation during their operational life. Vessels scheduled for recycling will obtain the Ready for Recycling certificate in a timely manner.

Höegh Autoliners has not recycled any vessels during 2024.

> "Effective wastewater management involves raising crew awareness of relevant policies and procedures, along with specific training for spill response."

Metrics and targets

Targets related to resource use and circular economy

E5-3

Höegh Autoliners adheres to a fleet-wide zero-waste overboard principle and established the following waste-related targets:

Waste and garbage related targets (voluntary targets – prevention/reduction layer)

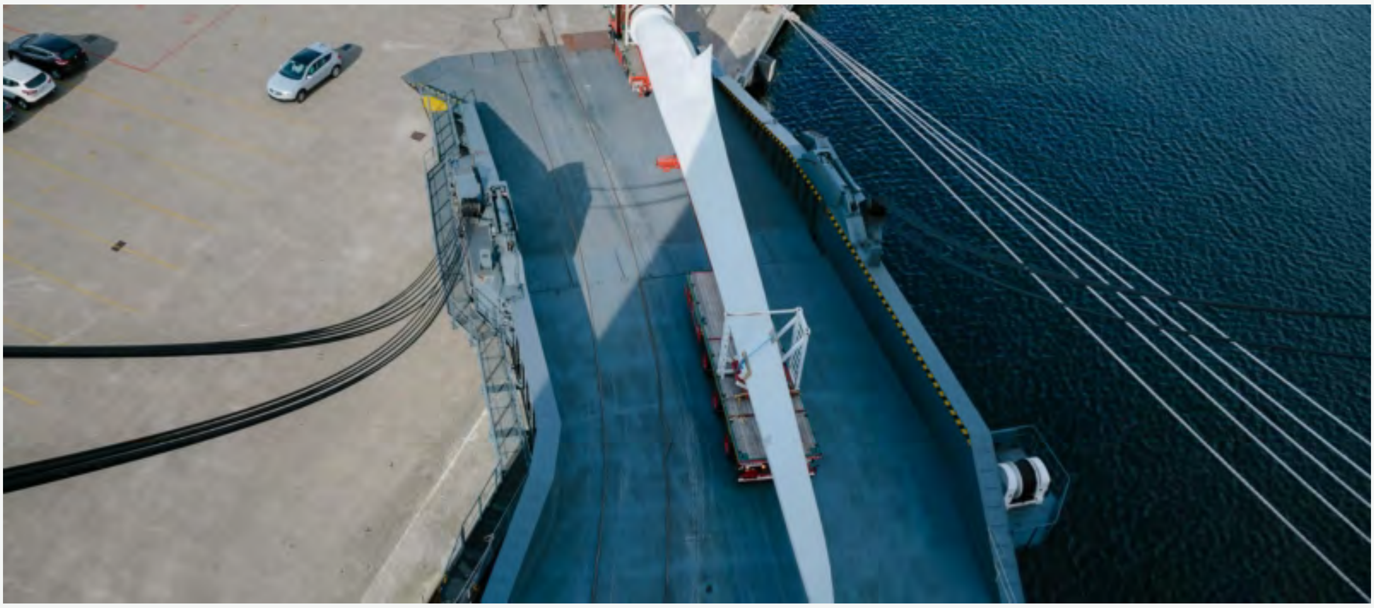
- Replace all fluorescent lamps on the car decks of all existing Höegh Technical Management (HTM) vessels with LED lights at their next scheduled drydocking at the latest. In 2024, 14 vessels completed LED replacement. Additionally, all four newbuildings delivered in 2024 have been equipped with LEDs.

- 5% year-over-year reduction in plastic waste generated onboard HTM vessels. In 2024, we recorded a plastic waste generation of 748 cubic meters, up from 714 cubic meters in 2023, indicating a 5% increase.

Ship recycling related targets (required by legislation)

- All vessels recycled shall be compliant with IMO-IHM/EU-SRR. No vessels were recycled in 2024.

No specific targets related to resource inflow related to our newbuilding process are set.



Voluntary targets – prevention/reduction layer

14 vessels

Completed 100% LED replacement in 2024.

4 newbuilding

Delivered in 2024 have been equipped with LEDs

5 %

Year-over-year reduction in plastic waste generated onboard.

Resource inflows

E5-4

The Company's newbuilding program has progressed as planned, with four vessels delivered in 2024 and eight vessels remaining in the program at the end of the year. The table below provides information of the total steel consumed as part of the newbuilding process in 2024.

Resource inflows	2024
Total weight of steel consumed (MT)	71 012

Accounting policies - Resource inflows

Metrics:
Resource use and circular economy: Metrics disclosed in this section are used to monitor the IROs related to resource use and circular economy. These metrics are not validated by an external body other than the assurance provider.

Weight of steel consumed:
Steel consumption is allocated to the vessels under construction based on relevant milestones in accordance with the milestone and delivery schedule for the vessels. Six of the vessels under construction reached such milestones during 2024, and steel consumption has been allocated to these six vessels based on their specifications and lightweight data obtained directly from the vessel specification files from the construction design.

Resource outflows

E5-5

Generated waste from ships is classified into hazardous and non-hazardous categories and is disposed of at shore facilities during port calls. The table below provides a breakdown of waste generated in 2024, including all vessels technically managed by the Höegh Group.

In 2024, the Höegh Group operated 38 vessels, of which 32 vessels were technically managed by the

Höegh Autoliners Group and 6 were managed by third parties. Waste generated by vessels not managed by Höegh Autoliners Group is not included in the reported numbers. Data is continuously reported by the Chief Officer and monitored and consolidated by the HSSEQ department.

Höegh Autoliners does not actively recycle any type of waste as part of its operations. However, the company does not control the waste management processes of third parties. Consequently, the rate of recyclable content in waste generated by vessel operations and disposed of at shore facilities remains unknown.

Breakdown of wastes in m³		**2024**	**2023**
Diverted from disposal			
Non-hazardous materials	Food waste (incinerated)	1.0	0
	Food waste to sea	138.1	139.5
Hazardous materials	Domestic waste (incinerated)	163.4	132.9
Totals diverted from disposal		302.6	273.5
Directed for disposal (disposed to approved shore facility)			
Non-hazardous materials	Food waste	21.1	16.9
	Cooking oil	29	68.9
	Scrap iron from ER	14.5	16.5
Hazardous materials	Plastics	769.5	669.9
	Aerosol cans	1.2	1.2
	Expired pyrotechnics	1.0	1.5
	Incinerator ash	21.1	22.6
	Used batteries	2.4	3.3
	Paint residues	16.3	22.6
	Defective electrical equipment	59.7	52.4
	Carbon soot from economizer	0.2	5.3
	Domestic waste	495.3	407.4
	Operational waste	242.5	253.3
	Expired medicines	3.9	2.6
Totals directed for disposal		1 676.7	1 543.4
Total waste generated		1 980.0	1 816.9

Accounting policies - Resource outflows

Waste:
Waste generated is reported as the sum of waste diverted from and directed for disposal, including both hazardous and non-hazardous waste. The quantity of waste disposed is recorded in the garbage record book based on the volume capacity of vessel specific garbage bins. All recorded quantity should align with the receipt from the port facility and is being verified and scrutinized by Port State Control (PSC) inspectors during inspection.

Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

E5-6

Höegh Autoliners exercises its right, under the ESRS Phase-in allowances, to report on the anticipated financial effects (E5-6) of material resource use and circular-economy related risks and opportunities, if any, from year 2.

EU Taxonomy

Höegh Autoliners has assessed its business operations in line with the EU Taxonomy and the economic activities outlined in the Climate and Environmental Delegated Acts.

Introduction

The EU Taxonomy is a classification system that identifies environmentally sustainable economic activities through established criteria, guiding investments towards a low-carbon economy. It is a cornerstone of the EU's sustainable finance framework, enhancing market transparency. Additionally, it includes criteria for economic activities that not only align with climate change goals but also address a broader range of environmental objectives.

Taxonomy-eligible activities are defined by the EU Taxonomy as activities that can positively contribute to any of the environmental objectives set out by the European Union. Taxonomy-aligned activities are those that significantly contributes to at least one of the environmental objectives and meet the defined technical screening criteria.

The environmental objectives outlined by the EU Taxonomy are:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution protection and control
6. Protection and restoration of biodiversity and ecosystems

The technical screening criteria established by the EU Taxonomy are the following:

- Having a substantial contribution to at least one of the six environmental objectives.
- 'Doing No Significant Harm' (DNSH) to any of the remaining five environmental objectives.
- Complying with 'Minimum Social Safeguards'.

Taxonomy-eligible economic activities

A comprehensive review of economic activities related to Höegh Autoliners' operations was conducted to identify those pertinent to the assessment. There are no changes to our reporting scope for 2024. Our business in PCTC shipping, chartering, and operating vessels specifically designed and equipped for transporting cars and other equipment is deemed eligible under economic activity 6.10: Sea and coastal freight water transport, vessels for port operations, and auxiliary activities.

Substantial contribution for "climate change mitigation"

We have assessed and documented the compliance of Höegh Autoliners' eligible economic activity (6.10) against the 'substantial contribution' criteria. The taxonomy-eligible share of Höegh Autoliners' revenues, CapEx, and OpEx indicates a significant potential to contribute towards climate change mitigation, which we have identified as our primary objective. The assessment concludes that two vessels in our existing fleet meet the substantial contribution criteria by achieving Energy Efficiency Design Index (EEDI) values below the required threshold set out in activity 6.10. See accounting policies below for more information.

Do no significant harm (DNSH)

We have evaluated and documented the compliance of the same activity with the 'Do No Significant Harm' (DNSH) criteria. This assessment considered criteria related to the remaining five environmental objectives: climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. Höegh Autoliners has concluded it meets the DNSH criteria. See accounting policies below for more information.

Minimum Social Safeguards

Höegh Autoliners has evaluated its procedures and measures related to human rights, anti-corruption and bribery, taxation, and fair competition against the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Our approach to Minimum Social Safeguard (MSS) is embedded in our business conduct, as covered in sections S1 section and GOV-1 of this report. We continue to update our human rights risk assessment annually.

We ensure compliance with the minimum social safeguards outlined in the EU Taxonomy by having established robust governance practices supported by our policies. In 2024, we have not registered any infringements related to human rights, corruption, tax evasion, or fair competition. See accounting policies below for more information.

Performance Measures

Höegh Autoliners Taxonomy Reporting

	2024		2023[1]	
	MUSD	%	MUSD	%
Revenue				
Taxonomy-aligned	31	2.3%	0	0%
Taxonomy eligible but not aligned	1 339	97.7%	1 442	99.7%
Taxonomy non-eligible	0	0%	4	0.3%
CapEx				
Taxonomy-aligned	395	92.4%	117	78.5%
Taxonomy eligible but not aligned	32	7.6%	32	100%
Taxonomy non-eligible	0	0%	0	0%
OpEx				
Taxonomy-aligned	1	3.1%	0	0%
Taxonomy eligible but not aligned	32	96.9%	40	100%
Taxonomy non-eligible	0	0%	0	0%

[1] 2023 numbers have been restated due to an updated assessment of Alignment criteria.

Taxonomy-aligned revenues (turnover)

In 2024, taxonomy-aligned revenues accounted for 2.3% of our total turnover, due to the delivery of two taxonomy-aligned vessels during the year. The delivery of additional vessels as part of our ongoing newbuilding program is expected to significantly increase our reported EU Taxonomy-aligned revenues in the coming years.

Taxonomy-aligned CapEx

For 2024, reported aligned CapEx represents 92.4% of the total CapEx. The remaining CapEx for future taxonomy-aligned newbuildings is included in the budget and investment plan approved by the board of directors.

Taxonomy-aligned OpEx

In 2024, taxonomy-aligned OpEx accounted for 3.1% of our total OpEx, due to the delivery of two taxonomy-aligned vessels during the year. The delivery of additional vessels as part of our ongoing newbuilding program is expected to significantly increase our reported EU Taxonomy-aligned OpEx in the coming years.

Proportion of revenue from products or services associated with Taxonomy-aligned economic activities 2024

Financial Year 2024	*2024*			Substantial Contribution						Do No Significant Harm									
Economic Activity	**Code**	**Revenue** *(USDm)*	**Proportion of Revenue** *(%)*	**Climate Change Mitigation** *(Y; N; N/EL)*	**Climate Change Adaptation** *(Y; N; N/EL)*	**Water** *(Y; N; N/EL)*	**Pollution** *(Y; N; N/EL)*	**Circular Economy** *(Y; N; N/EL)*	**Biodiversity** *(Y; N; N/EL)*	**Climate Change Mitigation** *(Y/N)*	**Climate Change Adaptation** *(Y/N)*	**Water** *(Y/N)*	**Pollution** *(Y/N)*	**Circular Economy** *(Y/N)*	**Biodiversity** *(Y/N)*	**Minimum Safeguards** *(Y/N)*	**Proportion of Taxonomy aligned or eligible Revenue 2023** *(%)*	**Enabling activity** *(E)*	**Transitional activity** *(T)*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Sea and coastal freight water transport	CCM 6.10	31	2,3%	Y	N	N/EL	N/EL	N/EL	N/EL	N	Y	Y	Y	Y	Y	Y	0%		T
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**31**	2,3%	**2,3%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	0%		
Of which Enabling		0	0,0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	N	Y	Y	Y	Y	Y	Y	0%	E	
Of which Transitional		0	0,0%	2,3%	**0%**	**0%**	**0%**	**0%**	**0%**	N	Y	Y	Y	Y	Y	Y	0%		T
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Sea and coastal freight water transport	CCM 6.10	1 339	97,7%	EL	EL	N/EL	N/EL	N/EL	N/EL								99,7%		
Revenue of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1 339	97,7%	97,7%	0%	0%	0%	0%	0%								99,7%		
A. Revenue of Taxonomy eligible activities (A.1+A.2)		1 371	100,0%	100,0%	0%	0%	0%	0%	0%										
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Revenue of Taxonomy non-eligible activities			0,0%																
TOTAL		**1 371**	**100%**																

Proportion of CAPEX from products or services associated with Taxonomy-aligned economic activities 2024

Financial Year 2024	2024			Substantial Contribution						Do No Significant Harm									
Economic Activity	**Code**	**Capex** *(USDm)*	**Proportion of Capex** *(%)*	**Climate Change Mitigation** *(Y; N; N/EL)*	**Climate Change Adaptation** *(Y; N; N/EL)*	**Water** *(Y; N; N/EL)*	**Pollution** *(Y; N; N/EL)*	**Circular Economy** *(Y; N; N/EL)*	**Biodiversity** *(Y; N; N/EL)*	**Climate Change Mitigation** *(Y/N)*	**Climate Change Adaptation** *(Y/N)*	**Water** *(Y/N)*	**Pollution** *(Y/N)*	**Circular Economy** *(Y/N)*	**Biodiversity** *(Y/N)*	**Minimum Safeguards** *(Y/N)*	**Proportion of Taxonomy aligned or eligible Capex 2023** *(%)*	**Enabling activity** *(E)*	**Transitional activity** *(T)*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Sea and coastal freight water transport	CCM 6.10	395	92,4%	Y	N	N/EL	N/EL	N/EL	N/EL	N	Y	Y	Y	Y	Y	Y	78.5%		T
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**395**	92,4%	**92,4%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	0%		
Of which Enabling		0	0,0%	0%	0%	0%	0%	0%	0%	N	Y	Y	Y	Y	Y	Y	0%	E	
Of which Transitional		0	0,0%	92,4%	0%	0%	0%	0%	0%	N	Y	Y	Y	Y	Y	Y	0%		T
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Sea and coastal freight water transport	CCM 6.10	32	7,6%	EL	EL	N/EL	N/EL	N/EL	N/EL								100%		
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		32	7,6%	7,6%	0,0%	0,0%	0,0%	0,0%	0,0%								100%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		427	100,0%	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%										
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities			0,0%																
TOTAL		**427**	**100%**																

Proportion of OPEX from products or services associated with Taxonomy-aligned economic activities 2024

Financial Year 2024	2024			Substantial Contribution						Do No Significant Harm									
Economic Activity	**Code**	**Opex** *(USDm)*	**Proportion of Opex** *(%)*	**Climate Change Mitigation** *(Y; N; N/EL)*	**Climate Change Adaptation** *(Y; N; N/EL)*	**Water** *(Y; N; N/EL)*	**Pollution** *(Y; N; N/EL)*	**Circular Economy** *(Y; N; N/EL)*	**Biodiversity** *(Y; N; N/EL)*	**Climate Change Mitigation** *(Y/N)*	**Climate Change Adaptation** *(Y/N)*	**Water** *(Y/N)*	**Pollution** *(Y/N)*	**Circular Economy** *(Y/N)*	**Biodiversity** *(Y/N)*	**Minimum Safeguards** *(Y/N)*	**Proportion of Taxonomy aligned or eligible Opex 2023** *(%)*	**Enabling activity** *(E)*	**Transitional activity** *(T)*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Sea and coastal freight water transport	CCM 6.10	1,03	3,1%	Y	N	N/EL	N/EL	N/EL	N/EL	N	Y	Y	Y	Y	Y	Y	0%		T
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1,03**	3,1%	**3,1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	0%		
Of which Enabling		0,00	0,0%	0%	0%	0%	0%	0%	0%	N	Y	Y	Y	Y	Y	Y	0%	E	
Of which Transitional		0,00	0,0%	3,1%	0%	0%	0%	0%	0%	**N**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	0%		T
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Sea and coastal freight water transport	CCM 6.10	32,33	96,9%	EL	EL	N/EL	N/EL	N/EL	N/EL								100%		
Opex of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		32,33	96,9%	96,9%	0%	0%	0%	0%	0%								100%		
A. Opex of Taxonomy eligible activities (A.1+A.2)		33,36	100,0%	100,0%	0%	0%	0%	0%	0%										
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Opex of Taxonomy non-eligible activities			0,0%																
TOTAL		**33**	**100%**																

Nuclear and fossil gas/related activities for revenue, CapEx and OpEx

	Yes/No
Nuclear energy-related activities	
Research, development, demonstration and deployment of innovative electricity generation facilities that produces energy from nuclear processes with minimal waste from the fuel cycle.	No
Construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial process such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
Safe operations of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas-related activities	
Construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
Construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
Construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Accounting Policies – EU Taxonomy

Definitions

Höegh Autoliners' report on EU Taxonomy is based on the financial statements.

Taxonomy-eligible economic activities

Taxonomy-eligible activities are defined by the EU Taxonomy as those activities that have a potential to contribute to one or more of the six environmental objectives.

To determine the taxonomy-eligible economic activities, Höegh Autoliners followed the steps:

1. Perform a high-level screening of its activities, considering the activities that represents key aspects of Höegh Autoliners' operations.
2. Evaluate if the economic activities identified are described by the EU Taxonomy Climate Delegated Act (EU) 2021/2139.

Höegh Autoliners operates within the shipping sector, specializing in the Pure Car and Truck Carrier (PCTC) segment. The company charters and operates vessels specifically designed and equipped for the transportation of cars and other equipment across sea and coastal waters globally. Consequently, the economic activity eligible for taxonomy-eligible KPIs for Höegh Autoliners includes:

- (6.10) – Sea and coastal freight water transport, vessels for port operations and auxiliary activities, such as tugboats, mooring vessels, pilot vessels, salvage vessels and ice-breakers.

Other activities, such as 'Retrofitting of sea coastal freight and passenger water transport (6.12)' and 'Infrastructure enabling low carbon water transport (6.16)', were also considered for the eligibility assessment.

According to the EU Taxonomy, 'retrofit' involves modifying and upgrading vessels to significantly enhance overall performance and energy efficiency. While Höegh Autoliners is upgrading its current fleet, these installations do not qualify as 'retrofit' since they do not achieve substantial energy savings as required by the EU Taxonomy. Consequently, activity 6.12 does not align with our interpretation of retrofitting activities and was excluded from the eligibility assessment.

The economic activity 6.16 was also excluded from the EU Taxonomy reporting, as it represents an insignificant part of the company's business.

Calculation of Taxonomy-eligible KPIs

To define taxonomy-eligible numerator and denominator, the KPIs was allocated in accordance with the overall eligibility assessment, as described below:

The EU Taxonomy is set out based on the financial accounts. Taxonomy-eligible KPIs are calculated as:

- Taxonomy-eligible-Revenue = eligible Revenue/ total Revenue. Total revenue is stated in Note 2 – total revenues, which includes IFRS 15 revenues – net freight revenues, other surchargers and time charter income, and excluding terminal related income.
- Taxonomy-eligible-CapEX = eligible CapEX /total CapEx. Total CapEx refers to capitalised additions as stated in Note 7 – vessels, newbuildings, equipment and right-of-use-assets which include additions to vessels, newbuildings, equipment and leased assets, excluding leases not leading to a recognition of a right-of-used asset.
- Taxonomy-eligible-OpEx = eligible OpEx /total OpEx. Total OpEx includes expenses related to maintenance, repairs, and short-term leases related to both eligible and non-eligible assets.

Taxonomy-aligned economic activities

Höegh Autoliners process to identify taxonomy-aligned economic activities was evaluating its eligible-activities against the following criteria:

1. Meet the Technical Screening Criteria, **'substantial contribution'** to at least one of the six environmental objectives.
2. Comply with the **'Do no Significant Harm (DNSH)'** criteria for the remaining five environmental objectives.
3. Meet the **'Minimum Social Safeguards'** concerning human rights, anti-corruption and bribery, taxation, and fair competition.

Economic activities that meet all the established criteria are assessed as taxonomy-aligned. If the eligible economic activities fail to meet the criteria, they are classified as eligible but not taxonomy-aligned.

For the current reporting year, Höegh Autoliners was able to report aligned KPIs.

1. Substantial contribution

We have evaluated and documented compliance with 'substantial contribution' criteria relating to the eligible activity in scope for Höegh Autoliners (6.10). The 'climate change mitigation' requirements were considered as the primarily screening objective for our eligible activity.

Climate change mitigation

The assessment consisted of an evaluation of the Energy Efficiency Design Index (EEDI). Höegh Autoliners concludes that two vessels meet the EEDI criterion specified in both criteria 1(d) (up until 31 December 2025) and 1(e) (after 1 January 2026). This means that the vessels meet the substantial contribution criterion for Climate Change Mitigation for the entire period covered by the EU Taxonomy, including after 1 January 2026, and onwards, complying with criteria stated in both.

The assessment led to the conclusion that Höegh Autoliners' activity complies with the criteria stated in the Consolidated Delegated Act 2021/2139.

2. Do no significant harm (DNSH)

Climate change adaptation

DNSH 2

Höegh Autoliners has conducted and documented a qualitative assessment of its business resilience against various physical climate-related risks. The analysis indicates that, in the longer term, physical climate-related risks such as weather and water-related hazards could negatively impact vessel operations. Corresponding mitigation actions (adaptation solutions) have been identified to mitigate these risks.

The assessment concludes that the assets used in our shipping services will withstand potential long-term physical climate-related risks and comply with the criteria set out in Consolidated Delegated Act 2021/2139.

Sustainable use and protection of water and marine resources

DNSH 3

Höegh Autoliners has screened its activities for potential impacts on water and marine resources. Our core activity does not involve significant water use, aside from utilizing the ocean for our services. Consequently, no risks related to water stress and water availability have been identified. Fresh water is not a material input source for our vessel operations. Environmental degradation risks are closely linked to pollution and biodiversity impacts and are addressed in the respective DNSH discussions (DNSH 5 and DNSH 6).

It is concluded that the eligible activity complies with the criteria set out in Consolidated Delegated Act 2021/2139.

Transition to a circular economy

DNSH 4

Höegh Autoliners has evaluated and documented its activities against potential impacts on transition to a circular economy. Our approach to waste management, hazardous materials and ship recycling involves several initiatives such as implementing comprehensive actions and procedures tailored to our vessel operations, in accordance with the IMO’s regulations, which we are required to meet.

This includes promoting waste prevention and proper disposal; manage and monitor the inventory of hazardous materials (IHM) and ensure compliance with its Green Recycling Standard. The assessment led to a conclusion that the eligible activity complies with the criteria set out in Consolidated Delegated Act 2021/2139.

Pollution prevention and control

DNSH 5

Höegh Autoliners has thoroughly evaluated and documented its activities to prevent and control pollution. In compliance with IMO requirements, we have established procedures and measures to address the impacts of water and air pollution. Consequently, Höegh Autoliners' operations meet the criteria set out in Consolidated Delegated Act 2021/2139.

Protection and restoration of biodiversity and ecosystems

DNSH 6

Höegh Autoliners has evaluated and documented its activities against the DNSH 6 criteria. In compliance with IMO regulations, we have established procedures to address the impacts related to the introduction of non-indigenous species via ballast water and biofouling. To reduce the impact of noise and vibration on ecosystems, we have implemented technical and operational measures. Our assessment concludes that these measures do not hinder the achievement of good environmental status.

This assessment confirms that Höegh Autoliners' policies and initiatives effectively address the material impacts of our activities, ensuring compliance with the criteria set out in Consolidated Delegated Act 2021/2139.

3. Minimum Safeguards

Our activities are carried out in compliance with the minimum safeguards, in particular covering human rights, corruption, taxation and fair competition.

Human rights

Höegh Autoliners' commitment to human rights is embedded in its Human Rights Policy, Code of Conduct, and Supplier Code of Conduct. We engage with customers, suppliers, vendors, and partners to protect human rights across our operations. We conduct due diligence to identify, prevent, mitigate, and account for human rights impacts, establish reporting mechanisms, and evaluate risks in our upstream value chain. In 2024 there were no incidents on human rights reported.

Corruption

Our anti-corruption policies include mandatory training, a whistleblower hotline, and requiring vendors, suppliers, and agents to sign our Supplier Code of Conduct. In 2024 there were no convictions or fines for violations of anti-corruption laws.

Taxation

Höegh Autoliners adheres to its Taxation Policy and Code of Conduct, ensuring compliance with tax regulations and adopting transparent tax practices. In 2024 there were no cases of tax evasion reported.

Fair competition

Fair competition is outlined in our Code of Conduct and Competition Law Compliance Manual. Mandatory training ensures employee awareness and compliance. No infringements of competition law were registered in 2024.

For further details on Höegh Autoliners' approach to business conduct and responsible business practices, please refer to the Governance section of these Sustainability Statements.

Taxonomy-Aligned KPIs

Revenues (turnover)

Aligned revenue KPI is calculated as follows:

Taxonomy-aligned revenue = Aligned revenue/Total revenue.

- The numerator includes revenues generated by Höegh Autoliners' aligned vessels during the current reporting year.

- The denominator represents total revenue. Refer to Note 2 – total revenues IFRS 15.

CapEx

The Aligned CapEx KPI is calculated as follows.

Taxonomy-aligned CapEx KPI = aligned CapEx/total CapEx.

- The numerator represents the proportion of CapEx additions to existing aligned vessels and the capitalization of instalments and other related CapEx for the near zero-carbon ready Aurora class newbuilding program during the year.

- The denominator includes additions to vessels, newbuildings, equipment, and right-of-use assets, excluding leases that do not lead to the recognition of a right-of-use asset. Refer to Note 7 – Vessels, newbuildings, equipment, and right-of-use assets.

