



## Q4 2019 – PRESENTATION OF FINANCIAL RESULTS

27 February 2020

# Forward looking statements

This presentation contains forward-looking statements which reflects management's current expectations, estimates and projections about Höegh LNG's operations. All statements, other than statements of historical facts, that address activities and events that will, should, could or may occur in the future are forward-looking statements. Words such as "may," "could," "should," "would," "expect," "plan," "anticipate," "intend," "forecast," "believe," "estimate," "predict," "propose," "potential," "continue" or the negative of these terms and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Unless legally required, Höegh LNG undertakes no obligation to update publicly any forward-looking statements whether as a result of new information, future events or otherwise.

Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are: changes in LNG transportation and regasification market trends; changes in the supply and demand for LNG; changes in trading patterns; changes in applicable maintenance and regulatory standards; political events affecting production and consumption of LNG and Höegh LNG's ability to operate and control its vessels; change in the financial stability of clients of the Company; Höegh LNG's ability to win upcoming tenders and securing employment for the FSRUs on order; changes in Höegh LNG's ability to convert LNG carriers to FSRUs including the cost and time of completing such conversions; changes in Höegh LNG's ability to complete and deliver projects awarded; changes to the Company's cost base; changes in the availability of vessels to purchase; failure by yards to comply with delivery schedules; changes to vessels' useful lives; changes in the ability of Höegh LNG to obtain additional financing, including the impact from changes in financial markets; changes in the ability to achieve commercial success for the projects being developed by the Company; changes in applicable regulations and laws; and unpredictable or unknown factors herein also could have material adverse effects on forward-looking statements.

# Agenda



1 Highlights

2 Company update

3 Market update

4 Financials

5 Summary

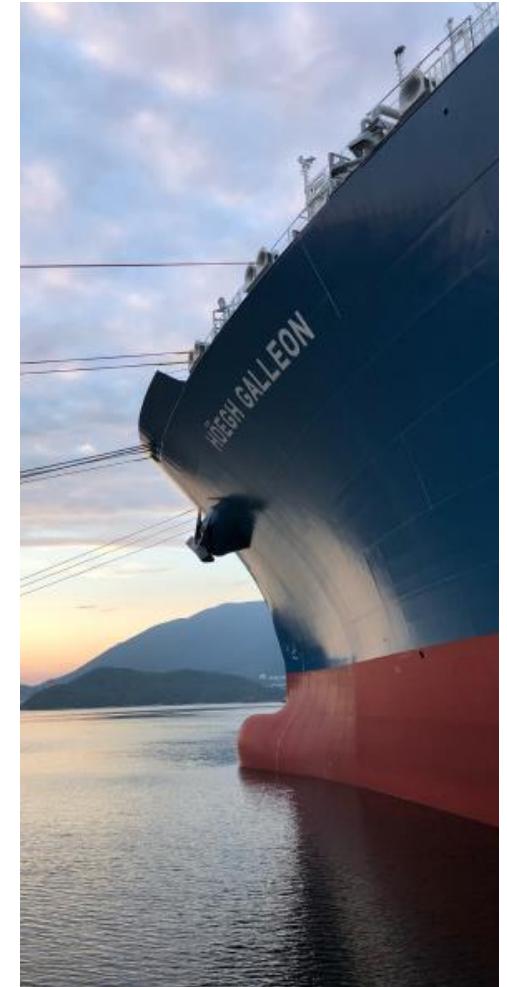
# Highlights for the fourth quarter of 2019

## Highlights

- EBITDA of USD 59.8 million
- Net profit of USD 4.0 million
- Dividend of USD 0.025 per share paid in the fourth quarter of 2019
- 99.5% technical availability across the global fleet in 2019

## Subsequent events

- Commercial agreement reached with Total for settling boil-off claim
- Secured RCF of USD 80 million and new bond loan of NOK 650 million to refinance the HLNG 02 bond maturing in June 2020
- Lease back option for Höegh Gallant triggered by HMLP
- Dividend of USD 0.025 per share declared for the first quarter of 2020



