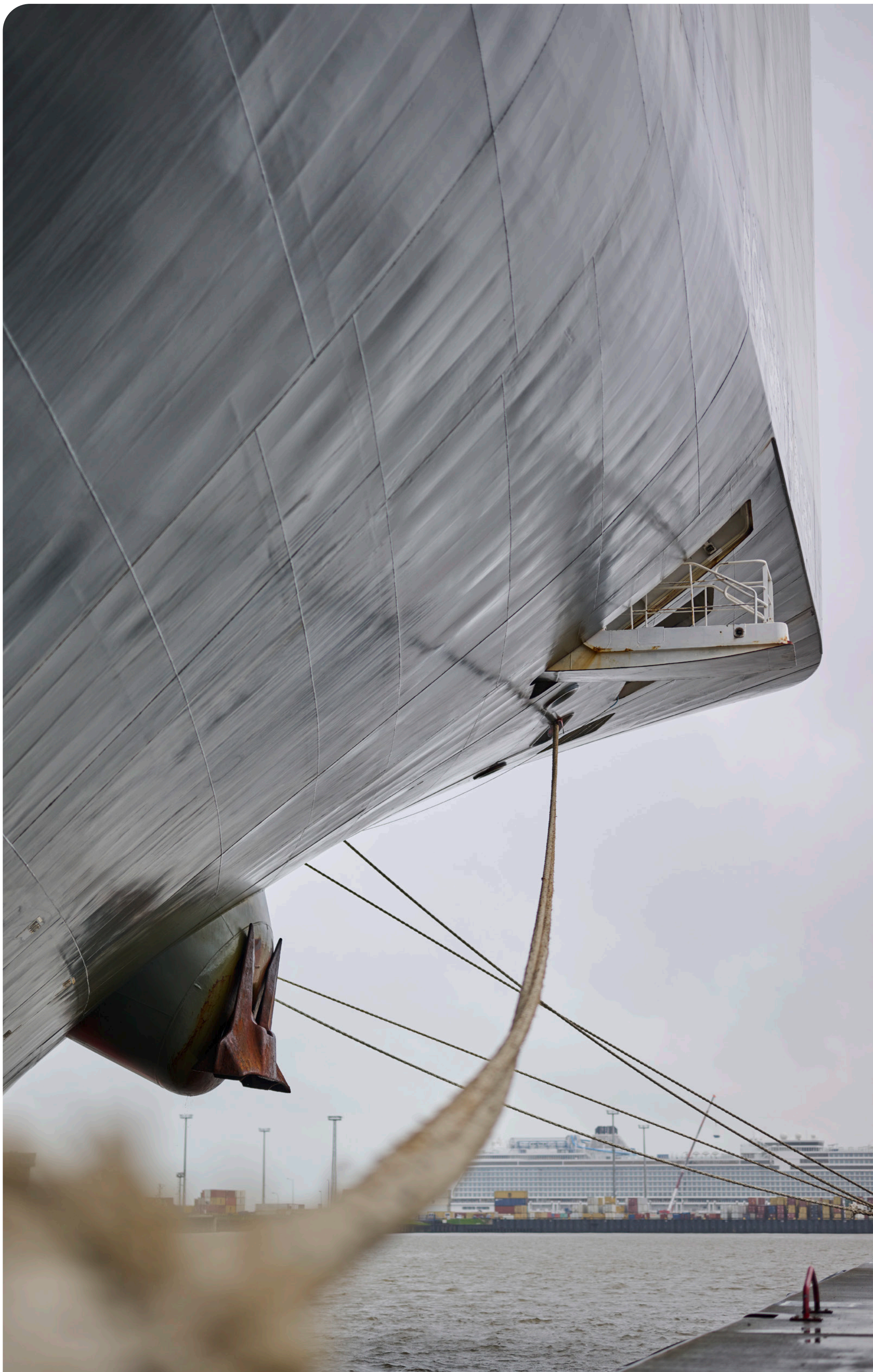
HÖEGH AUTOLINERS

# 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 $CO_2$ 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 | Owner share % * 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<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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