OpEx

The Aligned OpEx KPI is calculated as follows:

Taxonomy-aligned OpEx KPI = aligned OpEx/total OpEx.

- The numerator represents the proportion of OpEx (as defined by the Taxonomy) related to maintenance, repairs and short-term leases associated to aligned vessels in 2024.

- The denominator includes the total OpEx (as defined by the Taxonomy) related to maintenance and repairs, and short-term leases.

Social information

S1 Own workforce

We are committed to fostering a resilient, secure, and inclusive workplace built on our core values Bold, Agile, Professional. Prioritising the safety, wellbeing, and fair treatment of our employees is not only essential to our operations but also a reflection of our commitment to their rights and development.

Introduction

We employ 1,681 dedicated professionals across our global operations, including 469 land-based employees in 16 office locations and 1,212 seafarers from China and the Philippines. We also work closely with a large network of agents and suppliers who support our operations. The organisational model of having an efficient, lean, and focused organisation including our in-house technical, crewing and customer services teams is considered a strength in maintaining high standards and delivering exceptional service to our customers.

Our business model involves complex operations carried out by a diverse workforce, which brings about various people-related impacts, risks and opportunities. The diversity of local labour regulations and practices across our global footprint adds to this complexity. Regardless of their role or employment status, we are committed to ensuring fair and safe working conditions for all our workers. This commitment is essential for attracting and retaining talent.

Given the nature of the shipping industry, our employees face potential negative health and safety impact, including work-related injuries and life-threatening incidents. Additionally, our global presence exposes our assets and personnel to security risks, especially in regions with geopolitical instability. Managing these risks is crucial for maintaining efficiency and safety of our operations. Our workforce may also encounter harassment, discrimination, or violence, which can create unsafe working environments, particularly for vulnerable or underrepresented groups.

Our people are key to our success and ESG goals. We prioritise safety, inclusivity, and professional growth through human capital management, diversity, equity and inclusion (DE&I), safety and security, and labour rights, underpinned by a strong commitment to human rights.

Höegh Autoliners’ People Strategy

Our People strategy outlines the principles guiding our practices and policies. It encompasses employee attraction, development, and engagement activities to ensure workforce continuity and stability and commitment to executing our strategy.

Our long-term people goals are:

- Cultivate and invest in diverse agile teams who learn together, collaborate globally and drive bold transformation for our business, partners and customers
- Promote the wellbeing of our people and local communities through relevant programmes and offers
- Adopt digital tools to continually develop our shipping heritage and support efficient and safe operations

Every year, the people priorities, with specific focus areas, are set and agreed upon by the Board. We carefully monitor and analyse the impact of our people strategy through annual employee engagement surveys, formal and informal feedback channels and various other methods which help us shape our programs and targets.

Höegh Autoliners' Approach to Human Rights

We recognize the impact of our business on human rights in various ways and integrate this into our strategy and work, both for our own workforce and workers in the value chain. We monitor our compliance with the UN Guiding Principles, the ILO Declaration, and OECD Guidelines through the following processes:

Policy Framework

Our human rights commitments are embedded in key policy documents. These policies address topics such as forced labour, child labour, or any practice that constitutes trafficking in person or slavery and are upheld through regular reviews.

Human Rights Due Diligence

We have conducted a human rights assessment to identify key human rights issues within our operations and across our value chain.

Training and Development

We include comprehensive human rights training to equip our people with the necessary knowledge and tools.

Reporting and Transparency

In addition to CSRD reporting, we publish a Norwegian Transparency Act Statement on our website detailing our human rights due diligence, commitments, actions taken, and future plans which is approved by the Board of Directors.

Workplace Incident Management

We have established structured workplace incident management and grievance procedures to address any human and labour rights violations or safety concerns. This includes confidential reporting mechanisms, investigations, corrective actions, and tracking of incidents to prevent recurrence.

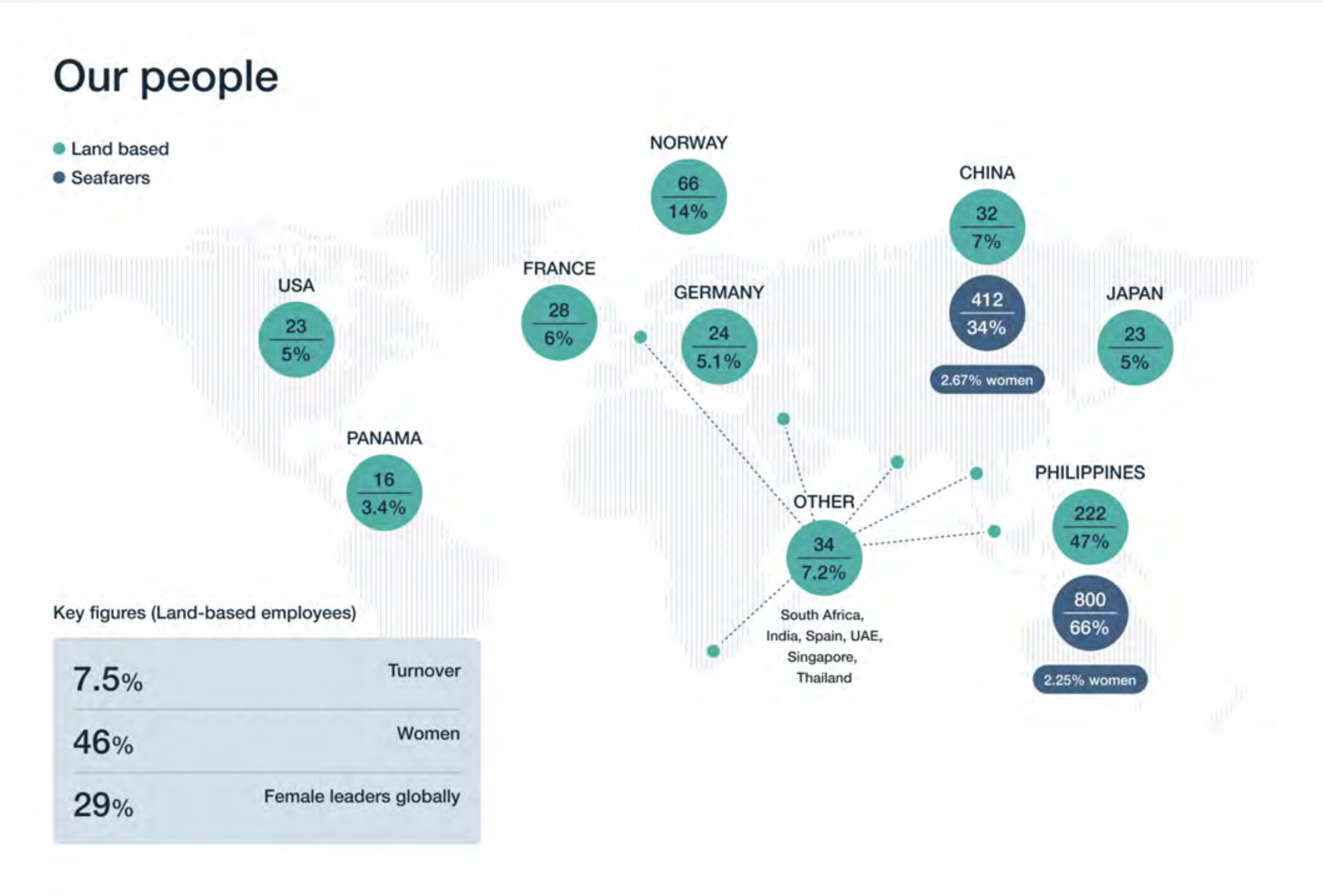
Monitoring and Evaluation

We monitor adherence to human and labour rights by tracking cases raised through internal grievance mechanisms and conducting audits of suppliers.

Stakeholder Engagement and Collaboration

We regularly engage with key stakeholders who could be impacted by our operations to ensure their concerns are addressed.

The Chief HR and Communications Officer in collaboration with the Chief Legal Officer oversees the maintenance and development of relevant policies including Human Rights Policy, Code of Conduct and Supplier Code of Conduct.



Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM-3

Overview of material impact, risks and opportunities

Sub-topic	Sub-sub-topic	Impact	Location in the value chain	Time horizon	Impact, risk and opportunities
Working conditions	Working time and work-life balance	(-)	Own operations	Short-term to long-term	The maritime industry presents unique challenges to both seafarers and land-based employees impacting their wellbeing and work-life balance. For seafarers, working at sea can be both physically and mentally demanding by nature and increase the likelihood of health and safety incidents at sea. The 24/7 global nature of shipping creates challenges for land-based employees, including constant availability across time zones, extended working hours, disrupted personal time, and difficulties in maintaining a healthy work-life balance.
	Secure employment	(-)	Own operations	Medium-term to long-term	The cyclical nature of the shipping industry can cause job insecurity and organizational restructuring, although the current operations reflect stability.

Sub-topic	Sub-sub-topic	Impact	Location in the value chain	Time horizon	Impact, risk and opportunities
Health & Safety	Severe incidents in vessel operations onboard	(-)	Own operations	Short-term to long-term	Seafarers face potential negative impacts related to health and safety due to the nature of daily vessel operations exposing them to controllable, uncontrollable, and potentially severe incidents, impacting their wellbeing and the company's operational integrity.
	Competency training and skills development related to safety for seafarers	(+)	Own operations	Short-term to long-term	Höegh Autoliners' integrated business strategy positively impacts the health and safety of seafarers by providing continuous career opportunities, enabling long-term skills development, and ensuring comprehensive training and certifications for safe operations. Regular evaluations and upskilling based on international regulations, along with training in incident prevention, further enhance the safety and preparedness of the crew.
	Living conditions onboard vessels	(-)	Own operations	Short-term to long-term	Challenging living conditions aboard vessels, including prolonged periods away from home, confined spaces, and demanding work, negatively impact seafarers' physical and mental wellbeing, increasing the likelihood of incidents and accidents. These systemic and widespread issues are regularly addressed in daily safety meetings and inspections.
	Reputational damage from severe incidents	Risk	Own operations	Short-term to long-term	Potential injuries and fatalities pose significant reputational risks, causing operational delays, work stoppages, and undermining our reputation with customers, which can impact revenue. As sustainability becomes more important, the reputational impact of incidents, including human rights breaches, vessel operation issues with new technologies like ammonia, and code of conduct violations, is expected to grow and affect our operations.
Equal treatment & opportunities for all	Gender equality and equal pay for work of equal work	(-)	Own operations	Short-term to long-term	Achieving gender equality and equal pay in the shipping industry is challenging due to historical norms and systemic biases, impacting both seafarers and land-based employees. The underrepresentation of women onboard vessels and potential pay inequities for land-based roles pose significant barriers.
	Measures against violence and harassment in the workplace	(-)	Own operations	Short-term to long-term	Due to the nature of our business, land-based employees and seafarers may face unacceptable behaviour such as violence and harassment, which can harm their physical and emotional health, decrease motivation, increase sickness, and compromise teamwork, leading to deteriorated working conditions and potential organizational, economic, and legal consequences for the company.
	Diversity in the candidate pools	(-)	Own operations	Short-term to long-term	The shipping industry faces challenges in attracting and retaining women, leading to a lack of gender diversity and a homogeneous candidate pool, which limits inclusivity. Engaging more women is crucial to address workforce gaps and ensure diverse representation. The lack of gender diversity can result in negative outcomes, including increased instances of discrimination and harassment for female employees, and is a systemic issue in Höegh Autoliners' operations.

Strategic targets

Sub-topic	Specific targets
Working conditions	1. **Learning and Skill development** – increase formal learning hours to an average of 2 hours per month globally (24 hours per year), to build relevant skills to adapt to evolving industry demands in 2025. 2. **Internal mobility** -Strive for a 15% internal mobility rate which will reinforce job security and long-term growth within the organisation over the next three years. 3. **Working time and living conditions** - Achieve zero incidents, findings, or deficiencies from Port State Controls related to crew welfare and living conditions in 2025.
Health & Safety for Seafarers	4. **LTIF** - We aim for zero harm to people, and we use our target of < 0.7 LTIF to support our safety culture. 5. **Zero deficiencies** - A minimum 80% of inspected vessels with zero deficiencies.
Equal treatment and opportunities for all	6. **Leadership & Talent Development** - Achieve a gender balance in promotions for those who have been on the programs into broader or higher-level roles within 12 months of completion of the program. 7. **Fair hiring practices** – Achieve at least 70% retention of diverse candidates from the first interview to the final interview stage while maintaining a skills-first selection approach.

Engaging with our Workforce

Processes for engaging with own workers and workers' representatives about impacts

S1-2

We engage with our workforce and their representatives in various ways. We annually review all policies to ensure they are up to date with current laws, feedback from the organisation as well as regulation. We conduct an anonymous employee engagement survey for land-based employees each year to monitor factors such as communication, growth and development, company leadership, safety, work-life balance, and overall satisfaction. The survey results are analysed to identify trends, address concerns, and develop action plans at various levels. These findings are shared at the executive level and communicated within teams, with leaders responsible for discussing the results and committing to action plans. Global HR monitors the impact of these actions in the following year's survey. In addition, channels such focus groups, town halls, pulse surveys, seminars and training are also used to engage employees.

In compliance with local and global legislation, we engage employee representatives in countries with larger offices to map risks, measures, and areas for improvement. During significant organisational changes, these representatives are consulted as required by local laws.

Our Competence and Quality Assurance team is responsible for engaging seafarers through various tools such as surveys, checklists, Höegh Improvement System (HIS) reports, crew and officer conferences and training sessions. Family Days provide an additional platform for engagement, allowing seafarers and their families to voice concerns and share perspectives on workplace conditions and opportunities for development.

Our Chief HR and Communications Officer oversees workforce engagement and employee consultation processes, while the Chief Operations Officer is responsible for seafarers.

Working conditions

We take our responsibilities as an employer seriously and are committed to providing fair and decent working conditions for all our employees.

Impacts, risks, and opportunities management

Policies related to own workforce

S1-1

Policy development and implementation for seafarers are overseen and approved by Chief Operating Officer. Policies for land-based employees are overseen and approved by Chief HR Officer.

All policies are made available for all employees I our internal document management system.

Working time and work-life balance for seafarers

We address work-life balance for seafarers through our **Crew Operations Manual**, which is in accordance with Maritime Labour Convention (MLC 2006), flag administration and local government requirements. This includes rights of all seafarers while engaged onboard. In particular:

- **Working hours and resting hours guidelines** are designed to address the physical and mental strain associated with long voyages by promoting regular rest periods and ensuring reasonable working hours.
- **Grievance and disciplinary guidelines** ensure that all concerns and complaints of seafarers are dealt with properly and appropriate disciplinary actions are taken.
- **Crew feedback dialogue guidelines** facilitate transparent and open communication, allowing seafarers to voice their concerns about living conditions or mistreatment without fear of retaliation and improve onboard conditions.

Working time and work-life balance for land-based employees

We address work-life balance for land-based employees through the following policies:

- **Work Arrangement Policy**– supports flexible work options, allowing employees to balance their professional and personal responsibilities effectively.
- **Annual Leave Policy**– provides employees with guidelines on their paid time off to recharge and prioritise well-being, ensuring that they can take breaks from work responsibilities and maintain a healthy balance.
- **Parental Leave Policy**– ensures employees can take time off for family care, further enhancing their ability to manage work and family life.

Secure employment for land-based employees

Our commitment to secure employment is reinforced through the following policies:

- **Code of Conduct** – reflects our commitment to respecting fundamental labour rights by ensuring employees receive fair wages, stable employment, a healthy work-life balance, and robust protection of their workplace rights.
- **Compensation Policy** – ensures fairness, competitiveness, and transparency while upholding our commitment to equal pay for work of equal value and supporting job security.
- **Learning and Development Policy** – supports employees in building the skills and competencies needed for career progression and adaptability to industry changes.
- **Performance Policy** – ensure structured feedback and dialogue on performance, goals and development for all employees.
- **Employee Promotion Policy** – encourage career growth and internal mobility, providing employees with opportunities for advancement, which fosters long-term job security.
- **Whistleblowing Policy and Grievance Policy** – provide secure channels for employees to report any unethical practices, including potential layoffs or restructuring decisions, ensuring transparency and maintaining trust in the organisation.

Processes to remediate negative impacts and channels for own workers to raise concerns

S1-3

We have a grievance procedure in place so anyone can report concerns and complaints. Our whistleblowing platform provides a confidential and anonymous channel for addressing incidents of violence, harassment, and other grievances. We ensure employees are aware of and know how to use this channel by incorporating them into management touchpoints and throughout the onboarding process.

Additionally, we empower our leaders to handle grievances or concerns at the local level in accordance with country-specific laws. If employees feel their grievances are not being addressed, an escalation process outlined in the whistleblowing policy is in place to ensure their concerns are appropriately reviewed.

The management team reviews all complaints and grievances raised on a quarterly basis to understand any trends over time and monitor the effectiveness of the system. We track trust in these mechanisms via a dedicated section in our engagement survey.

Please refer to our approach to Human Rights section above for further details on our whistleblowing policy and procedures.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

S1-4

Höegh Autoliners is committed to addressing the material impacts on wellbeing of both our seafarers and land-based employees, ensuring a supportive and safe work environment.

Working time and work-life balance for seafarers

There are many initiatives that our seafarers perceive positively through surveys that are already in place. Some examples are regular reviews of living conditions, organising wellbeing activities, continuous improvement in planning of work and rest hours, addressing grievances, providing ongoing training, and regularly reviewing crew feedback.

These initiatives aim to reduce isolation, improve resilience, and boost morale, contributing to safer and more efficient vessel operations.

Recognising the physical and mental demands of work at sea, we have focused on the following areas in 2024:

- **Wellbeing activities and programs –** A mental health program has been launched to maintain crew wellness and provide guidance for intervention e.g. Mental/Medical Health & Illness Prevention seminar and Financial Management Seminar. This will continue over time with new themes based on feedback from seafarers.

- **Mental Health Survey –** Implementation of a survey to highlight ways to help seafarers overcome challenges onboard which will be reviewed and updated over time.

- **Safety meetings –** We have implemented these meetings whilst onboard and during disembarkation to allow our crewing offices to monitor effectiveness of our initiatives and find areas for improvements. This will be reviewed for its effectiveness over time.

New initiatives are created based on the continuous feedback loop as described above. Effectiveness of these actions are monitored and measured through the entity specific metrics disclosed in metrics section below.

Working time and work-life balance for land-based employees

For the land-based employees, we prioritise fostering a culture of work-life balance, flexibility, and social engagement.

We continue to work on finding improvements in this area and in 2024 we have implemented the following key initiatives:

- **Flexible and hybrid work policies** – We reviewed our practices around our working arrangement policies and seen that most offices have generally found a good approach to managing work-life balance and social interactions. This is an annual review to capture any new learnings and improvements.

- **Parental leave policy –** Enhanced maternity leave policy for our largest office to continue support for families. Further work is required for global alignment. This will be implemented in other relevant offices over the next couple of years.

- **Wellbeing training and social initiatives –** Offered wellbeing sessions and organised sports events to promote team bonding, physical health and a sense of belonging. These types of initiatives will continue in the coming years.

- **Social budgets** – Provided resources to support team activities and encourage meaningful engagement beyond work. These types of initiatives will continue in the coming years.

- **Corporate Social Responsibility (CSR) activities** – We involved employees in local initiatives such as blood donation drives and ocean clean-up projects, fostering a sense of purpose and social responsibility. This work will be further developed over the coming years based on local relevance and engagement.

- **Review of overtime usage** – In certain areas within the organisation where overtime is more frequent, we actively work with relevant teams to review resource allocation and reduce excessive workloads, supporting a better work-life balance.

To assess effectiveness, we implement employee surveys, internal reviews, and group discussions through representatives.

Secure employment

Our priority is to maintain secure employment, providing both stability and growth opportunities.

We align learning and development with individual roles, business priorities, and future industry needs. Employees access various learning resources and training courses on topics like compliance, technical skills, soft skills, and other company-specific topics.

Additionally, we develop our people through in-house programs like the Norwegian Shipowners' Association (NSA) Maritime Trainee Program, Early Career Program for talented individuals and Lead Teams Program, where the participants undergo structured leadership development training including coaching, skills training and assessments.

To address skills gaps and future-proof our workforce, we are continuously developing our skills platform. This includes maintaining up-to-date skills profiles and launching targeted programs focused on building critical competencies. These efforts ensure our workforce capabilities are better aligned with the evolving needs of our business.

In 2024, we focused on the following actions:

Enhanced communication

Conducted global kick-off sessions for our 2024 goals using interactive methods. There was broad employee involvement in preparing the strategy refresh, culminating in an in-person strategy day at our head office. This event effectively communicated key focus areas and promoted strategic projects. This has been integrated into how we kick off the new year's goal setting approach.

Internal career development

Sharing monthly updates to the global organisation to promote all internal movements. Updating our skills profiles per function and many roles using AI to identify which are the critical skills for the function or role.

Fair and transparent compensation practices

Implemented an annual review using the Sustainable Trade Initiative (IDH) recognised living wage benchmark methodology. If during the review any employees are found to fall below threshold, we rectify this immediately. We have also updated benefits across different countries for global alignment and better support.

Employee feedback and engagement

Conducted annual engagement surveys and action planning to address employee concerns and improve job satisfaction, contributing to overall job security. Progress is monitored and measured through our engagement survey results shown in the entity specific disclosures.

Update of our leadership development programs

Worked with our partner to update the content and delivery approach to strengthen the practical application in daily work as a leader. This is an annual review that takes into account participant's feedback and organisational needs.

Improved performance process

Increasing compliance related to the outlined process whereby everyone has at least quarterly goals and career discussions, the system is updated with any changes and achievements are captured. Our process has been updated to include the monitoring of the quality and frequency of these conversations.

Effectiveness of these actions are monitored and measured through the characteristics of the company and training and skills development metrics presented in S1-6, S1-13 and entity specific metrics. We also assess feedback from townhalls and performance evaluations to ensure continuous improvement.

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S1-5

These targets have been set as part of the preparation for our renewed strategy, and whilst many have been involved in this process, we see a need to gain feedback on how the targets are helping us focus on what is important to execute on our strategy. In the coming year we will use regular channels mentioned in S1-2 to gain feedback and input and metrics.

Working time and work-life balance for seafarers

We have set a target of zero deficiencies from Port State Controls related to crew welfare and living conditions in 2025.

Working time and work-life balance for land-based employees

Generally, we have no fixed target for this area as we believe the continuous focus and enhancements, we have in place are sufficient and this will continue to be monitored over time. We aim to achieve at least 80% score for our work-life balance index in our engagement survey.

Secure employment

Our engagement survey metrics show a decrease in the Growth and Development Index from 80% in 2023 to 76% in 2024. Whilst we have focused on increasing learning hours, updating skills profiles, leadership development, internal mobility, and overall training efforts, these results indicate that more work is needed in this critical area for career progression and adaptability to industry changes.

This has been a topic for discussion at the Executive team and Board level over the past year. Our current figures are lower than what we would hope for and compared to general norms where mandatory continuing professional development often requires 40 hours per year.

To address this, we will focus on two key areas:

1. **Learning and Skill development –** Increase formal learning hours to an average of 2 hours per month globally (24 hours per year), to build relevant skills to adapt to evolving industry demands in 2025. As seen in the table in S1-13 below, this is a stretch target as we have an average of 13.1 hours per employee in 2024. We believe there is some under-reporting and have actions to support our people to record all formal learning hours in our system.
2. **Internal mobility –** Strive for a 15% internal mobility rate which will reinforce job security and long-term growth within the organisation over the next three years. In 2024 we had 12% internal mobility which was slightly lower than previous years.

S1-6

Characteristics of the undertaking's employees

The tables below provide more detail about the make-up of our workforce, with data recorded at the end of 2024.

Read more →

S1-6 Characteristics of the undertaking's employees

Land-based employees by gender

	Number of employees in 2024 (headcount)
Male	255
Female	214
Other	0
Not reported	0
Total	469

Seafarers by gender

	Number of employees in 2024 (headcount)
Male	1 186
Female	26
Other	0
Not reported	0
Total	1 212

Land-based employees by country

	Number of employees in 2024 (headcount)
Norway	67
Philippines	222

Seafarers by country

	Number of employees in 2024 (headcount)
China	412
Philippines	800

Land-based employees by contract type, breakdown by gender

	Female	Male	Other	Not disclosed	Total
Number of employees	214	255	0	0	469
Number of permanent employees	213	247	0	0	460
Number of temporary employees	1	8	0	0	9
Number of non-guaranteed hours employees	0	0	0	0	0
Number of full-time employees	210	254	0	0	464
Number of part-time employees	4	1	0	0	5

Seafarers by contract type, breakdown by gender

	Female	Male	Other	Not disclosed	Total
Number of employees	26	1 186	0	0	1 212
Number of permanent employees	0	0	0	0	0
Number of temporary employees	26	1 186	0	0	1 212
Number of non-guaranteed hours employees	0	0	0	0	0
Number of full-time employees	0	0	0	0	0
Number of part-time employees	0	0	0	0	0

Land-based by contract type, breakdown by country

	Number of employees	Number of permanent employees	Number of temporary employees	Number of non-guaranteed hours employees	Number of full-time employees	Number of part-time employees
Australia	2	2	0	0	2	0
China	32	31	1	0	32	0
France	28	28	0	0	28	0
Germany	24	24	0	0	20	4
India	9	9	0	0	9	0
Japan	23	23	0	0	23	0
Norway	67	67	0	0	66	1
Panama	16	16	0	0	16	0
Philippines	222	214	8	0	222	0
Singapore	1	1	0	0	1	0
South Africa	9	9	0	0	9	0
Spain	8	8	0	0	8	0
Thailand	1	1	0	0	1	0
UAE	4	4	0	0	4	0
USA	23	23	0	0	23	0
Total	469	460	9	0	464	5

Seafarers by contract type, breakdown by country

	China	Philippines	Total
Number of employees	412	800	1 212
Number of permanent employees	0	0	0
Number of temporary employees	412	800	1 212
Number of non-guaranteed hours employees	0	0	0
Number of full-time employees	412	800	1 212
Number of part-time employees	0	0	0

Accounting policies - Characteristics of Employees

S1-6 data for land-based employees is extracted from Höegh Autoliners' human resource system for land-based employees(SuccessFactors) at the end of the reporting year. Information for all employees registered in the system is included in the presented metrics.

S1-6 data for seafarers is extracted from Höegh Autoliners' human resource system for seafarers (OCS HR system) at the end of the reporting year. Information for all employees registered in the system is included in the presented metrics.

Number of employees: We have reported number of employees separately for land-based employees and seafarers. All employees are reported on a headcount basis, including full-time and part-time employees at the reporting date. The total number of land-based employees are only reported for countries where Höegh Autoliners has at least 50 employees representing at least 10% of the total number of employees, in accordance with S1-6, AR 55.

The headcount can be cross-reference to the Financial Statements, page 15, Note 5 - Administrative expenses, pensions and other long-term employees benefits.

All our seafarers are contracted and employed under fixed-term contracts, and are therefore reported as temporary employees.

Number of employees by gender: The total number of employees by gender includes females, males, others, and those not reported within the workforce. This data is presented both by location and by contract type.