# Uncertain sentiment in global LNG markets

- Corona virus outbreak
  - Impact on world trade and economic growth
  - Impact on commodity demand and maritime segments
  - HLNG's personnel, operations or revenues currently not affected
- Competitive LNG prices
  - Increased demand for LNG – fuel switching from coal and oil to gas very attractive
  - Demand growth for LNG supports the demand for additional import facilities – FSRUs quickest and lowest cost solution
- LNG carrier market under pressure
  - Low LNG price closes inter-basin arbitrage window
  - Warm winter in Asia reduces demand into JKM markets
  - Corona virus impact on Chinese LNG imports



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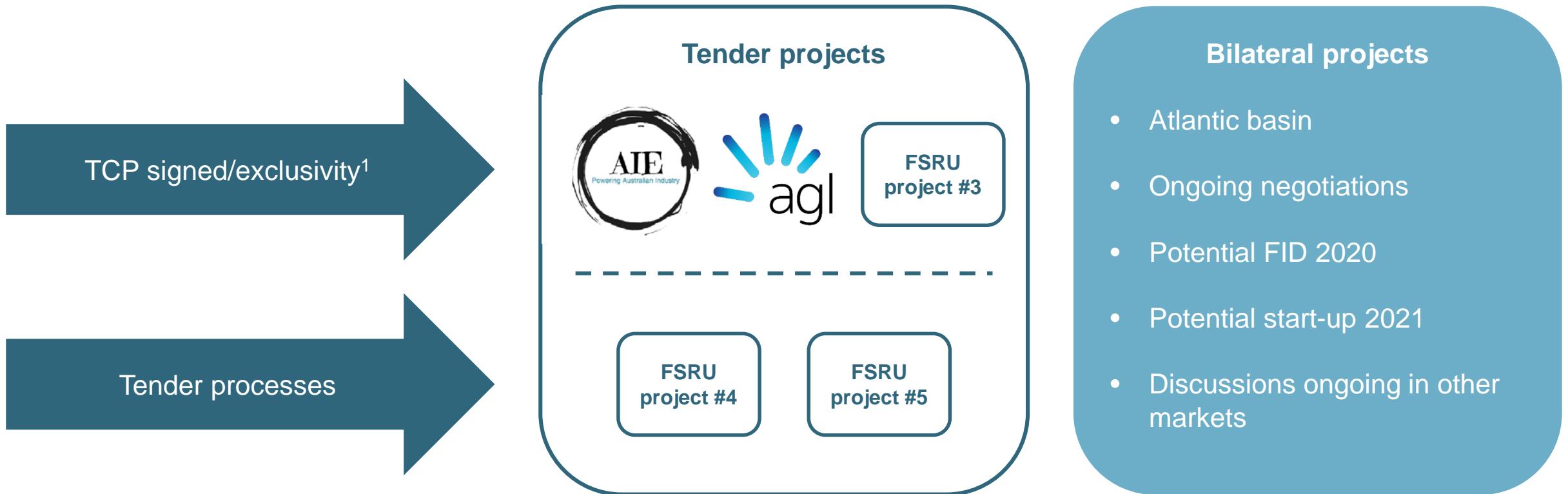
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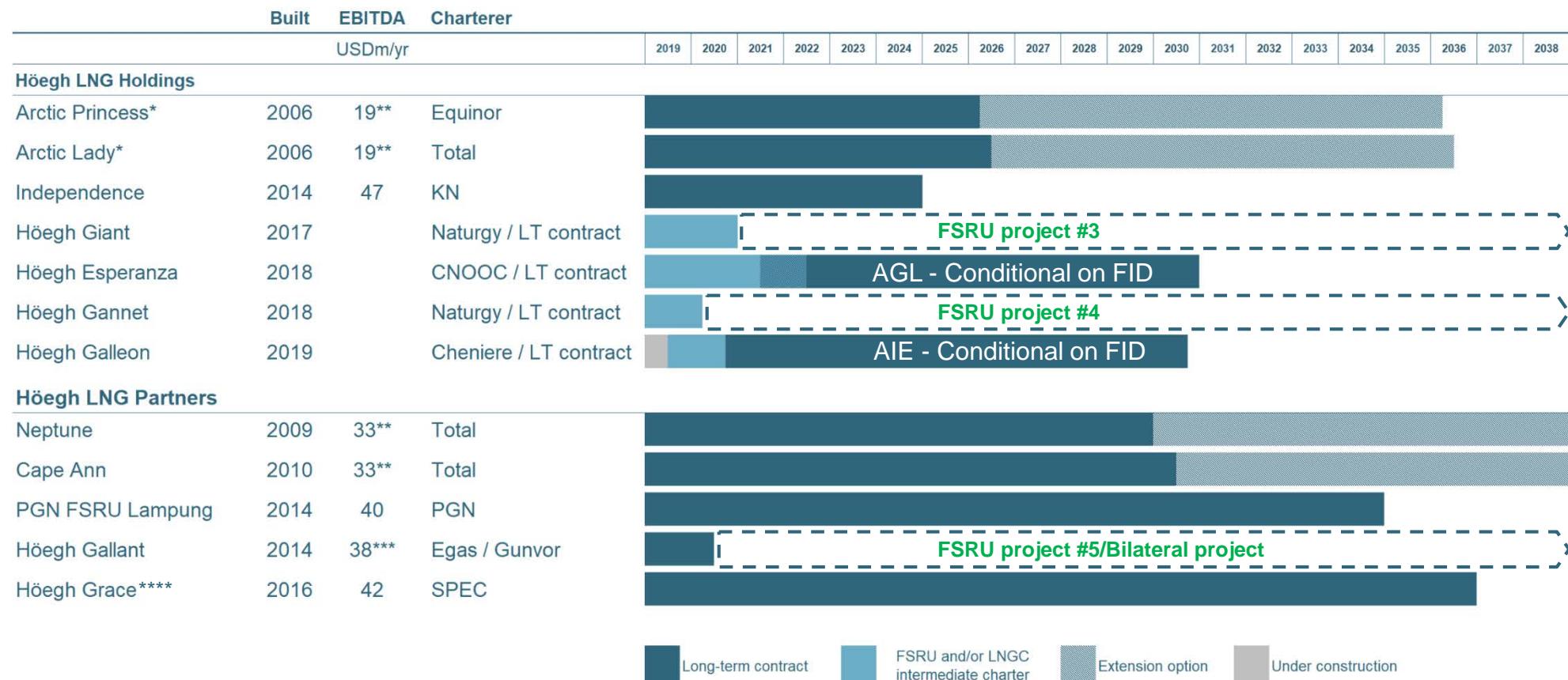
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# Project pipeline



<sup>1</sup>: Conditional on FID

## Contract coverage progressing steadily



**Höegh Gannet is expected to be redelivered in Q1 2020 following the end of the charter with Naturgy**

## **HMLP has exercised the option to lease back Höegh Gallant to HLNG upon redelivery from the Gunvor charter**

\* LNG carriers. \*\* 100% basis, units are jointly owned

\*\*\* Currently on LNG charter with Clearlake Shipping (Gunvor subsidiary) with annual EBITDA contribution of around USD 16 million. The difference in revenue between the original FSRU contract with Egas and the new LNG carrier time charter for the balance of the charter was recognised in Q4 2018 although Egas continues to compensate for this difference on a monthly basis until the expiration of the original FSRU contract in April 2021.

\*\*\*\* The initial term of the charter is 20 years. However, each party has an unconditional option to cancel the charter after 10 and 15 years without penalty. However, if SPEC waives its right to terminate in year 10 within a certain deadline, Höegh LNG Partners LP will not be able to exercise its right to terminate in year 10.

# Strong ESG focus – committed to the energy transition towards a carbon neutral future

## Environment

- Member of Getting to Zero coalition
- All vessels meet new IMO regulations
- All FSRUs built after 2012 carry the “clean” notation
- Green recycling policy



GLOBAL  
MARITIME  
FORUM

## Social

- Group-wide safety culture: Safety First!
- No forms of discrimination tolerated
- Zero tolerance for bribery and corruption
- Suppliers and business partners must comply with HLNG standards



## Governance

- Report in accordance with the “core” level of the GRI standards since 2014
- Management systems ISO 9001 and ISO 14001 certified
- Safety management system OHSAS 18001 compliant
- KPIs on HSE are reported to the BoD quarterly

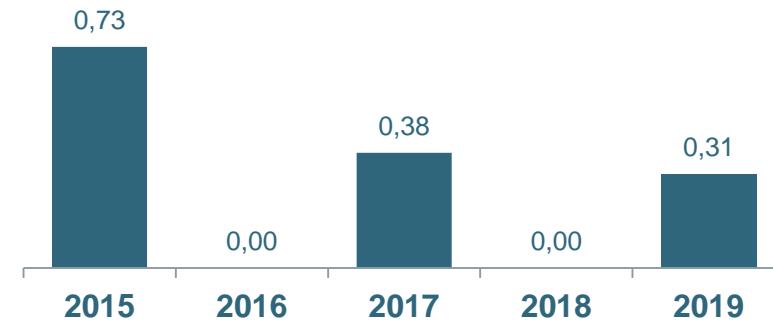


## Safe and reliable

### Technical availability



### Lost time injury frequency<sup>1</sup>



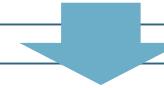
1: Calculated per million exposure hours for sea going personnel only