Leavers and Turnover rate

	Land based employees		Seafarers	
	2024	2023	2024	2023
Total number of leavers	35	47	97	103
Turnover rate	7.46%	11.46%	8.00%	8.55%

Accounting policies - Leavers and turnover rate

Total number of leavers represents employees that voluntarily left the company, or due to termination, retirement, or death in service, as for the end of the reporting period. The data is reported separately for both land-based and seafarers.

Turnover rate rate is calculated based on the total number of leavers divided by the average number of employees (average of employees on a headcount basis during the reporting year). Data is reported separately for both land-based employees and seafarers.

Performance and career development

	Gender	**Headcount**	**% of employees who completed their performance review documentation**
Land based employees	Female	196	41.9%
	Male	231	49.4%
	Total	427	91.2%

Accounting policies - Performance and career development

Performance and career development - land-based employees: Number of employees who have completed regular performance and career development conversations.

Seafarers career development reviews: Seafarers' performance reviews are based on their rank and the duration of their time onboard, supported by a mandatory 'Crew Evaluation Report'. This data is excluded from land-based calculations and is included separately in S1-13 under Health and Safety.

- **Learning hours** – In 2024 the average number of training hours by gender are as follows:

Learning hours

	Gender	Total training hours	Headcount	Average (hours)
Land based employees	Female	2 949	214	13.8
	Male	3 079	255	12.1
	Total	6 028	469	12.8

Accounting policies - Learning hours

Training hours: Total learning hours include formal learning hours recorded in either the internal or external training and development systems utilized by the company for learning and development purposes. Non-registered learning hours are not included in the reported numbers as estimates. Average training hours are calculated by dividing the total training hours by the headcount.

Entity specific metric

- **Internal mobility** – 55 people (12% of our land-based population) moved internally, were promoted or had a global mobility assignment during 2024.

Accounting policies - Internal mobility

Internal mobility percentage: is defined as the total number of promotions, lateral moves, rotations, global mobility assignments and long-term project roles divided by the total headcount at the end of the year.

Work-life balance metrics

S1-15

Parental leave for land-based employees

All land-based employees (100%) are covered by social protection entitlements, granting them the right to family-related leave, subject to applicable criteria and local legal requirements.

Entitled employees that took family-related leave by gender

	2024		2023	
	Headcount	Percentage	Headcount	Percentage
Female	4	1.9	6	3.1
Male	8	3.1	7	3.2
Total	12	2.6	13	3.2

Accounting policies - Parental leave for land-based employees

Parental leave information: includes parental leave available under national law or collective agreements. All employees are entitled to make use of relevant governmental regulated parental leave. Parental leave metrics for land-based employees and seafarers are presented separately due to the nature of the parental leave entitlements.

Parental leave for seafarers

For seafarers, the nature of their fixed-term contracts onboard vessels does not align with land-based family-related leave, thus they do not receive paid parental leave and are not entitled to it. However, seafarers are given more than the minimum required leave periods as stated in MLC 2006.

Parental leave for Seafarers

Percentage of employees entitled to take family-related leave	2024		2023	
	Headcount	Percentage	Headcount	Percentage
Total	0	0%	0	0%

Work-life balance metric (entity specific)

	2024	**2023**
Work-life balance index (>80%)	85%	84%

Accounting policies - Work-life balance (entity specific metric)

The engagement survey is conducted annually for land-based employees.

Work-life balance Index refers to 3 questions related to leadership support for work-life balance, manageable workload and stress. The Index is the average of these scores.

Entity specific metrics

Working time and work-life balance for seafarers

Through proactive measures, we have created a system that actively identifies and resolves areas of concern by leveraging metrics including:

- **Work and rest hours** – 125 reported breaches of rest hours compared to 58 in 2023. The increase is due to a more vigilant reporting against an updated policy and greater awareness and action to ask for support.

- **Port state control inspections** – In 2024, there was only one finding from a Port State Control (PSC) inspection regarding the crew welfare linked to incorrect recording of rest hours.

- **Crew feedback forms** – In 2024, 100% of seafarers discussed their feedback with a crewing manager covering topics such as working environment, health and safety, and task planning.

Accounting policies - working time and work-life balance for seafarers

Breaches related to work and rest hours: Crew members can report breaches related to work and rest hours through the Höegh Improvement System (HIS). The reports are then verified by the executive officer and forwarded to the crewing department. If the breach is caused by human factors, it is managed by the Competence and Quality Assurance Manager; if it's related to technical or operational issues, HTMI takes charge. The approver then closes the case or provides guidance for further actions.

Crew feedback forms: The off-signing crew is required to complete 'Crew Feedback Forms' concerning shipboard work and living conditions, as well as the performance of their superiors. These forms are stored in the OCS system.

Secure employment for land-based employees

To measure impact of these initiatives, we track key indicators:

Employee engagement survey results – In 2024 we saw an increase in most indexes with highlights outlined below:

	2024	2023
Response rate	93%	93%
Engagement index	82%	80%
Commitment to ethical business decisions and conduct	94%	94%
Company leadership index	88%	87%
Growth & development	76%	80%

Accounting policies - secure employment for land-based employees

The engagement survey: is conducted annually for land-based employees. All employees, except those who have worked less than three months or are in their notice periods, are invited to participate in the survey.

The Engagement Index: reflects responses to recommending the company, pride, motivation, achievement, and intent to stay.

Ethical business conduct: is assessed with the statement, 'This company shows a commitment to ethical business decisions and conduct.

The Company Leadership Index: reflects leadership consistency with values, confidence in decisions, and the importance of people to the company's success.

The Growth & Development Index: averages scores from statements about training, leadership support, career goals, and learning opportunities.

Health & safety

We put safety first and strive for zero harm to our people, suppliers, and customers.

Impacts, risks and opportunities management

Policies related to own workforce

S1-1

Policy development and implementation are overseen and approved by the Chief Operations Officer. All policies disclosed below are available for all employees through our internal document management system.

Severe incident in vessel operations, onboard living conditions and competency training

We address health and safety-related impacts for seafarers through the following guidelines:

- **Quality Safety Manual** – Includes detailed procedures on processes concerning occupational health, safety, and security for our seafarers.

- **Crew Operations Manual** – Covers detailed guidelines on competence and training, certification schemes and safe manning for our seafarers.

These policies support our commitment to Health & Safety and are aligned with international standards and conventions, such as MLC 2006 and the International Convention of Standards of Training, Certification, and Watchkeeping (STCW), to provide the highest level of safety for seafarers.All health and safety policies, along with the vessel-specific management system, is readily accessible to all seafarers through onboard communication channels and platforms. To supplement our policy framework, we operate a safety management system across all our operations to help us embed a culture of safety. This covers all our employees, certified under ISO 45001 for Health & Safety and is funded through our annual operating budget.

Reputational damage from severe incidents

In case of an emergency, we have defined a **Crisis Communication policy and procedure** that helps us manage potential reputation risk, particularly related to media and external communication. By facilitating an effective internal and external communication can de-escalate and normalise the situation with as little damage to the Höegh brand as possible.

Processes to remediate negative impacts and channels for own workers to raise concerns

S1-3

To ensure that all challenges and concerns of our crew are addressed, we have established several reporting channels. These include the Höegh Improvement System (HIS), the DPA (Designated Person Ashore), and the Gender Balance Program (GBP) contact person where all cases are handled with utmost confidentiality.

Issues and concerns are also reported during Port State Control (PSC) inspections, internal and external audits, and are appropriately managed. Seafarers also have the right to directly reach out to any third party or regulatory bodies to address their concerns onboard.

Our Health, Safety, Security, Environmental and Quality team (HSSEQ) investigates submitted reports and addresses them according to the type of concern. Upon signing off, seafarers are required to complete a crew feedback form and discuss their responses with the crew managers. This mechanism aims to summarize their overall experience while onboard.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

S1-4

Severe incidents in vessel operations

We continue to work on finding improvements in this area and in 2024 we have implemented the following key initiatives:

- **Employee-led safety observation initiative** – Actively encouraging observation and assessment of safety behaviour with recognition and reward for good safety behaviour and any risky behaviour stopped, adjusted, and reassessed to ensure risk is mitigated in real time. This action is implemented in 2024, and it will be a focus on this over the years to come.

- **Audit finding follow up** – Front line leaders have worked with their teams to identify the behaviours they want to improve together, then take ownership as a team to drive change and improvement. The initiative will be performed as part the improvement processes going forward.

- **Vessel incident follow up** – After a 2024 incident involving loose cargo, a comprehensive investigation was conducted. This resulted in the issuance of a Safety Alert and Information Letter to all vessels, including clear guidelines related to the identification and proper securement of cargo, inspection of cargo and safety prioritization. This is embedded as part of the loading procedures going forward.

All deficiencies are reported via the HIS system, with root cause analyses. The above mentioned actions serve as corrective measures for previously reported incidents as part of creating a safer working environment for our seafarers.

Effectiveness of these actions are monitored and measured through the entity specific metrics disclosed in the metrics section below.

Höegh Autoliners works to build a safety culture and has a continuous focus on improvements linked to the ISO 450001 management system.

Competency training and skills development related to safety

Through Höegh Autoliners' integrated business strategy, many seafarers spend their entire careers with the company, providing continuity in their work and enabling Höegh Autoliners to implement long-lasting and essential skills development. This includes comprehensive training, skills assessments, and certifications for safe operations onboard.

Our crewing offices monitor international regulations to identify upskilling needs, and crew performance is evaluated onboard to ensure alignment with key performance indicators (KPIs). Additionally, crew members receive training in incident prevention, including first aid, personal survival, online training, and disaster preparedness.

Effectiveness of these actions are monitored and measured through the S1-13 metrics disclosed in metrics section below.

We continue to work on finding improvements in this area and we have focused on the following key initiatives in 2024:

Training for seafarers related to new fuels for those working on the Aurora Class Vessels.

Updates to our safety awareness programs and inclusion of it as part of the mandatory onboarding process for all crew members.

Document and share monthly PSC performance summaries for all vessels fleetwide to promote information sharing and facilitate lessons learned.

Regular performance evaluations on board have been conducted by the Chief Engineer and Master for the engine department, and by the Chief Officer and Master for the deck and galley.

Reputational damage from severe incidents

In 2024, we did not experience any major incidents that could have exposed the company to potential reputational risk. As a result, there have been no new initiatives introduced in 2024.

Effectiveness of actions are monitored and measured through the S1-14 and entity specific metrics disclosed in metrics section below.

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S1-5

These targets have been set as part of the preparation for our renewed strategy, and whilst many have been involved in this process, we see a need to gain feedback on how the targets are helping us focus on what is important to execute on our strategy.

In the coming year we will use regular channels mentioned in S1-2 to gain feedback and input and metrics. We are committed to maintaining a strong focus on workplace safety, with a particular emphasis on creating a safer working environment for seafarers.

Based on results over time, we use the following targets to measure and track our performance:

Lost Time Incident Frequency (LTIF) target of 0.7

Monitoring safety in vessel operations is crucial for protecting lives, ensuring compliance with international regulations, preventing environmental damage, and improving operational efficiency.

The Lost Time Incident Frequency (LTIF) KPI measures the number of lost time injuries per million exposure hours, providing a clear indicator of safety performance. The LTIF is tracked and reported on a continuous basis, and its relevance is discussed and evaluated as part of seafarer's conferences held biannually.

Achieve zero PSC detentions and ensure that at least 80% of inspected vessels have no deficiencies

Port State Controls (PSCs) are conducted by port authorities to ensure ships meet safety, environmental, and operational standards. Recognizing the importance of safety in PSCs, Höegh has set a target of zero detentions, and at least 80% of inspected vessels to have zero deficiencies (zero deficiency rate). Achieving this goal will contribute to safer vessel operations overall.

We have not yet set specific targets for training and skills development, aside from ensuring all seafarers comply with STCW requirements. Additionally, we are still in the process of developing targets for seafarers' living conditions.

Training and skills development metrics (for seafarers)

S1-13

Gender	Total training hours*	Headcount	Average (hours)	% of seafarers who completed their performance review
Female	1 526	26	58.7	100%
Male	49 979	1 186	42.1	100%
Total	51 506	1 212	42.5	100%

*Seafarers must comply with the STCW regulation, including both basic and advance safety courses.

Accounting policies - Training and skills development

Total training hours: Number of hours that the seafarers used to complete mandatory and voluntary training. The reported training hours are based on hours recorded in both OCS HR system and OLP used specifically to record online training hours.

Average training hours: The number of Total training hours divided by the headcount.

Health & safety metrics (for seafarers)

S1-14

Our lost time injuries reported during the year are related to two cases of sprained/pinched fingers, a leg injury, and a back injury due to heavy lifting.

Health and safety metrics	2024	2023
% workforce covered by H&S management system	100%	100%
Number of fatalities (seafarers)	0	0
Number of Lost time injuries (seafarers)	4	9
Lost Time Incident Frequency (LTIF)	0.64	1.66

Accounting policies - Health and safety metrics

Workforce covered by Health and Safety Management System: this corresponds to the number of employees that are covered by the H&S Management System.

Fatalities: A death directly resulting from a work injury regardless of the length of time between the injury and death. Fatalities are included in the Lost Time Injury count.

Lost time incident frequency (LTIF): The number of Lost Time Injuries per unit exposure hours. The most common unit in respect of LTIF is one million working hours.

Lost time injuries (LTIs): Lost Time Injuries are the sum of Fatalities, Permanent Total Disabilities, Permanent Partial Disabilities and Lost Workday Cases.

Exposure Hours: 24 hours per day while serving on board.

Entity specific metrics	2024	2023
Detentions	0	1
Zero deficiency ratio	73%	69%

Accounting policies - Entity specific metrics

Deficiencies: during Port State Control (PSC) inspections refer to any non-compliance with international maritime regulations identified on a vessel. Deficiencies can range from minor issues to serious safety and environmental concerns.

Detentions: refer to the number of non-compliances identified during Port State Control (PSC) inspections, where the deficiencies result in the detention of vessels, preventing them from leaving the port until the identified issues are rectified and the vessel meets the required standards.

Zero deficiency rate: refers to the percentage of vessels that have no deficiencies identified during PSC inspections. It is calculated as the number of PSC inspections with zero deficiencies divided by the total number of PSC inspections in the reporting period.

Despite our established Safety and Environmental Management System, deficiencies can still occur due to various factors such as malfunctioning safety equipment, incomplete documentation, inadequate crew training, structural issues, and problems with machinery or navigation systems.

Although we did not meet our target of having at least 80% of inspected vessels without any deficiencies, none of the deficiencies in 2024 were severe enough to result in vessel detention.

Equal treatment & opportunities for all

We are committed to providing equal opportunities for all of our people and ensuring equal pay for equal work.

Impacts, risks and opportunities management

Policies related to own workforce

S1-1

Policy development and implementation for seafarers are overseen and approved by the Chief Operating Officer. Policies for land-based employees are overseen and approved by the Chief HR & Communications Officer and in collaboration with the Chief Legal Officer for compliance policies.

All policies are made available for all employees in our internal document management system.

Gender equality and equal pay for work of equal value

Our commitment to gender equality and equal pay for work of equal value is reinforced through the following policies for land-based employees:

- **Code of Conduct** – Serves as a guide for employees to make ethical decisions and outlines expected behaviours, including respect for equal opportunities and zero tolerance for discrimination or harassment. We do not accept discrimination of any kind, e.g. due to gender, race, family situation, sexual orientation, ethnicity, culture, union membership or religion.
- **Human Rights Policy** – Outlines our commitment to protecting individuals from vulnerable or underrepresented groups, upholding fair treatment and promoting inclusion through proactive measures. Monitoring mechanisms for adherence to these standards are detailed in the Höegh Autoliners approach to human Rights section.
- **Compensation Policy** – Ensures fairness, competitiveness, and transparency while upholding our commitment to equal pay for work of equal value and supporting job security.
- **Employee Promotion Policy** – To ensure that promotions are based on merit and performance, irrespective of gender and provides equal opportunity for all.

For our seafarers the previously described **Crew Operations Manual** serves as the backbone of all policies pertaining to gender equality and fair treatment.

Measures against violence and harassment in the workplace

Employees can escalate any incidents of harassment, bullying, discrimination, or other violations of the Code of Conduct via the confidential whistleblowing system. The Code of Conduct underscores Höegh Autoliners' commitment to zero tolerance of discrimination and harassment.

Diversity in the candidate pools

We are committed to fostering diversity in our candidate pools by promoting fair and inclusive hiring practices.

- **Code of Conduct** – sets the foundation for a respectful and inclusive workplace, prohibiting any form of discrimination or harassment. It ensures that all employees are treated fairly, regardless of gender, race, family situation, sexual orientation, ethnicity, culture, union membership, or religion.
- **Human Rights Policy** – reinforces our dedication to ensuring that all employees are treated with dignity and fairness while protecting their rights. It outlines our aim to eliminate gender-based discrimination and ensure that women in the workplace are not subject to any unfair treatment.
- **Recruitment Policy** – plays a critical role in enhancing diversity by guiding us to adopt inclusive hiring practices. It supports efforts to attract and recruit diversity, particularly in roles where there is underrepresentation.

The recruitment procedure and position criteria matrix for seafarers (cadet, ratings, and officers) are specifically described in Selection and Evaluation Process Diagram (HFSP) and Criteria for Interview and Recruitment (HFSC).

Processes to remediate negative impacts and channels for own workers to raise concerns

S1-3

We have established clear channels for addressing the potential negative impacts of gender inequality, harassment, and limited learning opportunities through reporting channels described in section S1-3 Working Conditions.

We use internal reporting mechanisms, such as the anonymous whistleblowing tool and grievance procedures, to address issues (as described in section S1-3 Working Conditions). We take immediate corrective actions based on reported concerns.

On a more proactive level we have implemented targeted leadership development programs, promoted gender equality initiatives, and provided relevant training and development opportunities that are available to all land-based employees.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

S1-4

Gender equality and equal pay for work of equal value

We conduct equal pay audits annually to identify issues, raise awareness through coaching our leaders to ensure gender parity when setting pay, and take corrective actions as needed. This is discussed in relevant forums such as the Executive Team, the Board of Directors and employee representative groups to gather feedback and make improvements.

To further support gender equality and equal pay in 2024 we have:

Equal pay audits

We have enhanced our pay audit framework within the tool we use for equal pay analysis. This upgrade gave us richer data to identify and address gender-based pay discrepancies more effectively. We will continue to develop our approach based on the functionality of the tool over time.

Bonus scheme

We have introduced a new bonus scheme for land-based employees that includes profit sharing. This scheme ensures everyone receives an equal share of the profits linked to their base pay. This scheme will be reviewed on a regular basis to address any issues arising over time.

Enhance job evaluation

We implemented tools to enhance our process of job evaluation for new roles, significantly changed positions, promotions to support greater alignment and fairness across job families. We are working on gaining 100% alignment for this way of working across all functions.

Gender Balance Program (GBP)

We introduced a designated contact person for female seafarers who is our first point of contact whenever there are sensitive concerns related to gender equality and diversity onboard. This approach will be reviewed and adjusted over time.

Diversity in leadership

We have continued to have 50% gender balance in our development programmes to strengthen diversity in our pipeline. This will continue to be a focus over time and links to our actions and target around internal mobility at the higher positions.

Effectiveness of these actions are monitored and measured through the S1-9 diversity, S1-16 remuneration and entity specific metrics disclosed in metrics section below.

Measures against violence and harassment in the workplace

While the number of incidents remains low, we continue to focus on this area and in 2024 we had:

- **Integrity day in all offices** – A mandatory event dedicated to our Code of Conduct including scenario-based discussion related to harassment. This is an annual event that is updated regularly based on current topics. This has been run over many years and has had a positive impact in reminding employees about their rights and responsibilities.

Effectiveness of these actions are monitored and measured through the entity specific metrics disclosed in metrics section below.

Diversity in the candidate pools

Our current practices include requesting recruiting leaders to undergo bias awareness training, adhering to our golden rules such as two interviewers in each interview, a diverse candidate pool in final interviews, and using inclusive language in job advertisements. However, we recognise the need to further strengthen how we interview and assess candidates to enhance diversity and greater balance in homogenous groups within the organisation.

In 2024, we focused on:

Implementation of a new interview and assessment tool:This structured interview tool is based on critical skills defined for each role, using a standardised framework developed with a DE&I-neutral methodology. In addition, the assessment tools are designed for inclusivity, removing potential barriers related to disabilities, age, gender, nationality, and other factors. The process also includes analysis to promote inclusion across age, nationality, and gender. We will continue to implement the broader use of this tool in 2025.

Effectiveness of these actions are monitored and measured through the diversity metrics presented in S1-9.

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S1-5

These targets have been set as part of the preparation for our renewed strategy, and whilst many have been involved in this process, we see a need to gain feedback on how the targets are helping us focus on what is important to execute on our strategy. In the coming year we will use regular channels mentioned in S1-2 to gain feedback and input and metrics.

Gender equality and equal pay for work of equal value

We maintain gender balance in our talent and development programs and track how effective these programs are in supporting equal opportunities for promotion across the organisation. Our target is to achieve a gender balance in promotions for those who have been on the programs into broader or higher-level roles within 12 months of completion of the program.

Generally, we have no set target for equal pay for work of equal value at this stage as we will prepare for the EU Pay Transparency Directive implementation planned in 2026. We will continue to conduct equal pay audits and monitor other measures to identify and address any inequalities.

Measures against violence and harassment in the workplace

As we have low reported incidents, this is not an area for which we have set a target.

Diversity in the candidate pools

Whilst we have focused on increasing diversity in our candidate pools, results indicate that more work is needed in this critical area. Within many functions we see an imbalance in gender which we have focused on as part of recruitment and internal mobility.

To address this, we will focus on one key area:

- **Fair hiring practices** – Achieve at least 70% retention of diverse candidates from the first interview to the final interview stage while maintaining a skills-first selection approach.

Diversity metrics

S1-9

Top management gender distribution [1]

	2024			2023		
	Female	Male	Total	Female	Male	Total
Number of employees (headcount)	3	7	10	2	6	8
Percentage of employees	30%	70%	100%	25%	75%	100%

[1] Top management refers to the CEO and the members of the Executive Management team.

Age distribution for land-based employees

	2024	2023
Under 30 years old	70	56
Between 30 and 50 years old	293	253
Over 50 years old	106	101

Age distribution for seafarers

	2024	2023
Under 30 years old	410	425
Between 30 and 50 years old	679	665
Over 50 years old	123	117

Accounting policies - Diversity metrics

Equal treatment & opportunities for all: Metrics reported in this section are used to monitor the IROs related to equal treatment and opportunities for all the workforce within our own operations. The metrics are not validated by an external body other than the assurance provider.

S1-9 data for land-based employees is extracted from Höegh Autoliners' human resource system for land-based employees (SuccessFactors) at the end of the reporting year. Information for all employees registered in the system is included in the presented metrics.

S1-9 data for seafarers is extracted from Höegh Autoliners' human resource system for seafarers (OCS HR system) at the end of the reporting year. Information for all employees registered in the system is included in the presented metrics.

Gender distribution at top management level: These metrics show the number (headcount) and percentage share of gender distribution among the CEO and Executive Management team.

Age distribution for own employees: this metric includes the number of employees on a headcount basis based on age breakdown (under 30 years, between 30 and 50 years, over 50 years). We have reported this metric for land-based employees and seafarers separately.

Entity specific diversity metrics

Gender	Female leaders tracking (%)	Females in talent and development programs (%)	New hire diversity	Overall diversity
Female	29	50	52	46
Male	71	50	48	54
Total	100	100	100	100

Accounting policies - Entity specific metrics

Female leaders tracking: Represents female share of employees with responsibilities for teams. These leaders can also be individual contributors with subject matter expertise. This classification is linked to the Company's job evaluation methodology. Data is extracted from the HR system, and is applicable for land-based employees only.

% of female in talent and development programs: Number of female employees that have participated in internal development programs. Data is extracted from the HR system, and is applicable for land-based employees only.

New hire diversity: The gender distribution among new hires. Data is extracted from the HR system, and is applicable for land-based employees only.

Overall diversity: this metric consists in the overall diversity in the Company. Data is extracted from the HR system, and is applicable for land-based employees only.

Compensation metrics (pay gap and total compensation)

S1-16

In 2024, our remuneration ratio analysis shows that the total remuneration of the highest-paid individual was 67.63 times the median total remuneration for land-based employees of the company. This ratio is significantly higher than usual because the first Executive management LTIP awards vested at the end of 2024, reaching the three times salary cap, and the company covered the associated taxes. This is included as part of the total remuneration for the CEO (or highest paid individual in the company).

2024 Total Remuneration Ratio	68.1

2024 Gender Pay Gap	45.1%

Whilst the pay gap on an aggregated level is high, the annual review of equal pay gaps has not shown there to be such gaps at an individual level. This gap is mainly due to tenure, role-specific experience, and market pay differences across job families and locations. There are higher concentrations of men in higher-paying job families and a greater number of men in the middle management levels overall. Therefore, our focus on increasing diversity in candidate pools aims to improve the balance of men and women across the organisation and within teams.

Accounting policies - Remuneration and gender pay gap

Remuneration ratio of the highest paid individual: The remuneration ratio is defined as the ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual). Total remuneration includes base salary, benefits in cash, benefits in kind and direct remuneration as defined in ESRS S1 AR 101 (b). The metric covers land-based employees only. The following formula is used:

Annual total remuneration for the undertaking' s highest paid individual / Median employee annual total remuneration (excluding the highest paid individual)

Gender Pay Gap: The gender pay gap is defined as the difference of the average pay levels between female and male employees, expressed as the percentage of average pay level of male employees. Calculation includes land-based employees only. The following formula is used:

[Average gross hourly pay level of male employees-average gross hourly pay level of female employees) / Average gross hourly pay level of male employees]*100

All salaries have been converted to USD for both the remuneration ratio and gender pay gap calculations.

Incidents, complaints and severe human rights impacts

S1-17

In 2024 only one grievance case was reported in our offices and did not result in disciplinary action. Similarly, five cases were reported among seafarers onboard during this period. These incidents onboard were reported to the gender balance program contact person (a female land-based contact person) and crew feedback form.

For land-based employees, the grievance was handled by the Chief HR and Communications Officer, while for seafarers, the complaint was handled by the Designated Person Ashore (DPA). All cases were reviewed and resolved within the designated timelines in accordance with the grievance policy and established procedures. There were no severe human rights incidents reported, either onshore or onboard, and therefore no fines, penalties and compensation were required.

Incidents, complaints, and severe human rights impacts

	2024
Severe human rights incidents connected to workforce	0
Incidents of discrimination & harassment (land-based employees/ seafarers)	1/5
Complaints filed through grievance / complaints mechanisms	0
Total amount paid in fines, penalties, and compensation for incidents and complaints	0

Accounting policies - Incidents, complaints and severe human rights impacts

Severe human rights incidents connected to workforce includes cases of human rights that resulted in instances of lawsuits, formal complaints through Höegh Autoliners or third-party complaint mechanisms, serious allegations in public reports or the media.

Incidents of discrimination & harassment: this includes cases of discrimination on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination involving internal and/or external stakeholders across operations.

Complaints filed through grievance/complaint mechanisms: this corresponds to the number of complaints filed through our externally available whistle-blowing channel.

Total amount paid in fines, penalties, and compensation for damages (incidents of discrimination & harassment) includes the total of fines, penalties and compensation for damages paid during the year that are linked with incidents of discrimination & harassment.

There is a risk of underreporting incidents of discrimination, harassment, and severe human rights violations within the workforce, as employees may fear retaliation.

Entity Specific - Measures against violence and harassment in the workplace

	2024	2023
Safety Index	83%	82%

Accounting policies - Entity specific metrics

Safety measure in our engagement survey: This metric relates to the engagement survey results on the 'safety measure' topic. The data is derived from the analysis of these survey results.

The Safety Index is based on the statement: **'Our culture makes me feel safe to speak up and do the right thing, even when it feels difficult'**.

S2 Workers in the value chain

Höegh Autoliners collaborates with its upstream and downstream value chain worldwide to support its operations.

Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 – SBM-3

The materiality assessment identified the following material impacts, risks and opportunities related to workers in Höegh Autoliners' value chain. They relate to the sub-topics: working conditions, equal treatment and opportunities for all, and other work-related rights.

Material Impact, Risks, and Opportunities		Location in the value chain			Time Horizon		
		Upstream	Own Operations	Downstream	Short-term	Medium-term	Long-term
Value chain workers may face excessive working hours, forced labor, unfair wages, and lack of social insurance	Potential negative impact	●		●	●	●	●
Possible adverse effects on the health and safety of supply chain workers	Potential negative impact	●		●	●	●	●

Höegh Autoliners collaborates with its upstream and downstream value chain worldwide to support its operations. Currently, our largest supplier is the shipyard involved in our newbuilding program.

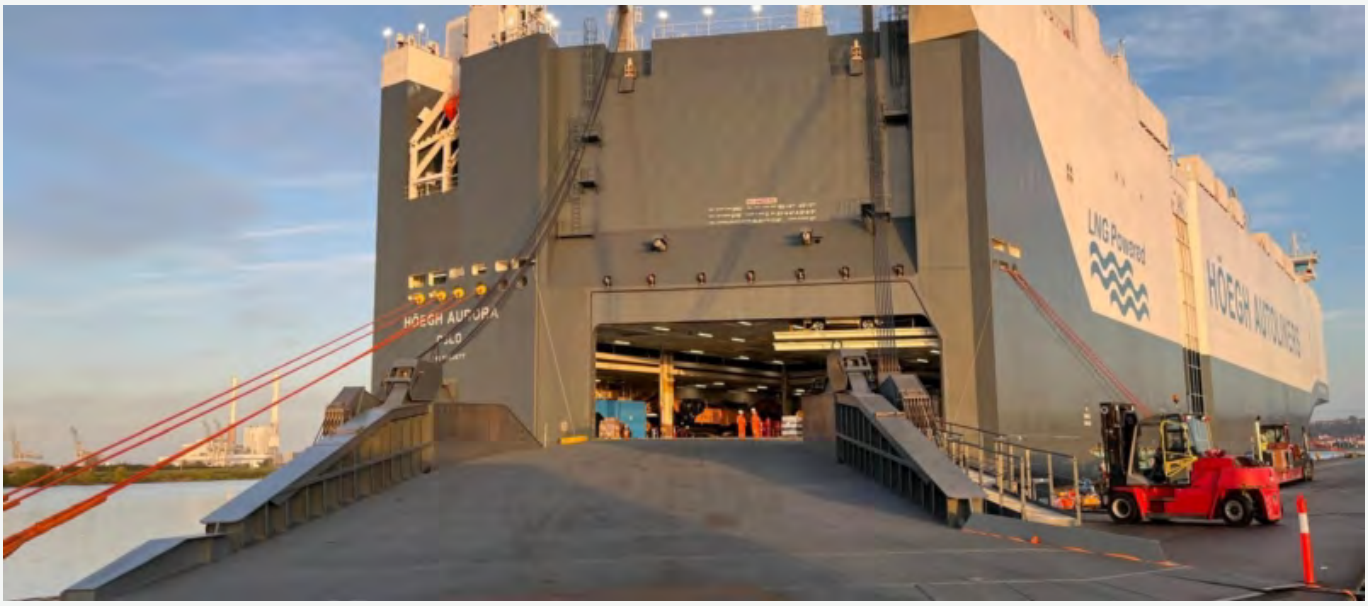
Additionally, the supplier network includes workers from port suppliers, fuel suppliers, suppliers of goods and services to our daily vessel operations, and administrative suppliers. None of these workers are working in Höegh Autoliners' offices, nor onboard our vessels while trading. Further, an external crew is employed on three of our owned vessels and three time-chartered vessels.

Value chain workers may face negative impacts such as excessive working hours, forced labour, unfair wages, and lack of social insurance

Workers within Höegh Autoliners' supply chain may face challenges such as inadequate wages, lack of social insurance, excessive working hours, and forced labour. These potential negative impacts are present in our upstream and downstream value chain, are considered systematic due to the nature of our operations, and can occur over the short, medium, and long term.

Possible adverse effects on the health and safety of supply chain workers

In addition to the negative social impacts discussed above, the nature of our business inherently poses health and safety risks for workers in our value chain. These risks are present in the shipbuilding process, dry-dock maintenance, port- and fuel operations, at sea during vessel operations, and in recycling facilities for future recycling activities. Potential negative impacts from our newbuilding and recycling activities are somewhat time-bound to the period these activities take place. However, impacts from port, fuel, and vessel operations, as well as dry-dock processes, are considered systemic to our industry and are applicable across all time horizons.



Impact, risk and opportunity management

Policies related to value chain workers

S2-1

Höegh Autoliners' Human Rights Policy promotes ethical business practices and the protection of human rights for everyone involved in our operations and value chain. The policy is based on the UN Guiding Principles on Business and Human Rights and addresses human rights topics relevant for our supply chain such as forced labour, child labour, any practice that constitutes trafficking in person or slavery, fair and equal treatment, and respect of regulations in all locations where we operate. For more details of our Human Rights policy, please refer to 'Höegh Autoliners' approach to human rights" in ESRS S1.

We detail our requirements and expectations for our suppliers in our Supplier Code of Conduct, including forced labour, working hours, wages, and benefits, as well as health and safety. The policy is available for all employees through our internal document management system and is made public on our website. For more information on our Supplier Code of Conduct, please refer to ESRS G1-2.

Our Whistleblowing Policy acknowledges the importance of anonymous reporting and ensures that whistleblowers are protected from retaliation for raising concerns and reporting violations. For more information on our Whistleblowing Policy and availability of the Whistleblower channel, please refer to ESRS G1-1.

> The success of our business relies on maintaining strong relationships with suppliers who share our ethical principles.

Processes for engaging with value chain workers about impacts

S2-2

Third-party audits of the shipyard, conducted regularly by the classification society DNV on behalf of Höegh Autoliners, include a comprehensive review process. The audit includes a desktop review of publicly available information, review of the shipyard's internal policies, onsite visits, and interviews with key members of the shipyard's management as well as randomly selected workers.

The audits cover a range of topics, including but not limited to, social management, working hours, wages, social insurance, environmental protection and health and safety. In addition, the internal newbuilding team also does an annual onsite audit at the yard, assessing if any findings from the previous external audit have been remediated.

While the shipyard audit is under the responsibility of the Chief Operating Officer, we have not yet established a formal process for engaging with value chain workers beyond our shipbuilding operations and existing grievance mechanisms.

Processes to remediate negative impacts and channels for value chain workers to raise concerns

S2-3

If any material negative impacts on supply chain workers come to Höegh Autoliners' attention, each case will be diligently evaluated and investigated by the Legal Department and Human Resources depending on the case and circumstances. Relevant stakeholders, including impacted workers where applicable, will be informed and consulted to determine the necessary actions to effectively address and mitigate the issue. An appropriate action plan will be developed, outlining corrective actions and a timeline for implementation. A proper feedback loop will be established to monitor the implementation of these actions. The effectiveness of the plan will be continuously monitored and documented, with the ultimate goal of preventing similar issues in the future.

All external parties, including our value chain workers, can raise concerns about any suspected legal or financial misconduct through our independent whistleblowing mechanism, available on our website. Our supplier code of conduct includes a dedicated section outlining the availability of the whistleblowing hotline for value chain workers, allowing them to report issues either openly or confidentially. This channel facilitates direct dialogue with value chain workers when concerns are raised. Further information about the whistleblowing process and policies can be found in section G1-1 of our business conduct reporting.

Taking action on material impacts on value chain workers, and approaches to managing risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

S2-4

We have implemented actions to identify and manage potential negative impacts on value chain workers. These actions support our policy objectives of securing human rights for workers in the value chain and maintaining strong relationships with our suppliers.

These ongoing actions aim to mitigate potential negative impacts and will continue in the coming years. Although we currently have no specific budgeted resources allocated for future planned actions, we continuously monitor them to ensure that suppliers uphold our standards and mitigate potential negative impacts.

Onboarding of suppliers

In 2024, we updated and standardized our supplier registration procedure across the organization, utilizing a comprehensive third-party sanction screening tool to ensure alignment with regulatory and ethical standards. More information on this procedure can be found in G1-2.

Existing suppliers

An internal risk assessment of existing suppliers is conducted at each functional level within the company to identify those with a higher risk of human rights breaches. To streamline this process and enhance the efficiency of our due diligence, we implemented a third-party tool in late 2024. This tool aims to improve due diligence procedures by mapping supplier risks based on external factors such as geographical location and industry presence.

By targeting high-risk suppliers, we work to prevent and detect adverse impacts on human rights and ensure decent working conditions throughout our supply chain. We will continue to enhance and refine our risk assessment efforts in the coming years.

On-site audits

China Merchant Heavy Industry is Höegh Autoliners’ largest supplier, and we are conduct regular ESG audits of the yard. These audits, conducted by DNV on our behalf, include a comprehensive review process encompassing a desktop review of public information, internal policies, onsite visits, and interviews with management and randomly selected workers.

The audits cover various aspects of social management, including working hours, wages, social insurance, environmental protection, and health and safety. The aim is to identify potential negative impacts on both the health and safety and general working conditions of yard workers.

Additionally, our internal newbuilding team conducts an annual on-site audit to assess if previous findings made by DNV have been properly solved. It is expected that both audits will continue on a regular basis going forward.

Industry initiatives

With respect to the safety of workers at ship recycling facilities, Höegh Autoliners will adhere to its Green Recycling Standards for all future ship recycling. Additionally, Höegh Autoliners has joined the Smart Freight Centre's Ship Recycling Transparency Initiative, aiming to contribute to a coordinated and transparent approach for safe and responsible ship recycling.

No severe human rights issues, nor any incidents of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve value chain workers connected to Höegh Autoliners' upstream, or downstream value chain have been reported during the reporting year.

As such, no incidents causing negative impacts on workers in our value chain, which required remediation, were reported in the reporting period.

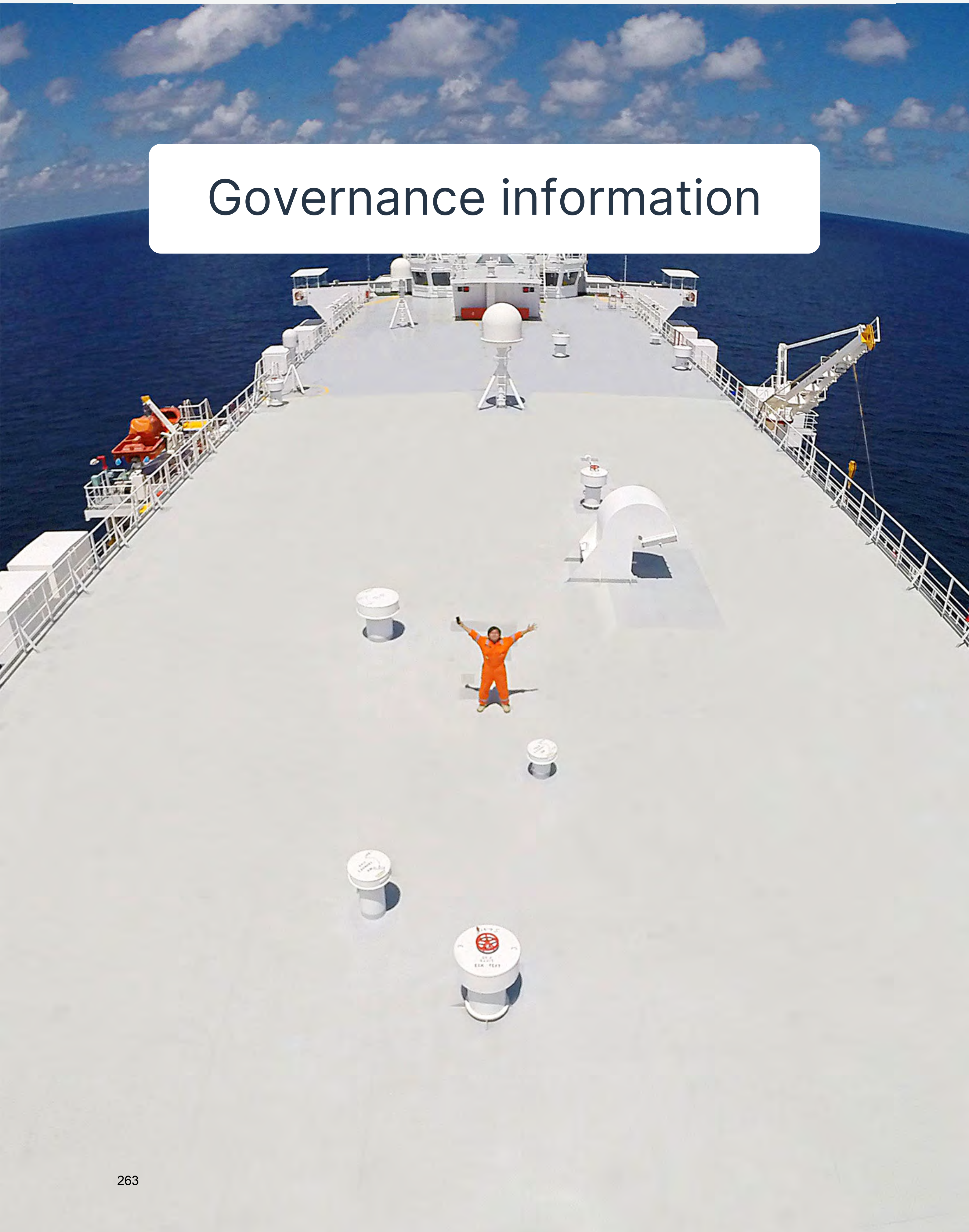
Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S2-5

Currently, we have not established specific targets for managing potential material negative impacts due to the evolving nature of the topic. We plan to set relevant targets for the risk assessment and supplier due diligence process once it is fully implemented.

Additionally, we actively monitor potential cases through our external grievance mechanisms, supplier audit findings, and stakeholder engagements.



Governance information

G1 Business conduct

Höegh Autoliners is committed to upholding ethical business practices and embedding compliance and integrity into the organization's daily operations through clear policies, consistent training, and accountable leadership.

Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 – SBM-3

		Location in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Continued occurrence of bribery and facilitation payments in shipping	Potential negative impact		●		●	●	●
Severe breaches of the code of conduct can significantly harm corporate culture	Potential negative impact		●				●
Potential adverse effects on whistleblowers	Potential negative impact	●	●	●			●
Political engagement may contribute to broader decarbonisation efforts within the maritime sector	Potential positive impact	●	●		●	●	●
Consistently late invoice payments may negatively impact suppliers	Potential negative impact	●					●

Corporate culture and business conduct policies

Promoting the culture of compliance, ethics, and integrity

G1-1

Höegh Autoliners promotes its business conduct policies and corporate culture by ensuring that policies are in place, conducting trainings, and clearly communicating the message from the top to all employees. The company strives to deliver the best possible service to its clients and stakeholders while ensuring compliance with ethical business principles, applicable laws, and environmental and community norms through its compliance programs, thereby fostering a culture of compliance, ethics, and integrity.

The Board of Directors is responsible for the governance of Höegh Autoliners. This means that the strategic direction and oversight emanate from the Board, ensuring the company's activities are organized prudently in accordance with its purpose, strategic goals, core values, and compliance framework.

The Audit Committee acts as a preparatory working committee and supports the Board's supervisory roles with respect to financial reporting and the effectiveness of the Company's internal control and risk management systems including compliance.

The Executive Management team of Höegh Autoliners is responsible for the day-to-day operations of the company, implementing the Code of Conduct, and fostering a culture of integrity.

The Legal Department oversees the implementation of the company's compliance program, including its Anti-Corruption Policy and Whistleblowing system. Leaders of local offices are appointed as Compliance Ambassadors, serving as local resources for compliance-related communication and coordinating activities between their respective offices and the Legal Department.

To further foster the culture of compliance, an Integrity Day is celebrated annually across all of Höegh Autoliners offices worldwide, facilitated by the Compliance Ambassadors. Throughout the year, employees can access a gamified training platform via their mobile phones, designed to make learning of key compliance policies engaging and interactive. This platform encourages employees to explore important Code of Conduct topics while enjoying fun, game-based activities. Periodically, a company-wide campaign, known as "Attensi Hour," is launched to boost engagement and participation. These campaigns include incentives such as prizes and recognition for top-ranking employees on the leaderboard, reinforcing Höegh Autoliners' commitment to fostering a dynamic and ethical workplace culture.

The Code of Conduct

Our Code of Conduct is the heart of how we do things at Höegh Autoliners and combines our values, behaviours, way of working and culture. The Code underpins our commitment to behave in a manner consistent with our values. In other words – it is our moral compass when we are challenged, are in difficult circumstances or face uncertainty. Our Code of Conduct states how all employees shall act to comply with our values, standards, and commitments. These include, among others, our policy against bribery and corruption, our whistleblowing system, and our relationship with our suppliers.

Responsibility for policy development and implementation is a joint responsibility between the Chief Legal Officer and the Chief HR and communication officer. The policy is applicable to all employees in the HA group, and is accessible to all employees via the internal document management system.

Whistleblowing policy

Speaking up is a crucial aspect of our compliance program. To encourage the reporting of misconduct, we have established an anonymous whistleblowing system hosted by a third-party online platform. The system is accessible to both employees and external stakeholders, specifically for reporting concerns related to ethics and integrity.

We work actively to enhance awareness of the importance of speaking up, and to communicate that the whistleblowing channel is available to all employees. A link to the whistleblowing platform is available on both Höegh Autoliners' external webpage and intranet, and trainings are provided during onboarding through Attensi and recurrently highlighted during Integrity Day.

Incidents reported on our Whistleblowing system are evaluated and investigated by our Legal Department and Human Resources. Our Whistleblowing Policy ensures the availability of reporting anonymously and protects the whistleblowers from retaliation for raising concerns and violations. In line with that, our policy assures that there will not be any disciplinary action against notifiers.

Policy development and implementation is overseen by the Chief HR and Communication Officer, and it is accessible to all employees via our internal document management system.

Training and awareness

Höegh Autoliners offer various training courses on our Code of Conduct, covering topics such as anti-corruption and other compliance areas. To engage a broader part of the organization in compliance-related work, Höegh Autoliners has developed a gamified compliance training program through an app called Attensi, which employees can access through their phones. All trainings on the Code of Conduct and compliance topics are mandatory to all employees.

Additionally, an annual, in-person training and workshop called Integrity Day is conducted globally with the help of our Compliance Ambassadors. A focus is placed on the importance of ethics and integrity in the workplace and our business practices.

Management of relationships with suppliers including payment practices

G1-2

G1-6

Höegh Autoliners is dedicated to conducting operations in accordance with internationally recognized principles of business ethics, human rights, and corporate social responsibility. Although we have not implemented a specific policy to prevent systematically late payments to our suppliers, our code of conduct commits us to promoting responsible business practices. Our procurement and payment processes are detailed in respective procedural documents, ensuring fair behaviour from our business partners throughout the value chain.

The standard payment terms vary depending on the nature of the goods or services procured and the related spend categories. Höegh Autoliners diligently aligns payments with prevailing payment terms to meet regulatory requirements and supplier expectations as part of our responsible business practices. Metrics related to our payment practices are currently not available.

Höegh Autoliners Supplier Code of Conduct

Consistent with its commitment, Höegh Autoliners expects the same ethical standard from its suppliers and subcontractors. This expectation is communicated through our Supplier Code of Conduct, which we require suppliers to sign and adhere to, ensuring compliance with our sustainability requirements and reflecting our dedication to ethical practices. Policy development and implementation is overseen by the Chief Executive Officer, and it is accessible to all employees via our internal document management system.

We show our commitment to compliance by carefully evaluating all new business partners and entities we engage with.

In 2024, our supplier registration procedure has been updated and standardized across the organization. Before working with a new supplier, we utilize a comprehensive third-party sanction screening tool. This tool evaluates a wide array of criteria, including environmental and social sanctions, to ensure alignment with regulatory and ethical standards.

Moreover, the Supplier Code of Conduct is translated into selected languages to facilitate clear understanding of and adherence to the code by suppliers across different regions.

Prevention and detection of corruption and bribery

G1-3

Zero-tolerance policy towards corruption

Höegh Autoliners is committed to the principles of the UN Convention Against Corruption (UNCAC) and maintains a zero-tolerance policy towards corruption, bribery, and facilitation payments, as outlined in our Group-wide Anti-corruption Manual. We ensure our policies and processes comply with Norwegian anti-corruption laws, as well as other relevant international legislation, including the UK Bribery Act, the US Foreign Corrupt Practices Act, and local laws in the regions where we operate.

Höegh Autoliners recognizes the importance of collaborative efforts across industries, governments, and civil society as essential to achieve the profound change required to combat corruption effectively. Höegh Autoliners is a co-founder member of the Maritime Anti-Corruption Network (MACN) and continues to participate in initiatives aimed at reducing corruption in maritime trade, including providing data of corrupt demands in ports, providing training to our crew and employees, and implementing a "Say No" campaign. Through MACN, we engage in sharing best practices, raising awareness, and supporting transparent business conduct across the sector.

Starting in 2023, we strengthened our anti-bribery and anti-facilitation measures onboard all vessels by prominently displaying anti-corruption posters in strategic locations where authorities are received during inspections. Alongside our long-standing "Say No!" campaign, we reinforced our commitment to crew safety through extensive capacity-building sessions and training programs designed to equip them with the skills to effectively resist corrupt demands.

Incidents of corrupt demands or corruption incidents are reported via Höegh Autoliners' Improvement System (HIS). All crew and employees are encouraged to report facilitation payment demands and or gifts and exchanges. All information sent through HIS are managed and evaluated by the Legal Department based on our Anti-Corruption policy by individuals separate from the chain of management involved in the matter. Incidents are regularly communicated to both the management team and the Board of Directors.

Policy development and implementation is overseen by Chief Legal Officer, and it is accessible to all employees via our internal document management.

Anti-corruption training

Höegh Autoliners requires all employees, including all members of the executive management team, to complete mandatory code of conduct training, which includes anti-corruption training through our learning management system. Our seafarers are also provided with training on anti-corruption which includes concepts of corruption, our zero-tolerance policy, and procedure for prevention and reporting incidents.

Our anti-corruption training program covers legal requirements, policies and procedures, as well as practical scenarios to help employees recognize and address potential corruption or bribery situations.

In 2024 63% of our seafarers successfully completed anti-corruption training.

They are required to complete this anti-corruption training every second year. Our seafarers are considered functions-at-risk of corruption demands ranging from bribery to facilitation payments.

Accounting policies - Anti-corruption training

Anti-corruption training:
Höegh Autoliners provides a set of mandatory training courses to its employees. The trainings are related to our Code of Conduct, including anti-corruption. Completion data is recorded in Höegh Autoliners' internal learning platform.

Function-at-risk:
Höegh Autoliners' seafarers are determined to be most at risk for bribery and corruption.

Confirmed incidents of corruption or bribery

G1-4

In 2024, we received six (6) reports through HIS of demands for bribes or facilitation from our fleet. These demands varied, including requests for cigarettes, crew provisions, and even cash. Our crew consistently responded by politely rejecting these demands, citing our zero-tolerance policy towards corruption. There is a risk that seafarers are underreporting incidents. Therefore, we have throughout the year issued guidelines to vessel masters visiting ports where the MACN Local HelpDesk is available. Additionally, we updated the onboard Computer-Based Training on Anti-Corruption to include the latest strategies for effectively combating bribery and facilitation payment demands.

Höegh Autoliners did not receive any convictions or fines for violations of anti-corruption or anti-bribery law in 2024, nor has it been subject to any legal action relating to corruption and bribery.

Accounting policies - Incidents of corruption or bribery

Demands for bribes or facilitation payments corresponds to the actual number demands for bribes and/or facilitation payments reported through HIS.

Number of convictions for violation of anti-corruption and anti-bribery laws refers to the number of convictions for violation of anti-corruption and anti-bribery laws, considering all convictions resulting from legal proceedings against any entity within the Höegh Autoliners Group in the reporting year.

Amount of fines for violation of anti-corruption and anti-bribery laws relates to the amount of fines for violation of anti-corruption and anti-bribery laws, considering all convictions resulting from legal proceedings against any entity within the Höegh Autoliners Group in the reporting year.

Number of legal proceedings outstanding for late payments refers to the number of legal proceedings outstanding for late payments includes all legal proceedings against any entity within the Höegh Autoliners Group in the reporting year for outstanding payments at the end of the reporting year.

Political influence and lobbying activities

G1-5

During the 2024 financial year, Höegh Autoliners has advocated for a regulatory framework that ensures a global level-playing field and supports first mover efforts in their efforts to decarbonise shipping. By pushing for this, the company seeks to ensure that shipping can decarbonise in line with the IMO target of net-zero by 2050.

Our efforts include engaging with international regulatory bodies, participating in industry coalitions, and collaborating with governments to shape policies that support sustainable shipping practices. These initiatives are designed to incentivize the long-term adoption of green technologies and reduce the overall carbon footprint of the shipping industry. Through these efforts, the company aims to drive systemic change that benefits both the climate and the environment as well as the industry's long-term viability. The Chief Operating Officer is responsible for the oversight of these activities.

Currently, there is no specific policy in place regarding political engagement. However, our code of conduct addresses political contributions, emphasizing that special caution must be exercised when evaluating such contributions. Such contributions must comply with public disclosure requirements and be reported according to internal processes.

The company is registered in the EU Transparency Register (registration number 971383591538-27) and the German Transparency Register (registration number R007089).

No financial or in-kind political contributions have been made during the reporting year, and no members of the company's management team or Board of Directors held comparable positions in any public administration in the two years preceding their appointment in the current reporting period.

Accounting policies - Political engagement

Financial contributions refers to political contributions in which financial support is provided directly to political parties, their elected representatives or persons seeking political office. 'Financial contributions' can include donations, loans, sponsorships, advance payments for services, or other similar practices.

In-kind political contributions refers to political contributions in which financial or in-kind support were provided directly to political parties, their elected representatives or persons seeking political office. 'In-kind contributions' can include advertising use of facilities, design and printing, donation of equipment, provision of board membership, employment or consultancy work for elected politicians or candidates for officer.