## HIGAS terminal Port of Oristano, Sardinia, February 2020



**10 000 cbm storage capacity  
180 000 tonnes annual import capacity**

**HIGAS terminal scheduled for commencement of operations in August 2020**

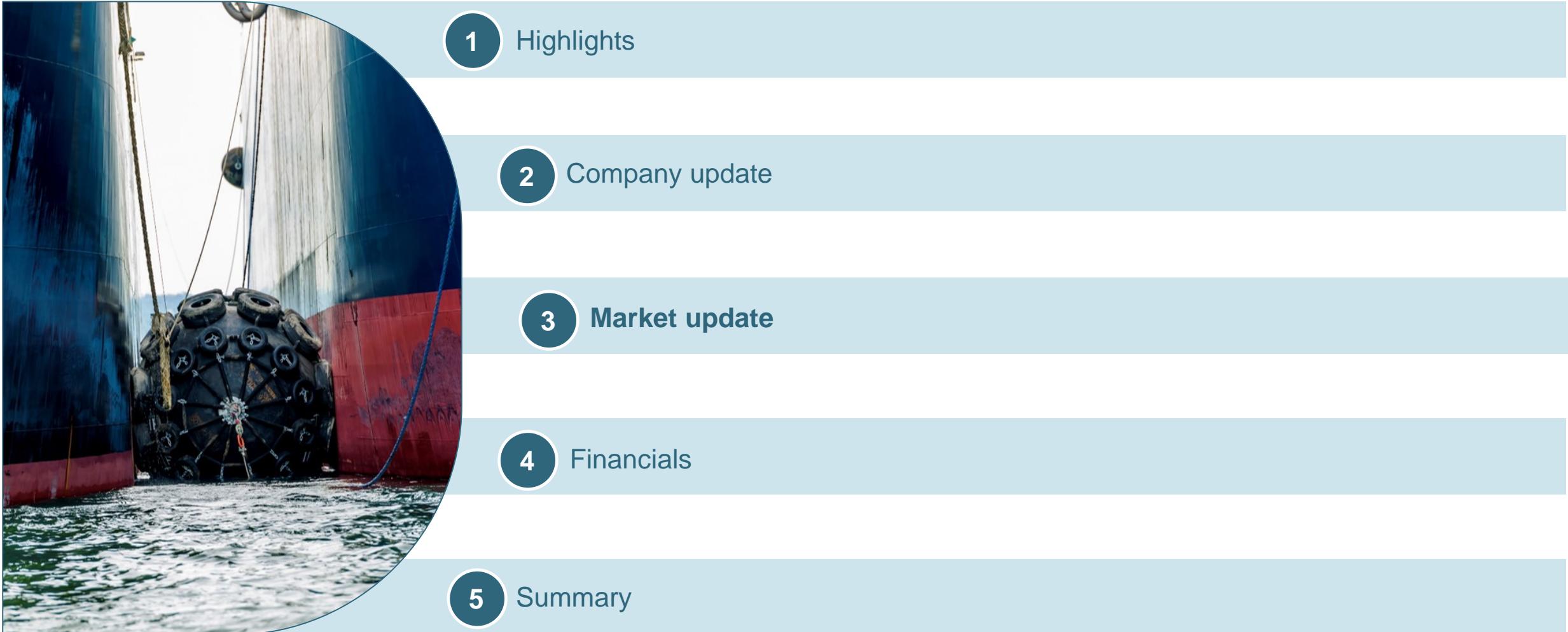