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To the General Meeting of Höegh Autoliners ASA

Independent Sustainability Auditor's Limited Assurance Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Höegh Autoliners ASA (the «Company») included in the Sustainability Statements section of the Board of Directors' report (the «Sustainability Statement»), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the «Process») is in accordance with the description set out in the subsection Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO-1) within the General Information section; and
- compliance of the disclosures in the EU Taxonomy section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the «Taxonomy Regulation»).

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information («ISAE 3000 (Revised)»), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Sustainability Auditor's Responsibilities* section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other Matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (Management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in the subsection Description of the processes to identify and

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

assess material impacts, risks and opportunities (ESRS 2 IRO-1) within the General Information section of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in the EU Taxonomy section of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability Auditor's Responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and

- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in the subsection Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO-1) within the General Information section.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and

- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:

    - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and

    - reviewing the Company's internal documentation of its Process; and

- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in the subsection Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO-1) within the General Information section.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:

    - Obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and

    - Obtaining an understanding of the Group's risk assessment process;

- Evaluated whether the information identified by the Process is included in the Sustainability Statement;

- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Oslo, 24 April 2025
PricewaterhouseCoopers AS

Peter Wallace
State Authorised Public Accountant – Sustainability Auditor

HÖEGH AUTOLINERS

Accounts and notes 2024

Content

Consolidated Financial Statements

Consolidated statement of comprehensive income

(USD 1 000)	Notes	2024	2023
Total revenues	2	1 370 828	1 446 075
Bunker expenses	3	(236 124)	(241 937)
Voyage expenses	3	(312 426)	(340 037)
Charter hire expenses	3	(5 666)	(9 480)
Running expenses	4	(101 502)	(100 076)
Administrative expenses	5	(23 040)	(19 035)
Operating profit before depreciation, amortisation and impairment (EBITDA)		**692 070**	**735 510**
Profit from associates and joint ventures	24	1 020	735
Gain on sale of assets	7	52 326	35 835
Depreciation	7/8	(131 922)	(145 565)
Operating profit before financial items		**613 494**	**626 515**
Interest income	9	16 048	12 218
Interest expenses	9	(26 750)	(33 338)
Income from other financial items	10	611	196
Expenses from other financial items	10	(19 474)	(7 727)
Profit before tax		**583 929**	**597 864**
Income tax expenses	11	35 580	(8 278)
Profit for the year		**619 509**	**589 585**
Other comprehensive income			
Items that may be reclassified to profit and loss:			
Currency translation differences	24	(531)	(171)
Items that will not be reclassified to profit and loss:			
Remeasurement on defined benefit plans		(115)	(134)
Changes in fair value	15	(5)	(87)
Other comprehensive income, net of tax		**(651)**	**(392)**
Total comprehensive income for the period		**618 858**	**589 193**
Earnings per share basic (USD)	16	3.25	3.09
Earnings per share diluted (USD)	16	3.24	3.07

Consolidated statement of financial position (Assets)

(USD 1 000)	Notes	31.12.2024	31.12.2023
Assets			
Non-current assets			
Deferred tax assets	11	5 417	864
Vessels	7	1 430 064	1 032 499
Right-of-use assets	8	70 079	142 216
Newbuildings and projects	7	229 374	269 853
Equipment	7	12 372	13 913
Investments in associates and joint ventures	24	4 756	4 960
Other non-current assets	12	777	859
Other non-current financial assets	12	1 101	977
Total non-current assets		**1 753 938**	**1 466 140**
Current assets			
Bunker		39 945	43 416
Trade and other receivables	13	94 088	87 291
Prepayments	13	4 835	4 164
Other current assets		4 971	-
Cash and cash equivalents	14	207 866	458 333
Total current assets		**351 705**	**593 203**
Total assets		**2 105 644**	**2 059 344**

Consolidated statement of financial position (Equity and liabilities)

(USD 1 000)	Notes	31.12.2024	31.12.2023
Equity and liabilities			
Equity			
Share capital		443 898	443 898
Share premium reserve		162 384	289 384
Other paid-in equity		232	1 067
Retained earnings		570 935	677 380
Total equity	16	**1 177 449**	**1 411 730**
Non-current liabilities			
Pension liabilities	5	3 043	2 739
Deferred tax liabilities	11	-	37 053
Other non-current liabilities		1 531	90
Non-current interest bearing debt	18	661 491	296 198
Non-current lease liabilities	8	54 692	82 270
Total non-current liabilities		**720 757**	**418 350**
Current liabilities			
Current interest bearing debt	18	46 288	49 589
Trade and other payables	19	56 919	41 867
Income tax payable	11	4 773	5 566
Current accruals and provisions	20	73 099	50 452
Other current financial liabilities		220	-
Current lease liabilities	8	26 137	81 790
Total current liabilities		**207 437**	**229 264**
Total equity and liabilities		2 105 644	2 059 344

Oslo, 24 April 2025

The Board of Directors of Höegh Autoliners ASA

Leif O. Høegh

Leif O. Høegh,
Chair

Morten W. Høegh,
Deputy Chair

Jan B. Kjærvik,
Board member

Martine Evelyn Vice Holter

Martine Vice Holter,
Board member

Kasper Friis Nilaus

Kasper Friis Nilaus,
Board member

Kjersti Aass

Kjersti Aass,
Board member

Johanna Hagelberg

Johanna Hagelberg,
Board member

Gyrid Skalleberg Ingerø,
Board member

Andreas Enger

Andreas Enger,
CEO

Consolidated statement of changes in equity

(USD 1 000)	Notes	Share capital	Share premium reserve	Other paid-in equity	Retained earnings	Total
Equity 01.01.2023		443 898	289 384	504	329 187	1 062 973
Share bonus program	6	-	-	563	-	563
Dividend		-	-	-	(241 000)	(241 000)
Profit of the period 2023		-	-	-	589 585	589 585
Other comprehensive income 2023		-	-	-	(392)	(392)
Equity 31.12.2023	**16**	**443 898**	**289 384**	**1 067**	**677 380**	**1 411 730**
Share bonus program	6	-	-	560	-	560
Dividend		-	(127 000)	-	(713 995)	(840 995)
Purchase own shares	6	-	-	-	(3 924)	(3 924)
Share bonus program 2021 settlement	6	-	-	(1 396)	(7 384)	(8 779)
Profit of the period 2024		-	-	-	619 509	619 509
Other comprehensive income 2024		-	-	-	(651)	(651)
Equity 31.12.2024	**16**	**443 898**	**162 384**	**232**	**570 935**	**1 177 449**

Consolidated statement of cash flows

(USD 1 000)	Notes	2024	2023
Cash flows from operating activities			
Profit/(loss) before tax		583 929	597 864
Financial (income)/ expenses		29 565	28 651
Share of net income from joint ventures and associates		(1 020)	(735)
Depreciation and amortisation	7/8	131 922	145 565
Gain on sale of tangible assets	7	(52 326)	(35 835)
Tax paid (company income tax, withholding tax)		(6 724)	(5 931)
Cash flows provided by operating activities before changes in working capital		**685 346**	**729 578**
Changes in working capital			
Trade and other receivables	13	(6 797)	5 633
Bunker		3 471	4 384
Prepayments	13	(671)	(1 940)
Other current assets		(4 971)	-
Trade and other payables	19	15 052	4 312
Accruals and provisions	20	22 648	5 976
Other changes to working capital		(6 414)	(1 687)
Net cash flows provided by operating activities		**707 663**	**746 256**
Cash flows from investing activities			
Proceeds from sale of tangible assets	7	119 840	62 483
Investment in vessels and other tangible assets	7	(416 907)	(178 210)
Investments in joint ventures and associates		693	838
Interest received		16 039	12 211
Net cash flows used in investing activities		**(280 335)**	**(102 678)**
Cash flows from financing activities			
Proceeds from issue of debt		399 320	130 000
Repayment of debt	14/15/18	(46 292)	(51 228)
Repayment of lease liabilities	8/14/15	(130 875)	(161 022)
Interest paid on mortgage debt		(31 709)	(26 824)
Interest paid on lease liabilities		(10 874)	(15 368)
Other financial items		(11 253)	(3 380)
Purchase of own shares		(3 924)	-
Dividend to shareholders		(840 995)	(241 000)
Net cash flows used in financing activities		**(676 602)**	**(368 821)**
Net change in cash and cash equivalents		**(249 274)**	**274 757**
Cash and cash equivalents beginning of period		458 333	183 940
Exchange differences in cash and cash equivalents		(1 193)	(364)
Cash and cash equivalents end of period	14	**207 866**	**458 333**
Non restricted cash, 31.12		200 271	457 299
Restricted cash, 31.12	14	7 595	1 033
Cash and cash equivalents end of period	14	**207 866**	**458 333**

Consolidated Financial Statements

Notes 2024

Basis of preparation

CORPORATE INFORMATION
Höegh Autoliners ASA (the “Company”) is a public limited liability company domiciled in Norway. The Company is listed on the Oslo Stock Exchange. The address of the Company’s registered office is Drammensveien 134, N-0277 Oslo, Norway. The consolidated financial statements of the Company for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and can be obtained at this address. 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.

STATEMENT OF COMPLIANCE
The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the European Union (EU) (“IFRS”). Höegh Autoliners also provides additional disclosures in accordance with requirements in the Norwegian Accounting Act.

The consolidated financial statements were authorised for issue by the Board of Directors on 24 April 2025.

BASIS OF CONSOLIDATION
The consolidated financial statements include Höegh Autoliners ASA and its subsidiaries. Subsidiaries are all companies where the Group has a controlling interest. A controlling interest is where the Group has the power to govern the financial and operating policies. This is usually achieved when the Group owns, either directly or indirectly, more than 50% of the shares in the company, or through agreements, are able to exercise control over the company. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases. Subsidiaries’ accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

FUNCTIONAL AND PRESENTATION CURRENCY
The Group’s presentation currency is USD. This is also the functional currency of the parent company and all significant companies in the Group. All financial information presented in USD has been rounded to the nearest thousands, except when otherwise indicated.

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 comprehensive 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.

SEGMENT REPORTING
The Group has two operating segments, Shipping services and Logistics services. The Logistics segment represents around 0.5% 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 periods ended 31 December 2024 and 31 December 2023, and has reported information as one combined segment.

CLASSIFICATION OF ITEMS IN THE BALANCE SHEET
Current assets and liabilities include items that fall due within one year after the balance sheet date, such as cash or cash equivalents, and items expected to be sold or consumed in the normal operating cycle. 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 fixed assets.

MATERIAL ACCOUNTING POLICIES
Accounting policies according to the list below are included in the relevant notes to the Consolidated Financial Statements:

Revenue recognition	Note 2
Voyage expenses	Note 3
Employee benefits	Note 5
Vessels, newbuildings and equipment	Note 7
Leases	Note 8
Taxes	Note 11
Financial instruments	Note 15
Share information and earnings per share	Note 16
Provisions	Note 20
Contingent liabilities	Note 22
Investments in associates	Note 24

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Group has not implemented any new accounting standards or otherwise made any changes to accounting policies during 2024. Group's consolidated financial statements.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 18 Presentation and Disclosure in Financial Statement

IFRS 18 will replace IAS 1 Presentation of Financial Statements. IFRS 18 applies for annual reporting periods beginning on or after 1 January 2027. IFRS 18 introduces new requirements for presentation of line items and subtotals in the income statement, following a structure with five defined categories in the income statement, which are operating, investing, financing, income tax, and discontinued operations. Although recognition and measurement of income and expenses will not be changed, the standard introduces mandatory presentation requirements which will lead to changes in reported subtotals compared to the structure currently presented.

IFRS 18 further enhances the guidance on how to group information in the financial statements, relevant both for the primary statements and for notes. The standard also requires the defined operating profit subtotal as the starting point for the analysis of cash flows from operating activities in the indirect method and specifies mandatory classification of cash inflows from interest and dividend received in the investing category, and classification of interest paid in the financing category.

Further, IFRS 18 introduces definition of, and disclosure requirements for, management-defined performance measures (MPMs), a set of financial measures that are partly overlapping with alternative performance measures (APMs) which are currently disclosed and reconciled outside the financial statements. IFRS 18 requires MPMs to be disclosed, defined and reconciled in a note to the financial statements.

Höegh Autoliners has started the process of assessing the impact of IFRS 18, in particular the impact on the structure of the income statement and the statement of cash flows. This includes how information is classified and grouped in the income statement. Höegh Autoliners is also considering which MPMs to present in the future, and how they will be defined and presented.

Note 1 – Key sources of estimation uncertainty, judgments and assumptions

1.1 GENERAL

Preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting principles and reported amounts of assets and liabilities, revenues and expenses and accompanying disclosures. The estimates are based on management's best knowledge of available information at the time the financial statements are approved. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets and liabilities, affected in future periods. Changes in accounting estimates are recognised in the period the changes occur. When changes to estimates also affect future periods, the effect is distributed between the current and future periods.

1.2 KEY SOURCES OF ESTIMATION UNCERTAINTIES AND ASSUMPTIONS

Residual value and remaining lifetime on assets
According to IAS 16, the Group is required to evaluate the estimate for residual value and useful remaining lifetime of its vessels on a yearly basis. For further disclosures, see Note 7.

1.3 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The following judgements have the most significant effect on the amounts recognised in the consolidated financial statements.

Determining the lease term of contracts with renewal and termination options – Group as a lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. For further disclosures, see Note 8.

Impairment of assets
The Group considers whether there are indicators of impairment. If indicators of impairment are present, the recoverable amount is estimated. The recoverable amount for the Group's main assets, vessels, is the higher of vessel-values provided by brokers and net present value of expected cash flows, based on the long-term forecasts discounted by the Group's WACC. For further disclosures, see Note 7.

1.4 OTHER KEY FACTORS

Climate change/risk
Climate risk has evolved over the past decade to become an important consideration within the Group's overall financial risk management. We see climate-related risks over the short, medium and long-term that might be of material concern for both the Group and its stakeholders. Climate change interacts with the Group's business by physically changing the environment we operate in and creating transition risks that the Group must build resilience against. As for any sustainability topic considered to be material, the Group's approach is transparency through its reporting and communication. For more details on sustainability topics, see Sustainability Statements section in this report.

Aligned with the Task Force on Climate-Related Financial Disclosures (TCFD), the Group has, through a process of identifying, assessing and prioritising its climate-related risks and opportunities, conducted a climate risk analysis informed by different temperature scenarios. Höegh Autoliners faces significant risks and opportunities linked to climate change and governmental actions to reduce greenhouse gas (GHG) emissions and create low-carbon and climate-resilient economies. These risks and opportunities are integrated in the Group's risk management and strategy processes and embedded in the governance structures.

As a global shipping company, the Company is operating within a sector contributing significantly to global CO2 emissions. The Company has clear targets when it comes to the decarbonisation of our own operations, with a target of reducing our carbon intensity by more than 30 percent by 2030 from a 2019 level, and to be net zero in own operations by 2040. Höegh Autoliners acknowledge that climate change, including the actions and measures taken by regulatory institutions and industry participants may impose a significant financial impact on our business. The future emission and environmental regulations are necessary for the maritime industry to reduce its carbon footprint. Non-compliance with these regulations may lead to fines or even non-approval of documentation of compliance. While there are still uncertainties around future environmental regulations, carbon taxes for shipping within the EU have been implemented, as shipping was phased into the EU Emission Trading System (EU ETS) from 2024. This will increase operational cost for Höegh Autoliners if the Company fails to recoup the cost from its customers.

In preparing these consolidated financial statements the Company has considered the impact of both physical and transition climate change risks as well as our plans to mitigate against those risks on the current valuation of our assets and liabilities. The impact of climate change to these consolidated financial statements is based on Höegh Autoliners' current understanding based on the status of the work done so far.

Climate risk and impairment test and useful lives

Factors that were considered for the impairment test for vessels have included an analysis of which measures will be necessary to achieve GHG emissions reduction targets. It is expected that decarbonisation measures will contain activities that have a greater degree of uncertainty than a traditional maintenance and upgrade program for the vessels, and thereby the cash flow effects related to such activities. We are continuously working with our long-term efforts to improve our energy efficiency. Energy efficiency improvements won't decarbonise shipping operations alone but combined with a transition of our fleet and adaptation of alternative fuels, our decarbonisation targets are achievable. In order to meet IMO's 2030 carbon intensity target, its annual operational carbon intensity indicator (CII) targets and the coming FuelEU Maritime regulations, improved energy efficiency will be important. Höegh Autoliners can comply with these regulations by either running on low/zero-carbon fuels, reduce operational speed, implement fuel saving measures or renew its fleet. Reaching the Group's net-zero target in own operations by 2040 implies a significant transition of the current fleet, including additions of zero-carbon ready vessels, and disposal of legacy tonnage. In case of decision to sell a vessel, useful life and residual value will be updated. However, this is not expected to have any material effect on depreciations. With the delivery of the new Aurora class vessels, with its cutting edge design, Höegh's fleet will be in a very good position to meet the above mentioned regulations.

From 1 January 2024, the EU's Emissions Trading System (EU ETS) was extended to cover CO2 emissions from all large ships (of 5 000 gross tonnage and above) entering EU ports, regardless of the flag they fly. This system is an emissions cap-and-trade system where the cap is a threshold which defines the total amount of greenhouse gases that can be emitted by an operator. It is reduced annually, at fixed intervals, in line with EU's climate target. The cap is expressed in emission allowances, where one allowance gives the right to emit one tonne of CO2eq (carbon dioxide equivalent). Operators are not allowed to generate more greenhouse gas emissions than their allowances can cover. If they do, heavy fines will be imposed. Shipping companies will have to purchase and surrender (use) EU ETS emissions allowances for each tonne of reported CO2 (or CO2 equivalent) emissions in the scope of the EU ETS system.

Companies covered by the EU ETS must surrender (use) their allowances corresponding to their emissions within 30 September the following year. Emission allowances are auctioned, and companies can buy and sell them through secondary markets.

The Group has included costs related to EU ETS allowances and fuel efficiency measures in the impairment model. The transition to a low-carbon economy can also affect future revenue for the Group's vessels, however due to the limited knowledge available for the future cash flow effects on revenue, the impairment test has not included any potential effect on future income cash flow.

The Group has reviewed that the growth rates and projected cash flows, used in assessing whether the vessels are impaired, are consistent with the climate-related risk assumptions and the actions the Group is taking to mitigate against those risks.

The Group seeks to maximise each vessels value across its operational life. Given the climate change transition risks, the useful lives of property, plant and equipment, including vessels, are appropriate given the potential physical and obsolescence risks associated with climate change and the actions the Group is taking to mitigate against those risks and the targets that the Group set for 2040.

As of year-end 2024, Höegh Autoliners has not identified any stranded assets or changes to useful lives for material assets, however external factors such as changes in demand from customers and other stakeholders, may impact this.

Our disclosures on climate-related risks are based on various scenarios for the years 2030 and 2040. On the basis of these reviews, we have not identified any significant impact from climate-related risks on the Group's going concern assessment nor the viability of the Group for the next 12 months following the balance sheet date.

Reference is made to note 7 Vessels, newbuildings and equipment for further information on assumptions used for impairment and useful lives. For more information on climate related risks and opportunities, see the Sustainability statements in this report.

Note 2 — Total revenues

ACCOUNTING POLICIES

Höegh Autoliners provides RoRo transportation on deep sea and short sea markets as well as terminal related services. The Group also hires out some of its vessels on a time charter (TC) basis when necessary. The Group has the following major revenue streams:

- Voyage revenue
- Terminal related revenue

Revenues from shipping activities are recognised when the control of goods or services agreed in the contract has been transferred to the customer (satisfaction of performance obligation). Revenues are measured at the fair value of the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected by third parties.

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations. For the Group, a contract with a customer is defined as the Bill of Lading document. Most of the services the Group provides are invoiced upon the issuance of the Bill of Lading.

Each customer contract could initiate recognition of contract assets and liabilities. Historically, the Group has applied terms as deferred (accrued) income and prepayments to capture the information included in the term contract liabilities. The same is the case with other receivables to capture the information included in the term contract assets. Disclosures with regards to contract balances are presented below. The main contract liability for the Group is deferred (accrued) income where the Group has yet to perform the freight service for future periods (remaining voyage) but has received payment (or the payment is due) from the customers in excess of revenue recognised.

Voyage revenues (Freight revenues)
All voyage revenue is recognised in accordance with IFRS 15 by estimating the total income for a vessel on a voyage. All estimates are based on regular updates based on the progress of each voyage and the revenue is recognized over time on the basis of progress on fulfillment, as the customer is receiving and consuming the benefits of the transport services as the Group performs. The measure of progress is the number of days incurred compared to estimated total days for the applicable voyage. The voyage revenues measured at year-end give a faithful depiction of the transfer of services.

Terminal related revenues
The performance obligation for terminal related services is satisfied at the point in time when the service delivery is complete, and revenue is recognised at this time.

Total revenues, cash flow and contract balances from contracts with customers have been disaggregated into category of services and presented in the tables below. Around 80% of the revenues are from contracts, where the average remaining duration is 3.5 years. The contracts have fixed rates, with varying degrees of projected or committed volumes from the customers.

Category of services (USD 1 000)	Income statement 2024	Cash flow 2024	Income statement 2023	Cash flow 2023
Net freight revenues	1 181 738		1 242 701	
Other surcharges	188 680		199 389	
Freight revenues	**1 370 418**	**1 363 620**	**1 442 090**	**1 447 723**
Terminal related revenues	410	410	3 985	3 985
Total revenues	**1 370 828**	**1 364 030**	**1 446 075**	**1 451 708**
Other income	-	-	-	-
Total income	**1 370 828**	**1 364 030**	**1 446 075**	**1 451 708**

Other surcharges are primarily bunker surcharges, and surcharges related to handling of cargo.

(USD 1 000)	Notes	31.12.2024	31.12.2023
Freight receivables in Ro/Ro operations		172 396	153 471
Unearned freight income		89 412	75 563
Net freight receivables in Ro/Ro operations	**13**	**82 985**	**77 908**
Freight receivables in Other operations		2 094	2 489
Net freight receivables in Other operations	**13**	**2 094**	**2 489**

The Group receives payments from customers according to agreed payment terms. Freight receivables are non-interest bearing and are generally on terms of 30 to 90 days. Due to the nature of the Group's services, where the customers are invoiced at the beginning of the voyage, there are no material contract assets at year-end.

Parts of deferred freight income at year-end represents a contract liability for those situations where the Group has yet to perform the freight service for future periods (remaining voyage), but has received payment (or the amount is due) from the customers in excess of revenue recognised. Amounts included in the deferred income at year-end, are recognised as revenue when the Group performs under the contracts, normally within the next few months, as the average voyage is around 50 days. Under the payment terms generally applicable to the Group's revenue generating activities, prepayments are received only to a limited extent.

Note 3 – Bunker, voyage and charter hire expenses

Voyage expenses

Voyage expenses are variable costs relating to vessel operation and transshipment. The activity in 2024 with less vessels in operation and fewer port calls have decreased total voyage expenses. There has been a reduction in canal cost mainly due to the stop in Red Sea transits and the use of the Suez canal.

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 2024 compared to 2023.

Bunker expenses (USD 1 000)	2024	2023
Total bunker consumption (1 000 mt)	355	354
Average price (USD/mt)	665	683
Total	**236 124**	**241 937**

Voyage expenses (USD 1 000)	2024	2023
Loading	53 551	62 566
Discharging	61 694	69 368
Port cost	64 397	61 068
Canal cost	33 357	57 168
Transhipment	25 404	21 571
Claims and insurance	2 734	2 458
Equipment	6 689	1 491
Commission*	43 215	44 863
Terminal	406	3 393
Other	20 980	16 091
Total	**312 426**	**340 037**

** Including administrative expenses related to regional and local offices.*

Charter hire expenses (USD 1 000)	2024	2023
Charter hire and space charter expenses on short-term time charter contracts	5 666	9 480
Total	**5 666**	**9 480**

Note 4 — Running expenses

Running expenses are the costs of managing the vessel, including crew wages, management fees, insurance, spares, repairs and maintenance.

(USD 1 000)	2024	2023
Sea personnel expenses	43 678	42 583
Spares, Repair & Maintenance	19 634	20 666
Consumables	13 372	13 280
Insurance	13 010	12 393
Ship management other	11 807	11 155
Total	**101 502**	**100 076**

Note 5 — Administrative expenses, pensions and other long-term employee benefits

Administrative expenses (USD 1 000)	2024	2023
Salaries	10 888	10 078
Payroll taxes	1 741	1 477
Pension expenses	547	331
Office expenses	7 746	5 695
Other administrative expenses	2 117	1 454
Total	**23 040**	**19 035**

Administrative expenses

Salaries to office personnel and other office and administrative expenses related to Head office are presented as “Administrative expenses”. Administrative expenses related to Regional and Local offices are presented as “Voyage expenses”, see note 3. Total salaries for head office, regional and local offices amount to USD 30.2 million (2023: USD 26 million).

Number of employees	2024	2023
Office	469	410
Sea personnel *	1 212	1 168
Total	**1 681**	**1 578**

** Salary to sea personnel is presented as “Running expenses”. For further information see Note 4.*

Auditor's fee (USD 1 000)	2024	2023
Statutory audit	530	457
Assurance services and other audit related services	319	115
Tax services	12	7
Other services	29	186
Total	**890**	**765**

Amounts excluded value added tax.

For details on remuneration to executive management and board of directors, see Remuneration report published on our website.

Pensions and other long-term employee benefits

Accounting policies

Pensions
The Group provides defined contribution plans, defined benefit plans and other post-employment benefits. The contribution plans comprise plans whereby the Group makes annual contributions to the employees' pension plan, which is the expense for the period. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold enough assets to pay all employees the benefits relating to employee service in the current and prior period. Contributions to the plan are expensed as pension costs. Norwegian employers are obliged to have an occupational pension scheme for their employees under the Act on Mandatory occupational pension. The Group is in compliance with these regulations. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, dependent on a set of assumptions. The Group has no significant benefit plans or other post-employment benefits.

Share bonus program
The Group has a long-term incentive plan which is a share bonus program for key personnel. Under the program key personnel are granted award shares that will be converted to shares based on certain conditions being fulfilled. The costs related to the program will be expensed over the vesting period of 36 months and recognised as salary expense with a corresponding entry to equity. For more information about the share bonus program, see Note 6.

The following tables summarise the components of expenses recognised in the statement of comprehensive income and the liabilities recognised in the statement of financial position for the significant plans in the Group.

Pension expenses (USD 1 000)	2024	2023
Norway		
Defined contribution plan	*615*	*400*
Total Norway	**615**	**400**
Other countries	**1 077**	**1 107**
Total pension expenses*	**1 693**	**1 507**

** Of the total pension expenses USD 0.6 million (2023: USD 0.4 million) is reported as administrative expenses, the remaining is reported as voyage expenses.*

Net pension liabilities (USD 1 000)	31.12.2024	31.12.2023
Norway	57	93
Other countries	2 986	2 646
Total net pension pension liability	**3 043**	**2 739**

Note 6 — Share bonus program

A share bonus program was introduced for certain key employees in November 2021, to promote the long-term growth and profitability of the Company by providing an opportunity to acquire an ownership interest in the Company. The program is a share bonus scheme where award shares are assigned on certain terms and conditions, and after a vesting period of three years, will be converted to shares in the Company. Award shares are assigned annually at the Board's discretion.