**Negotiating supplies with offtake customers in Sardinia**

**Two first ships on 3 year charters from expected delivery in March and August 2020**

**Developing new small scale projects worldwide**

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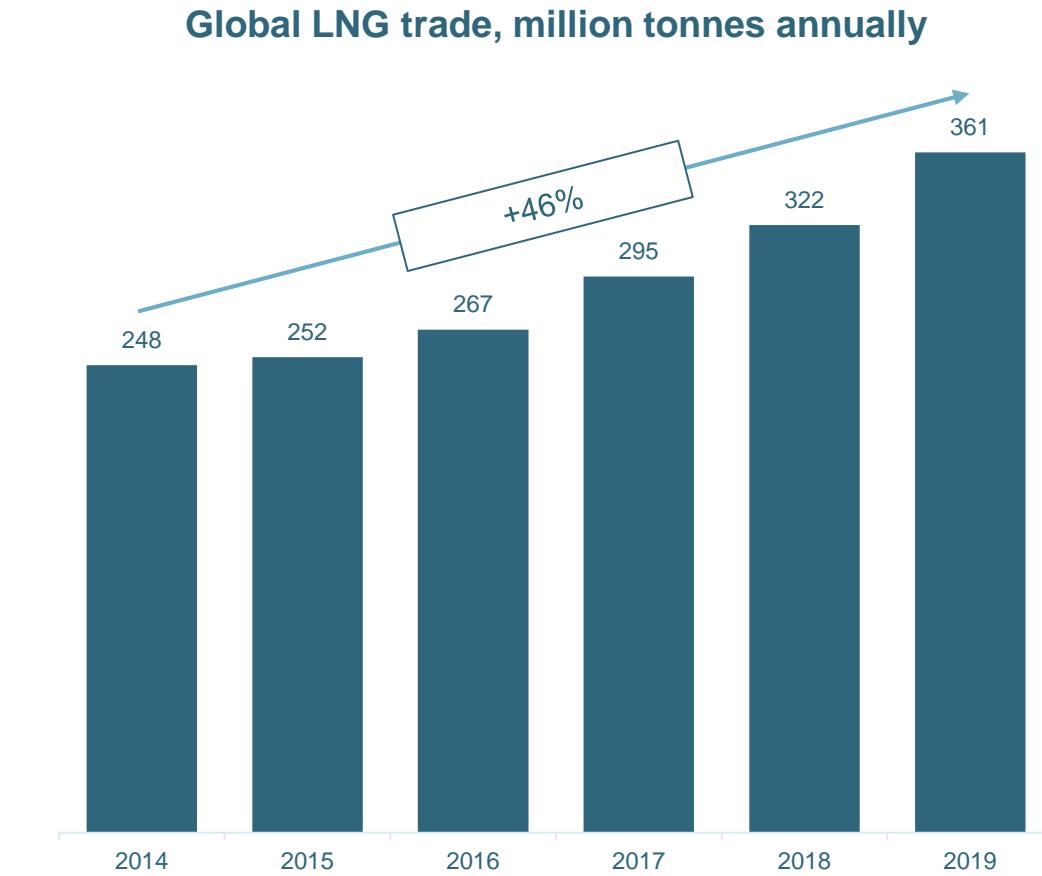