The share bonus program is subject to continued employment and the granted shares are subject to a lock-up period of two years following the end of the vesting period.

The award share gives the employee no rights whatsoever and the award share has no value. The award share is used in the award calculation method for determining the amount of bonus shares which shall be granted to the employee after the award shares have vested. The calculation of bonus shares is based on the difference between the share price at the award date and the share price at the vesting date, adjusted for any dividend payment in the period between award date and vesting date. The fair value of the award shares is estimated by using the Black Scholes option price model.

The first award was granted in 2021. The total fair value of the 2021 award shares was calculated to be USD 1.4 million at the award date, which is expensed over the vesting period of three years. For 2022, the share bonus program gave an income statement effect of USD 465 thousand related to the expense of the 2021 award shares.

On 20 December 2022, a second award under the share bonus program was granted. In the calculation of the fair value of these award shares, the closing share price at the award date was NOK 63.60 and the strike price was NOK 61.32, calculated as an average of the share price the last 5 trading days before the award date. The volatility was based on three years historical volatility (56%) at peer with a dividend yield of 7%. The total fair value of the 2022 award shares was calculated to be USD 0.3 million at the award date, which will be expensed over the vesting period of three years, starting from January 2023.

On 13 December 2023, a third award under the share bonus program was granted. In the calculation of the fair value of these award shares, the closing share price at the award date was NOK 86.30 and the strike price was NOK 89.10, calculated as an average of the share price the last 5 trading days before the award date. The volatility was based on three years historical volatility (46%) at peer with a dividend yield of 19%. The total fair value of the 2023 award shares has been calculated to be USD 0.05 million at the award date, which will be expensed over the vesting period of three years, starting from January 2024. For 2023, the share bonus program gave an income statement effect of USD 465 thousand related to the expense of the 2021 award shares and USD 98 thousand related to the 2022 award shares, a total of USD 563 thousand.

On 25 November 2024, the 2021 award vested and the award shares were converted to shares. To meet the obligations from the share bonus program, the Company purchased 330 000 own shares, where a total of 326 348 shares were delivered to the participants. The settlement of the 2021 award was accounted for as an equity transaction, with no income statement effect. The total equity effect of the settlement was USD 12.7 million in reduced equity, including the purchase of own shares.

On 9 December 2024, a fourth award under the share bonus program was granted. In the calculation of the fair value of these award shares, the closing share price at the award date was NOK 129.80 and the strike price was NOK 128.85, calculated as an average of the share price the last 5 trading days before the award date. The volatility was based on three years historical volatility (52%) with a dividend yield of 22.11%. The total fair value of the 2024 award shares has been calculated to be USD 0.155 million at the award date, which will be expensed over the vesting period of three years, starting from January 2025.

For 2024, the share bonus program gave an income statement effect of USD 426 thousand related to the expense of the 2021 award shares, USD 98 thousand related to the 2022 award shares and USD 35 thousand related to the 2023 award, a total of USD 560 thousand.

The following table shows the number of award shares issued under the Share bonus program, the number of award shares outstanding as at 31 December 2024 and the year in which the award shares will vest.

Note 6 — Share bonus program

Share bonus program (USD 1 000)	2021	2022	2023	2024
Outstanding at beginning of period	-	1 038 317	1 131 759	1 213 828
Awarded during the period	1 038 317	93 442	82 069	133 501
Exercised during the period	-	-	-	(1 038 317)
Outstanding at end of period	**1 038 317**	**1 131 759**	**1 213 828**	**309 012**
Vesting date				
29 November 2024	1 038 317	-	-	-
20 December 2025	-	93 442	-	-
13 December 2026	-	-	82 069	-
9 December 2027	-	-	-	133 501
Outstanding at end of period	**1 038 317**	**93 442**	**82 069**	**133 501**

Costs share bonus program (USD 1 000)	2024	2023	2022
2024 award	-	-	-
2023 award	35	-	-
2022 award	98	98	-
2021 award	426	465	465
Total cost	**560**	**563**	**465**

Note 7 — Vessels, newbuildings, equipment and right-of-use assets

ACCOUNTING POLICIES

Vessels, newbuildings and equipment
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 borrowing costs, construction supervision costs and technical costs. For vessels 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 comprehensive income.

Vessels
The depreciation is calculated on a straight-line basis and adjusted for impairment if applicable. The RoRo vessels have an expected useful life of 30 years. Vessels are depreciated to estimated scrap value. Expected economic life and estimated scrap values 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 to vessels and are subject to depreciation. The acquisition cost includes direct investments, cost incurred during the construction period and borrowing cost. Borrowing costs are capitalised during the construction period.

Assets held for sale
Assets are held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and their fair value less cost of sale. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Equipment
Depreciation is calculated on a straight-line basis with the following estimated useful life:
- Vessel equipment 10 years
- Office equipment 3-5 years
- Vehicles 5 years
- IT-system 10-15 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 have been impaired. If the carrying amount of an asset is higher than the recoverable amount, an impairment loss will be recognised in the statement of comprehensive 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 not possible, this will be determined together with the cash-generating unit to which the asset belongs. All vessels participating in the Group’s RoRo operations are considered part of a single cash-generating unit as this is the smallest strategically identifiable group of assets.

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 exceed the carrying value recognised if no impairment charges had been recognised in prior periods and normal depreciation and amortisation policies had been applied.

2024 (USD 1 000)	Vessels	Newbuilding & Projects *	Equipment	Right-of-use Assets	Total
Cost at 01.01	2 117 067	269 853	25 771	312 919	2 725 610
Additions	90 960	405 060	799	10 542	507 361
Transfer from newbuilding and projects	462 730	(463 450)	720	-	-
Newbuilding interest	-	18 293	-	-	18 293
Remeasured leases	-	-	-	37 134	37 134
Disposals	(187 055)	(382)	(928)	(137 591)	(325 956)
Cost at 31.12	**2 483 703**	**229 374**	**26 362**	**223 003**	**2 962 441**
Accumulated depreciation and impairment at 01.01	(1 084 568)	-	(11 858)	(170 703)	(1 267 130)
Depreciation	(89 081)	-	(2 971)	(39 869)	(131 922)
Disposals	120 010	-	840	57 648	178 498
Accumulated depreciation and impairment at 31.12	**(1 053 639)**	**-**	**(13 990)**	**(152 924)**	**(1 220 553)**
Net carrying amount at 31.12	**1 430 064**	**229 374**	**12 372**	**70 079**	**1 741 888**
Book value sold assets	67 044	382	88		67 514
Sales price	119 738	-	102		119 840
Gain / (loss)	**52 693**	**(382)**	**14**		**52 326**

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

The vessels Höegh Jacksonville and Höegh Jeddah were purchased during 2024, reflected above as disposal of right-of-use asset, and addition to vessels. Höegh Aurora, Höegh Borealis, Höegh Australis and Höegh Sunlight were delivered from the yard in 2024, and have been transferred from newbuildings to vessels. The vessels Höegh Kobe and Höegh Chiba have been sold during 2024. Of total additions of USD 507 million, USD 11 million relates to right-of-use assets and is non-cash, and USD 80 million relates to purchase options for leased vessels and is presented as payment of lease liabilities in the statement of cash flows.

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

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

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

Additions
Out of total additions to vessels of USD 554 million (USD 162 million in 2023), USD 25 million (USD 15 million in 2023) is related to capitalised drydocking costs. The purchases of the vessels Höegh Jacksonville and Höegh Jeddah amount to USD 80 million.

Disposals
Two vessels were disposed of in 2024 (one in 2023), Höegh Kobe and Höegh Chiba.

Assets held for sale
No vessel has been classified as held for sale at 31 December 2023 and 31 December 2024.

Depreciation
The residual value and useful lifetime of the fleet is evaluated yearly. The residual values have been increased during 2024.

Charter Out
Per year-end 2024 the Group has none of its vessels chartered out (none in 2023).

The Group is expecting to receive no charter hire income in the years 2025-2029.

Charter In
Per year-end 2024 the Group has three vessels chartered in on time charter contracts (three in 2023). In addition, the Group has one vessel on bareboat charter (three in 2023). The contract lengths are up to 11 years. Leased vessels are from 2019 recognised according to IFRS 16 Leases, see note 8 for further information on right-of-use assets.

Impairment / Reversal of impairment

Fleet
All Ro-Ro vessels in the Group operate in one cash generating unit with the purpose of maximising profit as a total. The impairment assessment is therefore based on the value in use principle for all the vessels in operation, and not vessel-by-vessel. The pool (cash generating unit) includes leased vessels and hence the impairment assessment also apply to these. See Note 8 for further details on right-of-use assets.

Improved market conditions, in combination with a tight capacity market, were the main drivers for the rising market values for vessels back in 2021. The market values increased more than 20% through 2021, and this continued also in 2022 and 2023. The market values were stable during the first half of 2024, however towards the end of 2024, the market values decreased some compared to 2023. The market values of the fleet are still considerably higher than the book values.

The strong market values of the vessels in 2024, together with the expected futher positive development in freight rates and volumes the next few years, support the assessment that no impairment indicators exist at year-end 2024.

Right-of-use assets
For further information on right-of-use assets, see Note 8 Leases and Note 15 for liquidity analysis.

Newbuildings
In January 2022, the Group signed a contract with China Merchants Heavy Industry for four fixed and eight optional multi-fuel and zero carbon ready Aurora class vessels. In April 2022, a contract for further four vessels was signed. In July 2023, the Group exercised the option to build another four Aurora class vessels. This brings the number of total vessels under the newbuilding program to twelve (12) vessels. The Group has an option to build another four vessels (vessels 13-16). The contract for twelve fixed vessels has a total value of USD 1.2 billion, of which USD 943 million is financed by loans and leases and the remaining USD 284 million from equity. As of 31 December 2024 a total of USD 273 million has been paid of the equity part. Four vessels have been delivered from the yard during 2024. The Group expects two vessels to be delivered every six months through 2027.

Equipment
Equipment consists of vessel equipment, cars, office furniture and IT equipment.

Note 8 — Leases

Accounting policies

Leases

A lease is defined as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For all leases where the Group is a lessee, a right-of-use asset and lease liability is recognised in the balance sheet at the date at which the leased asset is available for use by the Group. The lease liability is measured as the present value of future lease payments, including extension options considered reasonably certain to be exercised. When deciding on whether the Group is reasonably certain to exercise options, all facts and circumstances are taken into consideration. Extension and termination options are included in a number of vessels, property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the options are held only by the Group and not by the lessor.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for all leases in the Group, the Group's incremental borrowing rate is used. A corresponding right-of-use asset is recognised including lease payments and any direct costs incurred at the commencement date. Lease payments are reflected as interest expense and a reduction in lease liabilities. The right-of-use assets are depreciated over the shorter of each contract's term and the assets' useful life.

Only short-term leases (lease term of 12 months or less and do not include a purchase option) and leases of low value assets are exempted from recognition. Low value assets comprise smaller IT and office equipment. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Contracts may contain both lease and non-lease components. However, for non-lease components that are not specified in the lease contract, the Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. This applies for time charter leases where the lease payment includes running expenses which are not specified. All other non-lease components are accounted for separately.

A sub-lease agreement is evaluated with reference to the right-of-use asset in the head lease.

Right-of-use assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Group leases offices, vessels and different machinery. The office leases typically run for 5-10 years, most of them without any options to extend. Some leases are adjusted based on consumer price indexes annually. The vessel leases are in general for periods up to 11 years, and no vessels have options to extend at 31.12.2024. Leased machinery is roll trailers used for loading and discharging of cargo, and typically run for 5 years with no extension options. Included in Other is trucks and forklifts, with lease periods of 3-5 years. The Group leases IT and office equipment with contract terms of one to three years. These leases are short-term and/or leases of low value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

For information on leases where the Group is a lessor, see Charter out section in Note 7.

Amounts recognised in the balance sheet

The balance sheet shows the following amounts related to leases:

Right-of-use assets (USD 1 000)	31.12.2024	31.12.2023
Premises	15 934	8 282
Vessels	49 254	125 531
Machinery	4 891	8 355
Other	-	48
Total	**70 079**	**142 216**

Lease liabilities (USD 1 000)	31.12.2024	31.12.2023
Non-current	54 692	82 270
Current	26 137	81 790
Total	**80 829**	**164 060**

The additions to the right-of-use assets in 2024 were USD 10.5 million (2023: USD 5.6 million), mainly related to new office leases. Further USD 37 million (2023: USD 28 million) were added to right-of-use assets from remeasurements of existing leases, of which USD 11 million relate to option to extend the lease of one vessel, and USD 26 million is from the decision to exercise purchase option for the vessel Höegh Jeddah. Two leased vessels, Höegh Jacksonville and Höegh Jeddah, were purchased during 2024. There were no other disposals of right-of-use assets in 2024, apart from expired leases related to offices and machinery.

Amounts recognised in profit / (loss) (USD 1 000)	2024	2023
Depreciation charges for right-of-use assets:		
- Premises	3 086	3 107
- Vessels	33 271	43 556
- Machinery	3 464	4 963
- Other	48	116
Total depreciation charges for right-of-use assets	**39 869**	**51 743**
Interest on lease liabilities	10 874	15 368
Expenses relating to short-term leases	7 218	9 733
Expenses relating to leases of low-value	80	75

The total cash outflow for leases in 2024 was USD 141.7 million, including USD 11 million in interest (2023: USD 176.4 million, including USD 15 million in interest), and includes the purchase price for the two leased vessels purchased in 2024 (three leased vessels purchased in 2023).

See Note 15 for reconciliation of liabilities arising from financial activities.

The lease agreements do not impose any covenants. Right-of-use assets may not be used as security for borrowing purposes.The Group can not draw any debt on right-of-use assets. The Group has limited exposure to variable lease payments, other than change in SOFR rate. The potential future lease payments should the Group exercise extension options, would increase the lease liabilities with USD 3 million (2023: USD 12 million). The Group has not provided any residual value guarantees related to its lease agreements.

Note 9 — Interest income and expenses

Interest income (USD 1 000)	2024	2023
Interest income from banks	16 028	11 666
Other interest income	20	552
Total	**16 048**	**12 218**

Interest expense (USD 1 000)	2024	2023
Interest mortgage debt	32 868	27 085
Capitalised interest on newbuildings	(18 293)	(9 114)
Interest on lease liabilities*	10 874	15 368
Other interest expenses	1 301	-
Total	**26 750**	**33 338**

** For further details on interest on lease liabilities, see Note 8.*

Note 10 — Other financial items

Income from other financial items (USD 1 000)	2024	2023
Other financial items*	611	196
Total	**611**	**196**

Expenses from other financial items (USD 1 000)	2024	2023
Loss on currency exchange	3 769	1 665
Debt modification loss**	11 029	-
Other financial items*	4 677	6 062
Total	**19 474**	**7 727**

* *Income from other financial items in 2024 and 2023 mainly relate to remeasurement of lease liabilities. Expenses from other financial items for 2023 consist mainly of commitment fees and amortisation of debt modification gain from 2022.*

** *The debt modification loss is related to the refinancing in March 2024, where the modifications to the debt were accounted for as an adjustment to the existing liability. The liability was restated to the net present value of the revised cashflows discounted at the original effective interest rate. See note 18.*

Note 11 — Tax

Accounting policies

Income tax

The current tax charge is calculated on the basis of the tax laws enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Taxes payable with long-term maturity are recognised at present value. The tax expense consists of taxes payable and changes in deferred tax.

Tax assets and liabilities for the current and prior periods are calculated to the amount expected to be reimbursed from or paid to the tax authorities. Tax rates and tax laws used to compute the amount are those that are approved at the balance sheet date.

Deferred tax is calculated on temporary differences between tax and accounting values of assets and liabilities that exist at the balance sheet date. Deferred taxes are recognised using the liability method in accordance with IAS 12. Deferred tax assets are recognised for all deductible temporary differences, unused tax credits carried forward and unused tax losses carried forward to the extent it is probable that future taxable profits may be used against deductible temporary differences and unused tax losses carried forward. Deferred tax assets and deferred tax liabilities are offset, if the entity has a legal enforceable right to offset against the carrying amounts, and the deferred tax is related to the same taxable unit and the same tax jurisdiction.

Current tonnage tax scheme

Höegh Autoliners Shipping AS, Höegh Autoliners Shipping II AS, Höegh Autoliners Shipping 269-3 AS, Höegh Autoliners Shipping 269-4 AS, Höegh Autoliners 269-7 AS, Höegh Autoliners Shipping 269-8 AS, Höegh Autoliners Shipping 269-9 AS, Höegh Autoliners Shipping 269-10 AS, Höegh Autoliners Shipping 269-11 AS and Höegh Autoliners Shipping 269-12 AS, are all subject to the Norwegian tonnage tax scheme. The scheme is approved by the ESA (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. Höegh Autoliners Shipping Pte Ltd is taxed under a tonnage tax scheme in Singapore where shipping-related earnings are tax-free.

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.

Pillar Two rules

The Group is in the scope of the OECD Pillar Two model rules. The Group applies the mandatory relief from recognizing deferred tax related to Pillar Two income taxes.

Ordinary taxation
All the Norwegian companies within the Group, with the exception of the shipowning entities, are subject to 22 % Norwegian company tax. From 1 January 2025 the corporate tax rate remains at 22%.

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 (USD 0.4 million in 2023) and is classified under other operating expenses.

Singapore tax scheme
Höegh Autoliners Shipping Pte. Ltd is taxed under a tonnage tax scheme in Singapore where shipping related earnings are tax free, with exception of interest that are subject to 7% witholding tax.

Income tax for the year (USD 1 000)	2024	2023
Current tax	(4 864)	(5 426)
Tax in subsidiaries outside Norway	(1 141)	(2 261)
Change in deferred tax	40 284	(1 479)
Currency effect on deferred tax and adjustments previous periods	1 301	888
Tax (expense) / income	**35 580**	**(8 278)**

Reconciliation of actual tax expense against expected tax expense in accordance with the ordinary Norwegian income tax rate of 22%	2024	2023
Profit before tax	583 929	597 864
Estimated tax at 22% income tax rate	(128 464)	(131 530)
Tax effect of non taxable income within the tonnage tax scheme in Norway and Singapore	135 826	131 843
Other tax payable	(1 092)	(2 418)
Permanent differences / deferred tax assets not recognised	29 310	(6 173)
Tax (expense) / income	**35 580**	**(8 278)**
Effective tax rate for the Group	-6%	1%

Income tax payable (USD 1 000)	31.12.2024	31.12.2023
Tonnage tax	361	378
Current tax for the year	4 412	5 188
Tax payable (maturity within 1 year)	**4 773**	**5 566**

Note 11 — Tax *cont.*

Deferred tax assets (liabilities) (USD 1 000)	31.12.2024	31.12.2023
Fixed assets	(24)	105
Non-current debt / receivables	4 440	(37 290)
Pension liabilities *	168	132
Loss carried forward	-	-
Deferred tax assets (liabilities)	**4 584**	**(37 053)**
Deferred tax assets subsidiaries outside Norway	832	864
Total	**5 417**	**(36 189)**

** For further information see Note 6.*

	31.12.2024	31.12.2023
Deferred tax assets / (liabilities) at 01.01.	(36 189)	(35 663)
Charged to the income statement	41 585	(591)
Charged to other comprehensive income	21	64
Deferred tax assets / (liabilities) at 31.12.	**5 417**	**(36 189)**

Deferred tax assets / (tax) within the tonnage tax scheme (USD 1 000)	31.12.2024	31.12.2023
Current assets	-	-
Non-current debt / receivables	1 596	13 476
Loss carried forward	62 738	67 432
Deferred tax assets not recognised	(64 334)	(80 908)
Deferred tax assets / (liabilities)	**-**	**-**

Loss carried forward within the tonnage tax scheme is not recognised because there are uncertainties related to the Company's ability to utilise these losses carried forward. There is no time restriction for the utilisation of the losses carried forward.

Global Minimum Taxation (OECD Pillar Two)
In an effort to end tax avoidance and to address concerns about the erosion of the global corporate tax base, a global framework for corporate taxation has been formed by the OECD/G20 Inclusive Framework. One of the key elements is to introduce a global minimum tax rate of 15%, based on group accounting income per jurisdiction to ensure that profits of multinational groups are taxed at least at an effective rate of 15% in each country. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where Höegh Autoliners operates. The legislation is effective for Höegh Autoliners from 1 January 2024.

Höegh Autoliners has performed an assessment of the potential exposure to Pillar Two income taxes. The Group does not expect the Pillar Two legislation to result in a tax payable in any jurisdiction for the Fiscal Year 2024, which in turn does not necessitate a provision for any such tax on the financial accounts for FY24. Firstly, for income from international maritime shipping, Pillar 2 has exceptions. International Shipping Income and Qualified Ancillary International Shipping Income are excluded when computing the taxable base under Pillar Two. The Group considers their shipping profits to qualify for this exclusion. Profits from maritime shipping, which are taxed in Norway under the tonnage tax regime, therefore remain in principle outside the scope of Pillar 2 and in principle does not expose companies who are 100 percent engaged in maritime transport to additional tax. Höegh Autoliners group is organised with several shipowning entities, all based in Norway and part of the tonnage tax regime. The Group's profits are therefore centered in Norway, where the exclusion for shipping income as described above is expected to apply and prevent profits that are subject to a lower tax rate locally to accrue any additional Top-up Tax. In addition to these Norwegian entities, the Group has a worldwide network of subsidiaries. These subsidiaries act on behalf of Höegh Autoliners and provide agency services such as local port-handling and local booking services for the clients and are acting as representative offices. The revenues for these subsidiaries are based on a remuneration model with a cost-plus method. The Group does therefore not rely on the exclusion for shipping income to shield these subsidiaries abroad from Top-up Tax. However, the rules contain certain so-called Safe Harbour rules that may result in the group being able to set the Top-up Tax to zero for a jurisdiction. One of these, is the Transitional CbCR Safe Harbour which is predominantly based on the Country-by-country report (CbCR) data. The position of the Group is that all of Höegh Autoliners' subsidiaries qualify for one or more of the conditions above for 2024.

Note 12 — Other non-current financial assets

Other non-current financial assets (USD 1 000)	31.12.2024	31.12.2023
Pension plan assets	152	19
Investments in other companies	845	850
Other non-current financial assets	104	108
Total	**1 101**	**977**

Pension plan assets
The pension plan assets relate to the defined benefit plans in China and Philippines.

Investments in other companies
Shares in other companies are measured at fair value through other comprehensive income.

Other non-current assets (USD 1 000)	31.12.2024	31.12.2023
Rental deposits	773	856
Other	3	3
Total	**777**	**859**

Note 13 — Trade, other receivables and prepayments

Trade and other receivables (USD 1 000)	Note	31.12.2024	31.12.2023
Freight receivables		83 070	78 142
Provision for impairment on trade receivables		(86)	(234)
Net freight receivables	2	**82 985**	**77 908**
Agents		(695)	(892)
Other trade receivables		2 094	2 489
Tax and public duties		1 814	1 392
Unsettled claims		5 215	5 136
Receivables related companies		-	-
Other receivables		2 676	1 258
Total		94 088	87 291

For accounting policy related to provision for impairment on trade receivables, see note 15.

Total outstanding (USD 1 000)	31.12.2024	31.12.2023
Not due	57 801	50 621
1 -15	14 785	17 570
16-30	1 349	7 092
31-60	6 004	1 962
61-	3 132	897
Total	83 070	78 142

Prepayments (USD 1 000)	31.12.2024	31.12.2023
Prepayments administration	2 498	2 006
Other prepayments	2 337	2 157
Total	4 835	4 164

Note 14 — Financial risk

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

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

The Group's risk management guidelines are established to identify, analyse and monitor the various risks and to set the appropriate frameworks. The guidelines are reviewed regularly to consider changes in the market conditions and the Group's activities. The Board of Directors has the overall responsibility for the establishment and control of the Group's framework for financial risk management. The Group's Audit Committee controls that management follows the guidelines set by the Board.

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, currency risk and other price risk, such as bunkers risk.The Group 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. The Group does not apply IFRS hedge accounting.

Cash flow interest rate risk
The Group's interest rate risk arises from long-term borrowings at floating rate and the risk is therefore a cash flow interest rate risk. The Group from time to time manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps.

For 2024, a change in interest rate of 1 percentage point would have had an effect on the Group's profit before tax and equity, through the impact of net floating rate borrowings, of about USD 1.5 million (2023: zero effect on equity due to average net floating borrowings being approximately zero).

As of year-end 2024 the Group had no interest rate swaps.

Fair value interest risk
The interest rate risk can be reduced through interest rate swaps. The Group currently evaluates the exposure to interest rate risk as limited, and at year-end 2024, the Group did not have any interest rate swaps.

Foreign exchange rate risk
The Group 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 largest non-USD cost is in NOK and relates to general administrative expenses, wages and pension cost. The Group's mortgage debt is denominated in USD. The Group has active currency hedges as of 31.12.2024. For further information see Note 15.

FX sensitivity	Year-end 2024	Max Last 12M	Min Last 12M	Sensitivity	Cash effect Fwd12M
Currency (USD / NOK) *	11.35	11.42	10.30	10% NOK appreciation vs USD	-3.19 USDm

** reduced/(increased) USD expenses for the next 12 months when USD/NOK forward is decreased by 10%.*

FX sensitivity	Year-end 2023	Max Last 12M	Min Last 12M	Sensitivity	Cash effect Fwd12M
Currency (USD / NOK) *	10.17	11.25	9.83	10% NOK appreciation vs USD	-2.61 USDm

** reduced/(increased) USD expenses for the next 12 months when USD/NOK forward is decreased by 10%.*

Note 14 — Financial risk *cont.*

The Group has cash and bank deposits in the following currencies:

Cash and bank deposits (USD 1 000)	31.12.2024	31.12.2023
United States Dollar	166 675	428 110
Norwegian Kroner	23 401	11 879
Pound Sterling	870	434
Euro	8 403	9 532
Japanese Yen	4 529	887
Other currencies	3 987	7 491
Total	207 866	458 333

The equivalent of USD 7.6 million (USD 1 million in 2023) of these deposits was held in restricted accounts in respect of employee taxes and bank guarantees.

Applied currency rates	Currency	31.12.2024	Average	31.12.2023
Pound Sterling	USD/GBP	0.80	0.79	0.79
Japanese Yen	USD/JPY	156.96	149.22	141.48
Norwegian Kroner	USD/NOK	11.35	10.76	10.17
Euro	USD/EUR	0.96	0.93	0.90

Bunker price risk
The Group has Bunker Adjustment Factor (BAF) clauses in most commercial contracts designed to adjust for changes in bunker prices. Due to time lag, the Group will not be fully compensated in periods of rapidly changing prices, but it will give reasonable compensation in most periods. The Group has no bunkers derivatives at year-end 2024.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group 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 transaction and other financial instruments. When relevant, the Group will only have derivatives with sound financial institutions.