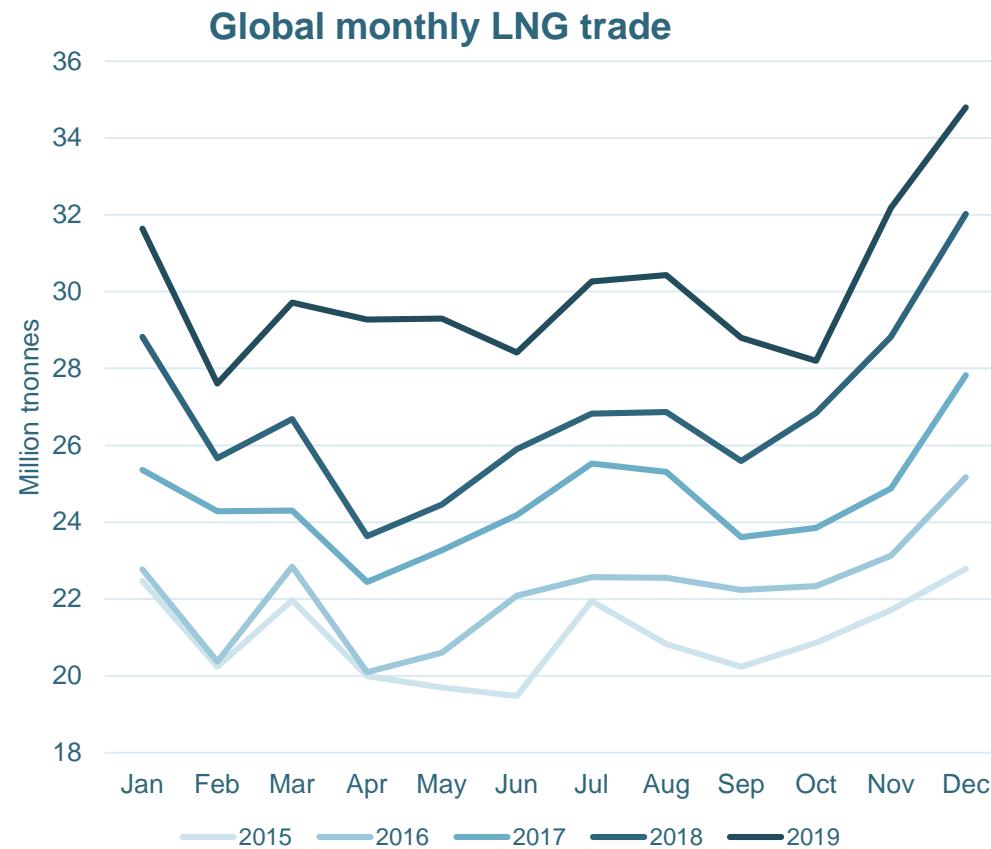
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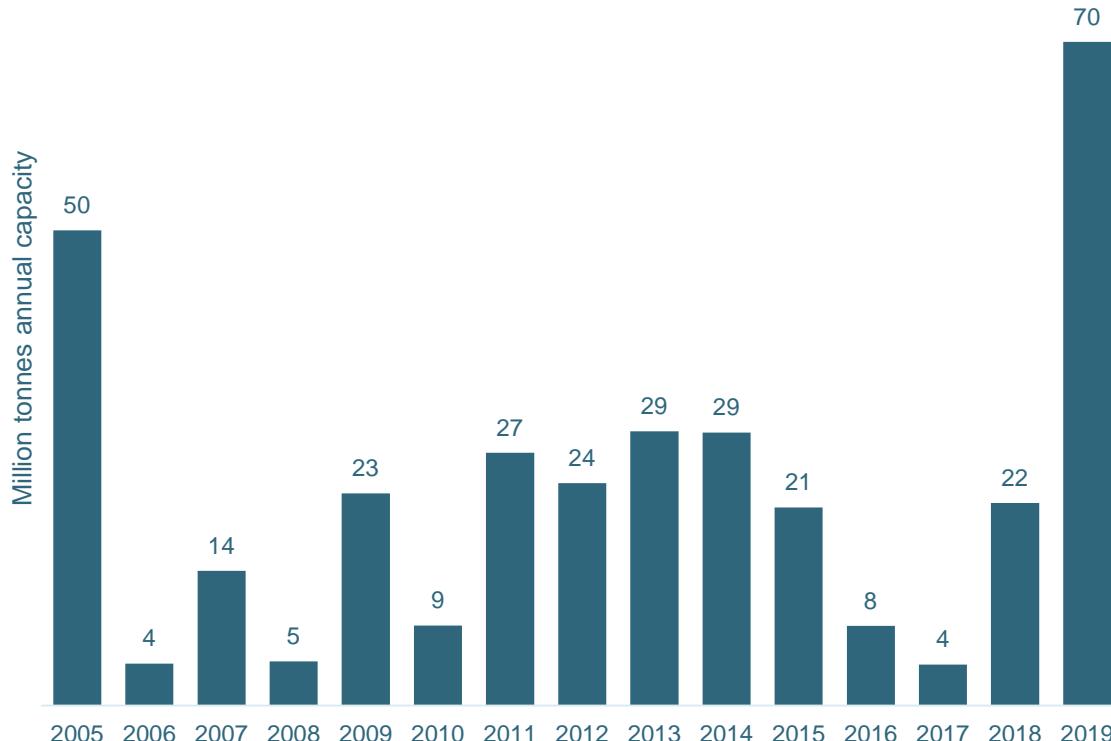
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12% growth in global LNG trade in 2019