Normal credit period for freights is from 25 to 30 days. For new larger customers a credit analysis is conducted. The majority of the largest customers have had a long relationship with Höegh Autoliners. Bad debt has remained at a very low and stable level in recent years. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The maximum exposure risk is represented by the carrying amounts that are carried in the balance sheets. For further information about receivables see Note 13.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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 Group will seek to have the majority of its liquidity in bank deposits. Total cash and bank deposits at 31 December 2024 amount to USD 208 million.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

For further information see Note 17 and 19.

Per 31.12.2024 (USD 1 000)	Note	< 1 year	1 -2 years	2- 5 years	> 5 years	Total
Mortgage debt (interest included)	18	62 168	59 398	168 621	345 767	635 954
Lease liabilities (interest included)*	8	32 125	12 040	26 714	38 151	109 029
Other interest bearing debt (interest included)	18	6 519	6 719	22 108	134 214	169 560
Trade and other payables	19	56 919	-	-	-	56 919
Total		**157 731**	**78 156**	**217 443**	**518 132**	**971 463**

Per 31.12.2023 (USD 1 000)	Note	< 1 year	1 -2 years	2 - 5 years	> 5 years	Total
Mortgage debt (interest included)	18	72 965	66 281	274 219	-	413 466
Lease liabilities (interest included)*	8	91 345	36 303	32 171	45 387	205 205
Trade and other payables	19	40 238	-	-	-	40 238
Total		**204 548**	**102 584**	**306 390**	**45 387**	**658 908**

** See Note 7 and 8 for further information.*

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.

Note 15 — Financial instruments

Accounting policies

Financial assets
Financial assets are initially recognised at fair value when the Group becomes a party to the contractual provisions of the asset, unless the fair value differs from the transaction value. The subsequent measurement of the financial assets depends on what category they are classified into at inception. The Group classifies its financial assets into the following main categories for subsequent measurement; Debt instrument at amortised cost, debt instruments at fair value through other comprehensive income (with cumulative gains and losses reclassified to profit or loss upon derecognition) and equity instruments designated measured at fair value through other comprehensive income (with gains and losses remaining in other comprehensive income).

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. As of 31 December 2024, the Group holds financial instruments classified in level three in the valuation hierarchy.

Amortised cost
This category includes assets that are held in order to collect contractual cash flows, and where the contractual terms give right to cash flows that are solely related to principal and interests on the principal amount outstanding. This includes mainly loans to associate companies and trade receivables. Loans and trade 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 consolidated statement of comprehensive income when the loans and receivables are derecognised or impaired, as well as through the amortisation process. Trade and other receivables are carried at the original invoice amount, less an allowance made for doubtful receivables. Impairment is performed when there is objective evidence that the Group will be unable to recover balances in full.

Financial assets at fair value through other comprehensive income
Investments in shares not held for trade purposes, are classified as investments in fair value through other comprehensive income. Dividends from these companies are recognised through profit or loss unless they clearly represent a recovery of part of the investment, in which case they are recognised in other comprehensive income.

Financial assets at fair value through profit or loss
This category includes financial assets that are held for trading and financial assets that on initial recognition are designated as fair value through profit or loss. Derivatives are also categorised as held for trading unless they are designated as effective hedging instruments as defined by IFRS 9. The Group uses derivative financial instruments such as interest rate swaps to manage its risks associated with interest rates. 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 statement of comprehensive income as other financial items. The fair value of bunker caps is determined using the market value at the balance sheet date. The Group has not designated any derivatives as hedging instruments under IFRS 9.

Financial liabilities
Financial liabilities are after initial recognition measured at amortised cost using the effective interest method, except for financial liabilities recognised through profit or loss, including derivatives. Financial liabilities at fair value through profit or loss is calculated by discounting future cash flows.

Interest-bearing bank loans and other debt classified as financial liabilities are initially recognised at fair value when the Group becomes party to the contractual provisions of the instrument. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. In the case of recognising a new liability, the fees are treated as part of the amortised cost.

Financial liabilities are presented as current if the liabilities are due to be settled within 12 months after the balance sheet date, whereas liabilities with the legal right to be settled more than 12 months after the balance sheet date are classified as non-current liabilities.

Impairment of financial assets
The Group assesses at each balance sheet date whether a financial asset or group of financial assets may be impaired. Financial assets are impaired when there is objective evidence that the Group is not likely to recover all the amounts in connection with contractual terms related to loans and receivables.

The amount of expected credit losses recognised as a loss allowance depends on the extent of credit deterioration since initial recognition:
- 12-month expected credit losses, which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality, or
- Full lifetime expected credit losses, which applies when a significant increase in credit risk has occurred on an individual or collective basis

Impairment reversals are recorded when the amount of impairment losses in future periods is reduced, and the reduction can be linked objectively to an event that occurs after the impairment was recognised. A reversal will only be recorded to the extent that the carrying value does not exceed what the amortised cost would have been if the impairment had not been made. Impairment reversals are presented as income or as a reduction of expenses.

Derecognition of financial instruments

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Financial liabilities are derecognised from the balance sheet when the contractual obligation expires, is discharged or cancelled.

Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognised respectively in interest income and other financial items and interest and other finance expenses.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

Cash and cash equivalents

Cash includes cash in hand and bank deposits, including restricted bank accounts for deposits in respect of employee taxes. For further disclosures, see Note 14.

Note 15 — Financial instruments *cont.*

Financial instruments by category 2024

Assets (USD 1 000)	Note	Assets at amortised cost	Assets at fair value through P&L	Assets at fair value through OCI *	Other	Total
Investments in other companies	12	-	-	845	-	845
Other non-current financial assets	12	152	-	-	104	255
Trade and other receivables**	13	92 275	-	-	-	92 275
Cash and cash equivalents	14	207 866	-	-	-	207 866
Assets 31.12.2024		**300 292**	**-**	**845**	**104**	**301 241**

** Assets at fair value through OCI is without reclassification to the P&L. The investments in Other Companies correspond to shares in the company NSA U.K. Ltd., where fair value changes of this investment are classified as Other Comprehensive Income (OCI). As the shares are not listed and there are no observable prices, the discounted cash flow model has been applied to estimate the equity value of NSA U.K. Ltd.*

*** Trade and other receivables are excluding tax and public duties.*

Liabilities (USD 1 000)	Note	Financial liabilities at amortised cost	Liabilities at fair value through P&L	Financial liabilities at fair value through OCI	Other	Total
Non-current interest bearing debt	18	661 491	-	-	-	661 491
Current interest bearing debt	18	46 288	-	-	-	46 288
Trade and other payables (excl. non-fin. liab.)	19	44 290	-	-	-	44 290
Other current financial liabilities	22	-	220	-	-	220
Liabilities 31.12.2024		**752 069**	**220**	**-**	**-**	**752 290**

Financial instruments by category 2023

Assets (USD 1 000)	Note	Assets at amortised cost	Assets at fair value through P&L	Assets at fair value through OCI	Other	Total
Investments in other companies	12	-	-	850	-	850
Other non-current financial assets	12	19	-	-	108	127
Trade and other receivables	13	87 291	-	-	-	87 291
Cash (and cash equivalents)	14	458 333	-	-	-	458 333
Assets 31.12.2023		**545 643**	**-**	**850**	**108**	**546 601**

Liabilities (USD 1 000)	Note	Other financial liabilities at amortised cost	Liabilities at fair value through P&L	Financial liabilities at fair value through OCI	Other	Total
Non-current interest bearing debt	18	296 198	-	-	-	296 198
Current interest bearing debt	18	49 589	-	-	-	49 589
Trade and other payables (excl. non-fin. liab.)	19	33 471	-	-	-	33 471
Liabilities 31.12.2023		**379 257**	**-**	**-**	**-**	**379 257**

Note 15 — Financial instruments *cont.*

Fair value measurement

The following tables presents the Group`s financial assets and liabilities measured at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1**: Quoted prices in active markets for identical assets or liabilities.
- **Level 2**: Inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices).
- **Level 3**: Inputs for the assets or liabilities that are not based on observable market data.

Financial instruments at fair value 31.12.2024 (USD 1 000)	Level 1	Level 2	Level 3	Total
Investment in other companies	-	-	845	845
Total assets	**-**	**-**	**845**	**845**
Currency hedge	-	220	-	220
Total liabilities	**-**	**220**	**-**	**220**

Financial instruments at fair value 31.12.2023 (USD 1 000)	Level 1	Level 2	Level 3	Total
Investment in other companies	-	-	850	850
Total assets	**-**	**-**	**850**	**850**

Reconciliation of liabilities arising from financial activities

Liabilities 2024 (USD 1 000)	Non-current interest bearing debt	Current interest bearing debt	Non-current lease liabilities	Current lease liabilities	Total financing activities
Total interest bearing debt 31.12.2023	**296 198**	**49 589**	**82 270**	**81 790**	**509 847**
Proceeds from issue of debt	378 749	20 571	-	-	399 320
Repayment of loans and lease liabilities	-	(46 292)	-	(130 875)	(177 167)
New lease contracts and amendments	-	-	9 603	38 024	47 628
Other non-cash movements	8 342	623	-	16	8 981
Reclassification	(21 797)	21 797	(37 182)	37 182	-
Total interest bearing debt 31.12.2024	**661 491**	**46 288**	**54 692**	**26 137**	**788 608**

Liabilities 2023 (USD 1 000)	Non-current interest bearing debt	Current interest bearing debt	Non-current lease liabilities	Current lease liabilities	Total financing activities
Total interest bearing debt 31.12.2022	**227 894**	**36 626**	**133 505**	**165 287**	**563 312**
Proceeds from issue of debt	116 853	13 147	-	-	130 000
Repayment of loans and lease liabilities	-	(51 228)	-	(161 022)	(212 249)
New lease contracts and amendments	-	-	5 098	21 217	26 315
Other non-cash movements	-	2 495	-	(25)	2 469
Reclassification	(48 550)	48 550	(56 333)	56 333	-
Total interest bearing debt 31.12.2023	**296 198**	**49 589**	**82 270**	**81 790**	**509 847**

Note 16 – Share information and earnings per share

Accounting policy

Transaction costs related to equity transactions are recognised directly in equity after the deduction of tax.

Basic earnings per share is calculated by dividing net profit or loss attributable to equity holders of the Company after non-controlling interest, by the weighted average number of total outstanding shares (adjusted for average number of own shares) during the financial year.

Diluted earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company after non-controlling interest, by the weighted average number of total outstanding shares (adjusted for average number of own shares) during the financial year, after adjusting for all dilutive potential shares. The potential shares arising from the Company's equity-settled, share-based compensation plan are included in the calculation of diluted earnings per share. See Note 6 for more information on the share-based compensation plan.

The Company's number of shares is as follows:	2024	2023
Total shares at 31 December	190 769 749	190 769 749
Own shares at 31 December	3 652	-

Earnings per share USD	31.12.2024	31.12.2023
Weighted average number of ordinary shares for the purpose of basic earnings per share	190 707 897	190 769 749
Effect of dilutive potential ordinary shares:		
- Share options	279 098	1 578 090
Weighted average number of ordinary shares for the purpose of diluted earnings per share	190 986 996	192 347 839
Profit for the period attributable to the owners of the parent	619 508 957	589 585 444
Earnings per share basic	3.25	3.09
Earnings per share diluted	3.24	3.07

To meet the obligations from the Company's share bonus program, 330 000 own shares were purchased in November 2024. Of these, 326 348 shares were delivered to the participants following the completion of the vesting period for the first award. The Company has 3 652 own shares at 31 December 2024. See note 6 for further details on the share bonus program.

The Board of directors has proposed dividend to be paid for 2024 according to the dividend policy.

Note 17 — Management of capital

The Group's financial policies and guidelines are developed to secure sound financial flexibility for the Group to be able to support commercial activity and growth. Targets are set at levels which will give the Group sufficient strength through business cycles. The Group focus on a number of financial ratios, among others;

Book equity ratio
The Group's book equity ratio is targeted to be between 40-55%. The book equity at year-end 2024 is above the set target.

Working capital
The Group's working capital is targeted to be above zero excluding short-term lease liabilities. The ratio per year-end 2024 is above the set target (2023: above the set target).

Liquidity reserve
The aim is to keep a solid liquidity reserve with minimum cash holding relative to the size of the operation, cash flow development and capital commitments. The Group is targeting a minimum liquidity reserve of 12 months of debt service and unfinanced capital commitments, of which a part may consist of available credit facilities. The liquidity reserve year-end 2024 is above the set target.

Höegh Autoliners ASA has covenants in the loan agreement regarding minimum book equity ratio, working capital and minimum liquidity. The Group is in compliance with these ratios on a consolidated basis as per year-end 2024.

The Group aims to maximise shareholder return over time. To maintain or adjust the capital structure, the Group may adjust dividend distribution or issue new shares. According to the dividend policy, Höegh Autoliners targets to distribute quarterly dividends to shareholders of around 100% of cash generation after amortisation of debt facilities, capital expenditure and payable taxes. Any declaration of dividends will be at the discretion of the Board of Directors considering also the outlook and the Company's financial position. There are no restrictions on dividend payments in the loan agreement.

Equity ratio (USD 1 000)	31.12.2024	31.12.2023
Total equity	1 177 449	1 411 730
Total assets	2 105 644	2 059 344
Equity ratio	**56%**	**69%**

Note 18 — Non-current and current interest bearing debt

Refinancing of debt
Höegh Autoliners entered into two new credit facilities in March 2024; a USD 720 million Credit Facility for the purpose of refinancing the existing USD 810 million Credit Facility maturing January 2028, and a new USD 200 million Revolving Credit Facility (RCF) for general corporate purposes. The refinancing included extended maturity until March 2030, reduced annual amortisations, reduced interest rate, and a reduction of pledged vessels. The refinancing has been accounted for as a debt modification, resulting in a debt modification loss of USD 11 million. See also note 10.

The new USD 200 million Revolving Credit Facility is non-amortising with maturity in March 2028. The facility is currently undrawn and will serve as an additional liquidity reserve and provide flexibility for future capital allocation.As of 31 December 2024, a total of USD 580 million has been drawn from the USD 720 million credit facility. Other interest bearing debt of USD 170 million relates to sale and leaseback arrangements with Bank of Communications for four Aurora Class vessels. The vessels will be sold to Bank of Communications at delivery and leased back through bareboat charters. The lease agreements have a duration of 12 years with purchase obligations for Höegh Autoliners at the end of the lease.

Certain financing agreements are subject to financial covenants based on Höegh Autoliners ASA consolidated financial statements in accordance with IFRS. The covenants are as follows:
• Liquidity (including undrawn RCF) greater than the higher of (i) USD 60 million and (ii) an amount equal to 6% of the Group's borrowings.
• Equity ratio greater than 30%.
• Minimum market value for secured vessels of at least 130% of the outstanding loans. Höegh Autoliners was in compliance with all loan covenants at 31 December 2024. In addition to the financial covenants, the Group also has clauses in the loan agreement related to sustainability margin adjustments. The clauses will give an adjustment of the margin based on the fleet's sustainability score, being a verified cgDIST score per vessel.

2024 - Interest bearing debt (USD 1 000)	Non-current	Current	Total
Interest bearing mortgage debt	505 686	39 980	545 666
Arrangement fee mortgage debt	(7 236)	(1 002)	(8 238)
Accrued interest	-	791	791
Total interest bearing mortgage debt	**498 450**	**39 769**	**538 219**
Other interest bearing debt	163 041	6 519	169 560
Total interest bearing debt 31.12	**661 491**	**46 288**	**707 779**

2023 - Interest bearing debt (USD 1 000)	Non-current	Current	Total
Interest bearing debt	299 837	49 783	349 620
Arrangement fee mortgage debt	(3 639)	(423)	(4 062)
Accrued interest	-	229	229
Total interest bearing debt 31.12	**296 198**	**49 589**	**345 787**

Mortgage debt (USD 1 000)	Maturity	Outstanding amount
USD 720 million senior secured	March 2030	543 945
Total mortgage debt 31.12.2024		**543 945**

Security
The USD 720 million senior secured term loan and revolving credit facility is secured by mortgages in 10 of the Group's vessels, with a book value of USD 594 million (2023: USD 704 million). In addition, the debt is secured by an assignment of earnings and insurances.

Weighted average effective interest rate of total borrowings	2024	2023
Total interest bearing debt	6.79%	8.76%

Note 19 — Trade and other payables

Trade and other payables (USD 1 000)	2024	2023
Suppliers	40 086	33 471
ETS obligation	4 204	-
Prepaid TC on vessels chartered out	-	1 629
Public duties payable and holiday pay	12 629	6 767
Total	**56 919**	**41 867**

ETS obligation is to be settled by delivering EU allowances. Purchased allowances are classified in the balance sheet as other current assets.

Note 20 — Current accruals and provisions

Accounting policy
Provisions are recognised when the Group has a legal or constructive obligation as a result of past events. The recognition of the provision is that it is likely (more likely than not) that a future event will lead to a financial settlement as a result of this commitment, and that the size of the amount can be measured reliably. Provisions are evaluated at each balance sheet date and reflects the best estimate of the obligation. When the effect of time is significant, the provision will be the present value of future payments to cover the obligation.

Current accruals and provisions (USD 1 000)	31.12.2024	31.12.2023
Accrued voyage expenses	24 072	25 030
Accrued crew expenses	1 550	1 455
Accrued running expenses	18 730	16 279
Other current provisions	28 748	7 688
Total	**73 099**	**50 452**

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.

Other current provisions (USD 1 000)	31.12.2024	31.12.2023
Provision 01.01	**7 688**	**1 705**
Charged/(credited) to the income statement:		
Additional provisions	28 748	7 688
Unused amounts reversed	(875)	(234)
Used during year	(6 813)	(1 472)
Provision 31.12	**28 748**	**7 688**

Other current provisions includes NOK 230 million withholding tax on dividend.

Note 21 — Transactions with related parties

The Group had three vessels under US flag with Maersk Lines Ltd during 2024. 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. A.P. Møller-Maersk A/S sold its shares in Höegh Autoliners on 27 November 2023 and was thereafter not considered a related party. Transactions in the table below between Maersk and Höegh Autoliners Shipping AS for 2023 are for the period 1 January to 27 November 2023.
Höegh Autoliners ASA holds a 36.45% interest in ParCar AS and has no outstanding receivable as of 31.12.2024 (2023: no outstanding receivable). ParCar Shipholding AS, which is 100% owned by ParCar AS, leases Höegh Copenhagen on a bareboat lease to Höegh Autoliners Shipping AS.

The main transactions are listed in the table below (USD 1 000):

Supplier	Receiver	Type of agreement	2024	2023
Maersk Lines Ltd.	Höegh Autoliners Shipping AS	Technical Management	-	21 433
Höegh Autoliners Shipping AS	Maersk Lines Ltd.	Shipping services	-	47 248
ParCar Shipholding AS	Höegh Autoliners Shipping AS	Bareboat lease	6 936	6 917

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 20 million (USD 17 million in 2023) as voyage expenses.

Main transactions with other related parties
Höegh Capital Partners Ltd delivered consultancy services amounting to TUSD 7 in 2024 (2023: TUSD 5). No outstanding payables to Höegh Capital Partners Ltd at the end of 2024 (2023: TUSD 0.7).

Note 22 — Contingent liabilities

Accounting policies
Contingent liabilities comprise:
- A possible obligation arising as a result of past events where the obligation depends on some uncertain future event
- A present obligation that is not recognised in the accounts since it is not probable that the obligation will result in a payment being made
- Liabilities that cannot be measured reliably

Contingent liabilities are not recognised in the accounts except for contingent liabilities acquired as part of the purchase of a business. Contingent liabilities acquired as part of the purchase of a business are recognised in the accounts at fair value even if the liability is not likely to materialise. Contingent liabilities are not recognised in the financial statement, but if material, disclosed in the accompanying notes.

A contingent asset is defined as a possible asset, that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the entity. Contingent assets are not included in the annual accounts, but information is provided if there is a reasonable certainty that the benefit in question will accrue to the Group.

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

Since 2012 the Group has been subject of the global cartel investigation in the PCTC industry, and this is still ongoing. The Group accepted a settlement of USD 21 million in a plea agreement in the United States of America in 2017, and it cannot be excluded that more fines and damage claims may come from this investigation in the future. Any potential fines or damage claims could be material for the Group.

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 4.2 million) to Höegh Autoliners for alleged breaches of anti-trust regulations dating back to 2000-2012. Since Höegh Autoliners did not have any turnover in Brazil in the relevant period, the fine is calculated on a "virtual turnover" principle, based on Brazil's relevance in the worldwide PCTC market. The decision (including the "virtual turnover" calculation) may be challenged before the Appellate Court in Brazil. Höegh Autoliners disagrees with CADE's decision and after reviewing its merits, the Company has proceeded with an appeal. No provision has been made in the financial statements as of 31 December 2024.

Note 23 — Commitments and guarantees

Capital commitments

At the end of 2024, the Group has capital commitments relating to a newbuilding contract for twelve vessels with China Merchants Heavy Industry. See note 7 for further details. The contract for twelve fixed vessels has a total value of USD 1.2 billion, of which USD 943 million is financed by loans and leases and the remaining USD 284 million from equity. As of 31 December 2024 a total of USD 273 million has been paid of the equity part and the remaining commitment to the yard is USD 645 million.

Guarantees

Höegh Autoliners ASA has provided a bank guarantee of USD 7.2 million related to the ongoing case on alleged breaches of anti-trust regulations in Brazil. See note 22.

The Group has not provided any guarantees for obligations of entities outside the Group.

Note 24 — Investment in associates and joint ventures

Accounting policies

Associated companies are all entities in which the Group has significant influence but not control, generally companies owned between 20% and 50%. Interests in associated companies are reported according to the equity method. The consolidated accounts include the Group's share of profit from associated companies accounted for according to the equity method from the date significant influence is achieved and until such influence ceases. The Group's share of its associates' profits and losses is presented net as a separate line, as part of operations in the statement of comprehensive income and is added to the capitalised value of the investments together with its share of equity movement not recognised in the statement of comprehensive income. When the Group's share of the loss exceeds the investment in an associated company, the Group reduces the carrying value to zero and further losses are not recorded unless the Group has an obligation or an intention to cover this loss.

The Group has investments in the following associates and joint ventures accounted for using the equity method.

Company	Voting share/ ownership % 31.12.2024	Voting share/ ownership % 31.12.2023	Nature of relationship	Country	Carrying amount 2024 (USD 1 000)	Carrying amount 2023 (USD 1 000)
Höegh Northern Terminal Ltd.	**50**	**50**	Joint venture	UK	-	-
ParCar AS	**36.45**	**36.45**	Associate	Norway	4 756	4 960
Sum					**4 756**	**4 960**

Specified financial information

- ParCar AS is a company investing in a shipowning company providing the vessel Höegh Copenhagen on a bareboat lease to Höegh Autoliners Shipping AS

Reconciliation to carrying amounts (USD 1 000):	ParCar Group
Net assets 31.12.2022	14 357
Other adjustments*	(468)
Profit/(loss) for the period	2 017
Dividends paid	(2 300)
Net assets 31.12.2023	**13 607**
Group share in %	36.45%
Carrying amount 31.12.2023	**4 960**

Net assets 31.12.2023	13 607
Other adjustments*	(1 457)
Profit/(loss) for the period	2 799
Dividends paid	(1 900)
Net assets 31.12.2024	**13 049**
Group share in %	36.45%
Group's share	4 756
Carrying amount 31.12.2024	**4 756**

** Mainly currency translation differences*

2024 Summarised financial information (USD 1 000)	Assets	Liabilities	Equity	Revenues	Profit/(loss) for the year
ParCar Group *	40 245	27 394	12 851	-	2 799

** Figures from audited financial statements 2024*

2023 Summarised financial information (USD 1 000)	Assets	Liabilities	Equity	Revenues	Profit/(loss) for the year
ParCar Group *	44 657	30 615	14 042	-	2 017

** Figures from audited financial statements 2023*

The following illustrates summarised financial information of the Group's investment in associated companies :

Investment in associates (USD 1 000)	2024	2023
Carrying amount 31.12	4 756	4 960
Profit/(loss)	1 020	735
Currency translation differences (OCI)	(531)	(171)
Total carrying amount of investments in associates 31.12.	**4 756**	**4 960**

Note 25 — List of subsidiaries

Company	Country	Principal activity	Owner share % * 2024	Owner share % * 2023
Höegh Autoliners ASA	**Norway**	**Holding company**		
Höegh Autoliners Management AS	**Norway**	**Management company**	**100**	**100**
Höegh Autoliners Shipping Pte. Ltd.	**Singapore**	**Ship owning company**	**100**	**100**
HFS China Ltd.	**China**	**Crewing office**	**51**	**51**
HFS Philippines Inc.**	**Philippines**	**Crewing office**	**25**	**25**
Höegh Autoliners Logistics AS	**Norway**	**Holding company**	**100**	**100**
Höegh Autoliners S.A.S. (Former Autotrans Logistics)	France	Logistics operation	100	100
Höegh Autoliners B.V.	The Netherlands	Holding company	100	100
Höegh Autoliners Shipping AS	**Norway**	**Ship owning company**	**100**	**100**
Alliance Norfolk Trust	USA	Ship owning company	100	100
Alliance St. Louis Trust	USA	Ship owning company	100	100
Alliance Fairfax Trust	USA	Ship owning company	100	100
Höegh Autoliners Shipping II AS	**Norway**	**SPV for entering into shipbuilding contracts**	**100**	**100**
Höegh Autoliners Shipping 269-3 AS	**Norway**	**SPV for entering into shipbuilding contracts**	**100**	**100**
Höegh Autoliners Shipping 269-4 AS	**Norway**	**SPV for entering into shipbuilding contracts**	**100**	**100**
Höegh Autoliners Shipping 269-7 AS	**Norway**	**SPV for entering into shipbuilding contracts**	**100**	**100**
Höegh Autoliners Shipping 269-8 AS	**Norway**	**SPV for entering into shipbuilding contracts**	**100**	**100**
Höegh Autoliners Shipping 269-9 AS	**Norway**	**SPV for entering into shipbuilding contracts**	**100**	**100**
Höegh Autoliners Shipping 269-10 AS	**Norway**	**SPV for entering into shipbuilding contracts**	**100**	**100**
Höegh Autoliners Shipping 269-11 AS	**Norway**	**SPV for entering into shipbuilding contracts**	**100**	**100**
Höegh Autoliners Shipping 269-12 AS	**Norway**	**SPV for entering into shipbuilding contracts**	**100**	**100**
Höegh Autoliners Shipping III AS ****	**Norway**	**Ship owning company**	**-**	**100**
Höegh Autoliners Shipping IV AS *****	**Norway**	**Holding company**	**-**	**100**
Höegh Autoliners AS	**Norway**	**Commercial operation**	**100**	**100**
Alliance Navigation LLC.	USA	Commercial operation	100	100
Höegh Autoliners Germany GmbH	Germany	Commercial operation	100	100
Höegh Autoliners Pty. Ltd.	India	Commercial operation	100	100
Höegh Autoliners K.K.	Japan	Commercial operation	100	100
Höegh Autoliners North America Inc.	USA	Commercial operation	100	100
Höegh Autoliners PTY Ltd.	South Africa	Commercial operation	100	100
Höegh Autoliners Spain S.L.	Spain	Commercial operation	100	100

Company	Country	Principal activity	Owner share % * 2024	2023
Höegh Autoliners France S.A.S.	France	Commercial operation	100	100
Leif Höegh & Co China Ltd.***	China	Commercial operation	100	100
Höegh Autoliners Panama S. A.	Panama	Commercial operation	100	100
Höegh Technical Management Holding Pte Ltd.	**Singapore**	**Holding company**	**100**	**100**
Höegh Technical Management Inc.	Philippines	Management company	100	100
Höegh Autoliners Technical Operations AS	**Norway**	**Management company**	**100**	**100**

** For the above listed companies one share has one vote at the General Meeting.*
*** Although the maximum foreign ownership under Philippine law stands at 25 %, the terms of the agreement under which the entity was established, gives Höegh 100 % control over HFS Philippines Inc. consequently, Höegh consolidates this entity.*
**** The operation in China takes place from this company in the name Höegh Autoliners*
***** The company merged with Höegh Autoliners Shipping AS in 2024*
****** The company merged with Höegh Autoliners Management AS in 2024*

Note 26 — Events after the balance sheet date

Dividend
On 13 February 2025, the Board of Directors resolved to distribute a dividend of USD 0.4718 per share. The dividend was paid out in March 2025.

Share capital reduction
Following the resolution at the Extraordinary General Meeting for Höegh Autoliners ASA in November 2024 and the requisite creditor notice period having been served, the Company has filed the final confirmation of the share capital reduction with the Norwegian Register of Business Enterprises. The reduction in share capital from NOK 2 823 392 285.20 to NOK 190 769 749 has been transferred to other paid-in equity.

Fleet update
On 12 March 2025, an option to purchase the leased vessel, Höegh Copenhagen was declared. The purchase price is USD 36.5 million and Höegh Autoliners Shipping AS will take ownership of the vessel in August 2025. The option is not included in the lease liability at year-end 2024.

On 27 March 2025, Höegh New York was delivered to its new Owner.

Alternative Performance Measures

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

Definitions of Alternative Performance Measures (APMs)
This section describes the non-GAAP financial alternative performance measures (APM) that are used in the quarterly and annual reports.

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

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

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

Reconciliation of Total revenues to EBITDA and Adjusted EBITDA (USD million)	2024	2023	2022
Total revenues	1 371	1 446	1 270
Operating expenses	(679)	(710)	(824)
EBITDA	**692**	**736**	**447**
Anti-trust expenses	4	-	1
Adjusted EBITDA	**696**	**736**	**448**

Net interest bearing debt (USD million)	31.12.2024	31.12.2023	31.12.2022
Non-current interest bearing debt	661	296	228
Non-current lease liability	55	82	134
Current interest bearing debt	46	50	37
Current lease liability	26	82	165
Less Cash and cash equivalents	208	458	184
Net interest bearing debt	**581**	**52**	**379**

Parent Company Accounts

Statement of income (USD 1 000)	Notes	2024	2023
Operating expenses	2	(2 275)	(1 863)
Operating loss		**(2 275)**	**(1 863)**
Interest income		1 911	4 650
Interest income group companies	3	21 152	62 846
Interest expenses	3	(31 398)	(27 085)
Group contribution	3	825 900	-
Dividend from group companies	3	126 122	-
Other financial income/(expenses)	3	10 736	5 680
Profit before tax		**952 150**	**44 227**
Income tax expenses	4	(146)	(11 611)
Profit of the year		**952 004**	**32 616**

Statement of financial position (USD 1 000)	Notes	31.12.2024	31.12.2023
Assets			
Non-current assets			
Deferred tax assets	4	4 436	4 555
Investments in group and other companies	5	1 265 273	1 307 696
Non-current receivables group companies	6	367 561	220 681
Total non-current assets		**1 637 270**	**1 532 933**
Current assets			
Current receivables group companies	7	105 406	24 318
Other receivables		355	394
Cash	8	31 140	65 395
Total current assets		**136 902**	**90 107**
Total assets		**1 774 172**	**1 623 040**
Equity and liabilities			
Equity			
Share capital	9	443 898	443 898
Share premium reserve	9	162 384	289 384
Other paid-in equity	9	232	1 067
Retained earnings	9	638 559	141 856
Total equity		**1 245 074**	**876 206**
Non-current liabilities			
Non-current interest bearing debt	10	370 806	303 486
Total non-current liabilities		**370 806**	**303 486**
Current liabilities			
Current interest bearing debt	10	32 716	51 953
Current payables group companies	7	15 296	26 151
Tax payable	4	-	5 093
Other current liabilities	11	110 281	360 150
Total current liabilities		**158 292**	**443 347**
Total equity and liabilities		**1 774 172**	**1 623 040**

Oslo, 24 April 2025

The Board of Directors of Höegh Autoliners ASA

Leif O. Høegh,
Chair

Morten W. Høegh,
Deputy Chair

Jan B. Kjærvik,
Board member

Martine Vice Holter,
Board member

Kasper Friis Nilaus,
Board member

Kjersti Aass,
Board member

Johanna Hagelberg,
Board member

Gyrid Skalleberg Ingerø,
Board member

Andreas Enger,
CEO

Statement of cash flows (USD 1 000)	Notes	2024	2023
Cash flows from operating activities			
Profit before tax		952 150	44 227
Financial (income)/ Expenses		(954 425)	(46 090)
Net change in current receivables/payables from/to Group companies	7	3 393	(162 594)
Net change in other current assets/liabilities		20 065	473
Dividend income and group contribution	3	744 970	838
Interest received	3	2 279	30 508
Interest paid	3	(28 812)	(26 824)
Tax paid	4	(4 782)	(1 823)
Net cash flows provided from operating activities		**734 838**	**(161 284)**
Cash flows from investing activities			
Investments in subsidiaries, associates and joint ventures	5	34 148	372 055
Issuance of debt to group companies and associates	6	-	(130 000)
Repaid on loans to group companeis and associates	6	-	39 182
Net cash flows provided by investing activities		**34 148**	**281 237**
Cash flows from financing activities			
Proceeds from issue of debt	10	90 000	130 000
Repayment of debt	10	(43 577)	(51 228)
Other financial items		(4 026)	(3 190)
Purchase own shares		(3 924)	-
Dividend	9	(840 995)	(241 000)
Net cash flows (used in)/provided from financing activities		**(802 523)**	**(165 418)**
Net change in cash during the year		**(33 536)**	**(45 465)**
Cash 01.01		65 395	111 366
Exchange differences cash and cash equivalents		(719)	(505)
Cash 31.12	8	**31 140**	**65 395**
Non restricted cash 31.12		23 918	65 395
Restricted cash 31.12		7 223	-
Cash 31.12		**31 140**	**65 395**

Parent company accounts

Notes 2024

Note 1 — Summary of significant accounting policies

BASIS OF PREPARATION
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.

CLASSIFICATION OF ITEMS IN THE BALANCE SHEET
Current assets and current liabilities consist of items that fall due within one year after the balance sheet date. Current assets are recognised at the lower of cost and fair value. Current debt is capitalised at nominal value at the recording date. Other items are classified as non-current assets/liabilities. Fixed assets are recognised at acquisition cost reduced by depreciation and impairments. Non-current debt is recognised at the nominal amount at the date of drawdown.

FOREIGN CURRENCY TRANSACTIONS
Functional and presentation currency
Höegh Autoliners ASA presentation and functional currency is US dollars (USD).

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.

NON-CURRENT INVESTMENTS
Shares/interests in subsidiaries and other companies are recorded according to the cost method. Dividend, group contributions and other distributions from subsidiaries are recognised in the same year as it is provided for in the accounts of the distributing company. If the dividend/group contribution shares are higher than the net result after the acquisition date, the excess distribution represents a refund of invested capital, and the distribution is subtracted from the value in the balance sheet of the parent company.

The impairment evaluation of the investment in subsidiaries compares the equity in the subsidiary with the carrying amount of the investment in the parent. The assessment also takes into account the excess Net present value of operations not reflected in the subsidiaries equity. The excess values of the subsidiaries are included when considering the ultimate parents investment in the immediate parent.

CURRENT INVESTMENTS
Financial instruments which are held for trading are valued at fair value in accordance with the Accounting Act § 5-8. Other short-term investments that are not held for trading (shares recognised as current assets) are valued at lower of acquisition cost and fair value on the balance sheet date. Dividends received and other distributions from companies are recognized as other financial income.

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.

TAX
The tax expenses consist of taxes payable and changes in deferred tax. Tax increasing and tax reducing temporary differences that are reversed or can be reversed in the same period are offset and netted in the accounts. Net deferred tax assets that are substantiated through future earnings are capitalised as intangible asset. Currency gains or losses related to deferred tax assets, deferred tax liabilities or taxes payables are presented as tax expense/income.

CONTINGENT LIABILITIES AND ASSETS
Contingent liabilities are not recognised in the financial statement, but if material, disclosed in the accompanying notes. A contingent asset is not recognized in the financial statements, but informed about if there is a certain degree of probability that it will be an advantage to the Company.

CASH
The cash flow statement is prepared according to the indirect method. Cash includes cash in hand and bank deposits. Cash is classified as current assets.

FINANCIAL RISK
For details and information on financial risk see Höegh Autoliners consolidated financial statement 2024.

Note 2 — Operating expenses

(USD 1 000)	2024	2023
Statutory audit	519	392
Remuneration to the board	375	295
Legal fees	464	381
Consultants	296	275
Insurance premiums	148	224
Other expenses	473	297
Total	**2 275**	**1 863**

The Company has no employees and therefore no wage expenses or pension liabilities. Both the CEO and the CFO are employed by the group company Höegh Autoliners Management AS. Details on the remuneration to the board can be found in the 2024 Remuneration report published on our website.

Note 3 — Interest income and expenses

Interest income group companies (USD 1 000)	2024	2023
Interest income	21 152	62 668
Arrangement fee	-	178
Total	**21 152**	**62 846**

Interest expenses (USD 1 000)	2024	2023
Interest mortgage debt	29 096	26 897
Arrangement fee	2 225	188
Other interest expenses	77	-
Total	**31 398**	**27 085**

Group contribution (USD 1 000)	2024	2023
Group contribution from Höegh Autoliners Shipping AS	808 900	-
Group contribution from Höegh Autoliners Management AS	17 000	-
Total	**825 900**	**-**

Other financial items (USD 1 000)	2024	2023
Dividend from group companies	126 122	-
Dividend from associated company	693	838
Currency gain	12 099	1 560
Other financial expenses	(2 055)	3 282
Total	**136 859**	**5 680**

Note 4 — Tax

Income tax for the year (USD 1 000)	2024	2023
Current tax	-	(6 633)
Withholding tax	(28)	(769)
Change in deferred tax	(118)	(4 184)
Currency differences and adjustments prior years	-	(26)
Tax expense	**(146)**	**(11 611)**

Reconciliation of calculated and actual tax expense (USD 1 000)	2024	2023
Profit before tax	**952 150**	**44 227**
Tax at 22% statutory tax rate	(209 473)	(9 730)
Withholding tax	(28)	(769)
Permanent differences	202 532	1 986
Adjustments prior years	-	(26)
Currency differences	6 822	(3 073)
Tax expense	**(146)**	**(11 611)**

The currency effect is due to translation differences from NOK to USD, as the tax calculation is prepared in NOK.

Deferred tax (USD 1 000)	31.12.2024	31.12.2023
Deferred tax assets / (liabilities) *	4 436	4 555
Total deferred tax assets / (liabilities)	**4 436**	**4 555**

** From 1 January 2025 the corporate tax rate remains at 22%.*

Note 5 — Investments in group and other companies

Investments in group companies (USD 1 000)

2024	Registered office	Ownership share in %	Voting share in %	Net profit 2024	Equity 31.12.2024	Carrying amount
Höegh Autoliners Management AS	Norway	100	100	117 102	1 180 075	1 262 573
Total						**1 262 573**

2023	Registered office	Ownership share in %	Voting share in %	Net profit 2023	Equity 31.12.2023	Carrying amount
Höegh Autoliners Management AS	Norway	100	100	155 578	1 244 725	1 304 997
Total						**1 304 997**

Investments in other companies (USD 1 000)

2024	Registered office	Owner / voting share	Net profit 2024*	Equity 31.12.2024*	Carrying amount
ParCar AS (group)	Norway	36.45%	2 799	14 801	2 700
Total					**2 700**

** Financial information from audited statutory financial statements 2024*

2023	Registered office	Owner / voting share	Net profit 2023*	Equity 31.12.2023*	Carrying amount
ParCar AS (group)	Norway	36.45%	2 017	14 042	2 700
Total					**2 700**

** Financial information from audited statutory financial statements 2023*

The decrease in carrying amount of the investment in Höegh Autoliners Management AS is due to repayment of capital during the year.

Höegh Autoliners ASA purchased 36.45% of the shares in ParCar AS in 2017 through a conversion of receivables. ParCar AS owns 100% of ParCar Shipholding AS, the owner of the vessel Höegh Copenhagen, a vessel leased to Höegh Autoliners Shipping AS on a 18-year bareboat lease.

Note 6 — Non-current receivables group companies

Non-current receivables group (USD 1 000)	31.12.2024	31.12.2023
Höegh Autoliners Shipping AS	225 910	-
Höegh Autoliners Shipping II AS	141 651	132 078
Höegh Autoliners Shipping III AS*	-	88 603
Total	**367 561**	**220 681**

* Höegh Autoliners Shipping III AS merged with Höegh Autoliners Shipping AS in 2024.

In 2023, a restructuring process was initiated in the Höegh Autoliners group to clean up and simplify the structure and operations by transferring vessels owned by Höegh Autoliners Shipping Pte Ltd in Singapore to Höegh Autoliners Shipping III AS. As part of this process, the non-current receivables on Höegh Autoliners Shipping AS and Höegh Autoliners Shipping Pte Ltd were transferred to another group company. The transfer of the receivables was done with tax continuity, according to The Regulation of the Tax Act chapter 11. The receivable on Höegh Autoliners Shipping AS is related to the restructuring and transfer of receivables.

Note 7 — Current receivables/(payables) group companies

31.12.2024 (USD 1 000)	Current receivables	Current payables	Total
Höegh Autoliners Management AS	-	(7 749)	(7 749)
Höegh Autoliners Shipping AS	95 036	-	95 036
Höegh Autoliners Logistics AS	-	(7 547)	(7 547)
Höegh Autoliners Shipping II AS	10 370	-	10 370
Total	**105 406**	**(15 296)**	**90 110**

31.12.2023 (USD 1 000)	Current receivables	Current payables	Total
Höegh Autoliners Management AS	-	(12 818)	(12 818)
Höegh Autoliners Shipping AS	24 314	-	24 314
Höegh Autoliners Logistics AS	-	(13 333)	(13 333)
Höegh Autoliners Shipping III AS	4	-	4
Total	**24 318**	**(26 151)**	**(1 833)**

Note 8 — Cash

Höegh Autoliners ASA is primarily funded by other group companies. As payments are made and receivables are collected by other companies, the cash flow will reflect this situation. The Company has restricted cash of USD 7.2 million related to a bank guarantee.

Note 9 — Equity

(USD 1 000)	Share capital	Share premium reserve	Other paid-in equity	Retained earnings	Total
Equity 01.01.2023	443 898	289 384	504	666 240	1 400 027
Share bonus program	-	-	563	-	563
Profit of the year	-	-	-	32 616	32 616
Dividend	-	-	-	(557 000)	(557 000)
Equity 31.12.2023	**443 898**	**289 384**	**1 067**	**141 856**	**876 206**
Share bonus program	-	-	560	-	560
Purchased own shares	-	-	-	(3 924)	(3 924)
Share bonus program 2021 settlement	-	-	(1 396)	(7 384)	(8 779)
Profit of the year	-	-	-	952 004	952 004
Dividend	-	(127 000)	-	(443 994)	(570 994)
Equity 31.12.2024	**443 898**	**162 384**	**232**	**638 559**	**1 245 074**

At the Annual General Meeting in May 2024, the Board of directors was authorised to resolve the distribution of dividends on the basis of the Company's annual accounts for 2023. The authorisation is valid until the Company's annual general meeting in 2024, but no longer than to and including 30 June 2025. Following this authorisation, a total of USD 571 million have been recognised in 2024 as dividend, whereof USD 481 million has been distributed to the shareholders during 2024 and USD 90 million has been recorded as current liabilities at 31 December 2024. The dividend of USD 90 million was paid to the shareholders in March 2025.

The Company's number of shares is as follows:	2024	2023
Total shares at 31 December	190 769 749	190 769 749

Nominal share value of NOK 14.80 (2023: NOK 14.80).

The largest shareholders at 31 December 2024:

Shareholders	Number of shares	% of shares
Leif Höegh & Co AS	67 750 000	35.51%
Clearstream Banking S.A.	20 933 664	10.97%
Folketrygdfondet	8 206 675	4.30%
UBS Switzerland AG	6 850 000	3.59%
BNP Paribas	5 015 000	2.63%
Intesa Sanpaolo S.p.A	4 310 115	2.26%
State Street Bank and Trust Comp	3 735 292	1.96%
JPMorgan Chase Bank, N.A., London	2 584 437	1.35%
Other	71 384 566	37.42%
Total number of shares	**190 769 749**	**100.00%**

Shares owned or controlled by representatives of the Group at 31 December 2024:

Name	Number of shares	% of shares
Board of directors		
Leif O. Høegh *	33 875 000	18%
Morten W. Høegh *	33 875 000	18%
Martine Vice Holter	-	-
Jan B. Kjærvik	-	-
Kasper Friis Nilaus	-	-
Johanna Hagelberg	-	-
Kjersti Aass	4 500	0%
Gyrid Skalleberg Ingerø	7 500	0%
Thor Jørgen Guttormsen	-	-
Executive management		
CEO - Andreas Enger ***	908 719	0 %

* *Leif O. Høegh and his immediate family indirectly owns 50% of Leif Höegh & Co AS.*

** *Morten W. Høegh and his immediate family are the principal beneficiaries of trusts which have an indirect ownership of 50% of Leif Höegh & Co AS.*

*** *The CEO's shares are owned through Damgård Invest AS.*

As of 31 December 2024, the Company has not granted any loans, guarantees or made any other similar commitments to any of its Board Members or members of Management.

Note 10 — Non-current and current interest-bearing debt

31.12.2024 Interest-bearing debt (USD 1 000)	Non-current	Current	Total
Mortgage debt	370 806	32 126	402 932
Accrued interest	-	590	590
Total	**370 806**	**32 716**	**403 522**

31.12.2023 Interest-bearing debt (USD 1 000)	Non-current	Current	Total
Mortgage debt	303 486	51 724	355 210
Accrued interest	-	229	229
Total	**303 486**	**51 953**	**355 440**

Mortgage debt 31.12.2024 (USD 1 000)	Maturity	Outstanding amount
USD 720 million senior secured facility	March 2030	402 932

Security
The USD 720 million senior secured term loan and revolving credit facility is secured by mortgages in 10 of the Group's vessels, with a book value of USD 594 million. In addition, the debt is secured by an assignment of earnings and insurances.

Mortgage debt
The credit facility was refinanced in March 2024, with new maturity in March 2030. For more information, see Note 18 in the consolidated accounts.

Note 11 — Other current liabilities

Other current liabilities (USD 1 000)	31.12.2024	31.12.2023
Dividend *	89 998	360 000
Other current liabilities **	20 283	150
Total	**110 281**	**360 150**

** Dividend provision is net of own shares. See also note 9 and 14.*

*** Other current liabilities are mainly relating to withholding tax on dividend.*

Note 12 — Contingent liabilities

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 the Japan, China, EU and the U.S. No fines have been invoked against the Group, save for the U.S., where the Group pleaded guilty to one offence, which entailed a fine. 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. Any potential fines or damage claims could be material for the Group.

On 23 March 2022, The Administrative Council for Economic Defence (CADE) in Brazil issued a fine of approximately BRL 26 million (USD 4.2 million) to Höegh Autoliners for alleged breaches of anti-trust regulations dating back to 2000-2012. Since Höegh Autoliners did not have any turnover in Brazil in the relevant period, the fine is calculated on a “virtual turnover” principle, based on Brazil’s relevance in the worldwide PCTC market. The decision (including the “virtual turnover” calculation) may be challenged before the Appellate Court in Brazil. Höegh Autoliners disagrees with CADE’s decision and after reviewing its merits, the Company has proceeded with an appeal. No provision has been made in the financial statements as of 31 December 2024.

Note 13 — Transactions with related parties

Höegh Autoliners ASA has a loan facility with a syndicate of banks. The subsidiary Höegh Autoliners Shipping AS is financed with a back-to-back loan from Höegh Autoliners ASA. In addition, the subsidiary Höegh Autoliners Shipping Pte. Ltd. has a long-term intercompany loan with Höegh Autoliners ASA. The interest rate and margin under the intercompany loan agreements are based on the conditions set out in the external loan agreement at the time these loans were granted. The mentioned conditions are updated from time to time following the external facility terms on such conditions. See Note 6 and 7 for more details on intercompany balances.

Supplier	Receiver	Transaction type	2024 (USD 1 000)	2023 (USD 1 000)
Höegh Autoliners ASA	Höegh Autoliners Shipping AS	Interest on loan	11 184	42 739
Höegh Autoliners ASA	Höegh Autoliners Shipping Pte. Ltd.	Interest on loan	395	10 632
Höegh Autoliners ASA	Höegh Autoliners Shipping II AS	Interest on loan	9 573	9 027
Höegh Autoliners ASA	Höegh Autoliners Shipping III AS	Interest on loan	-	270

Höegh Autoliners ASA holds a 36.45% interest in ParCar AS and had no outstanding receivable as of 31.12.2024 (2023: nil).
ParCar Shipholding AS, which is 100% owned by ParCar AS, leases Höegh Copenhagen on a bareboat lease to Höegh Autoliners Shipping AS.

Höegh Capital Partners Ltd delivered consultancy services to Höegh Autoliners ASA amounting to USD 7 thousand in 2024 (2023: USD 5 thousand).
There were on outstanding payables to Höegh Capital Partners Ltd at the end of 2024 (2023: USD 1 thousand).

Note 14 — Events after the balance sheet date

Dividend
On 13 February 2025, the Board of Directors resolved to distribute a cash dividend of USD 0.4718 per share amounting to USD 90 million.
The dividend was paid out in March 2025.

Share capital reduction
Following the resolution at the Extraordinary General Meeting for Höegh Autoliners ASA in November 2024 and the requisite creditor notice period having been served, the Company has filed the final confirmation of the share capital reduction with the Norwegian Register of Business Enterprises. The reduction in share capital from NOK 2 823 392 285.20 to NOK 190 769 749 is transferred to other paid-in capital.

To the General Meeting of Höegh Autoliners ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Höegh Autoliners ASA, which comprise:

- the financial statements of the parent company Höegh Autoliners ASA (the Company), which comprise the statement of financial position as at 31 December 2024, 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, and
- the consolidated financial statements of Höegh Autoliners ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, 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, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

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 and the Group 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Höegh Autoliners ASA for 12 years from the election by the general meeting of the shareholders on 21 August 2013 for the accounting year 2013.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Group's business activities are largely unchanged compared to last year. We have not identified regulatory changes, transactions or other events that qualified as new key audit matters. Both *Impairment assessment for vessels and newbuildings* and *Revenue from contracts with customers* have the same characteristics and risks this year as the previous year and consequently both have been areas of focus also for the 2024 audit.

Key Audit Matters	How our audit addressed the Key Audit Matter
Impairment assessment for vessels and newbuildings On 31 December 2024, the Group owned and operated 38 vessels, of which 34 owned and 4 chartered in and classified as Right-of-Use Assets, and 8 newbuildings. At the balance sheet date, owned and leased vessels and newbuildings had a net carrying amount of USD 1 708 692 thousand. The Group has not recognised an impairment on the vessels or newbuildings in 2024. Indicators of impairment for the vessels and newbuildings were assessed and management concluded that no such indicators were present. As a result, management has not performed an impairment test. We focused on management's impairment assessment for vessels and newbuildings due to the significant carrying value of these assets and the judgement inherent in the assessment of indicators of impairment. Refer to note 7 – Vessels, Newbuildings, Equipment and Right-of-Use Assets, where management explains how they assessed the value of the vessels and newbuildings.	We evaluated and challenged management's assessment of indicators of impairment and the process by which this was performed. We assessed management's accounting policy against IFRS Accounting Standards and obtained explanations from management as to how the specific requirements of the standards, in particular IAS 36 – Impairment of assets, were met. We also assessed the consistency year-on-year of the application of the accounting policy. As part of management's assessment, management compiled independent broker valuations for the vessels and newbuildings. We satisfied ourselves that the external brokers had both the objectivity and the competence to provide the estimate. To assess this, we interviewed selected brokers to understand how the estimates for fair value were compiled. We also satisfied ourselves that the brokers were provided with relevant facts to determine such an estimate, by testing key inputs such as build date, build location and certain key specifications back to the ships register. To assess other assumptions in the impairment indicator assessment, we interviewed management and challenged their conclusions. We also corroborated the underlying information against third party documentation. We considered that assumptions made by management were appropriate, with no indication of impairment identified. We also assessed management's process and results for identification and classification of CGUs to ensure they were appropriate and in accordance with relevant accounting standards. We read note 7 – Vessels, Newbuildings, Equipment and Right-of-Use Assets and assessed it to be in line with the requirements.

Revenue from contracts with customers

Total revenue from contracts with customers was USD 1 370 828 thousand for the year ended December 31, 2024. There is an inherent risk of errors when a revenue stream consists of large numbers of transactions that add up to material amounts. The inherent risk of errors increases from the complexity that sometimes accompany the requirements for management to use judgement, particularly to determine the transaction price and to decide when performance obligations are satisfied.

Revenue from contracts with customers has been an area of focus for the audit due to the amounts involved and inherent risk associated with large number of individual transactions, various customer agreements, BAF adjustment, volume rebates and third parties involved.

We refer note 2 - Total revenues where management explains the revenue streams and how they are accounted for.

We obtained an understanding of the revenue recognition process based on interviews with management and reviews of the Group's process and policy documentation. We evaluated management's application of revenue recognition principles and whether they were in accordance with the IFRS Accounting Standards. We agreed with management about their accounting policies and that their assessments were reasonable.

To assess the accuracy of recorded revenue, we tested, on a sample basis, each revenue stream towards information such as contract terms, bills of lading, invoices, and bank payments. We found that the revenue was recorded accurately and in accordance with the underlying documentation.

Further, to assess the determined transaction prices, we obtained an understanding of the price for services, including BAF adjustments and volume discounts, where applicable, through interviews with management, walkthroughs and review of process descriptions. In addition, we obtained and read a selection of customer contracts to understand whether the determined prices were in accordance with the contract terms. We found no significant deviations in management's assessments.

Through interviews with management and review of a selection of sales documentation such as customer contracts, bill of lading and invoices, we obtained an understanding of the assumptions management assessed to decide on when the performance obligations were satisfied. We found that management's assumptions were reasonable.

We read note 2 - Total revenues and assessed it to be in line with the requirements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. 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 nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. 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.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company 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 the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Höegh Autoliners ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Hoegh_Autoliners_ASA-2024-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 24 April 2025
PricewaterhouseCoopers AS

P.Wallace

Peter Wallace
State Authorised Public Accountant