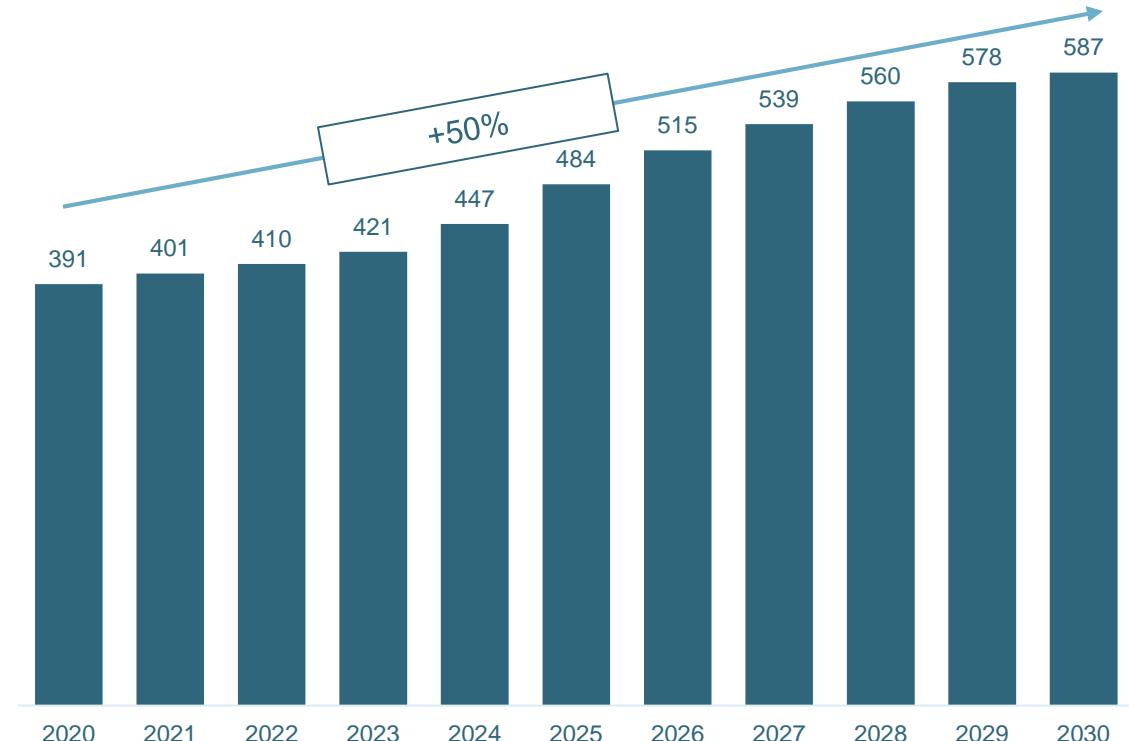


# Liquefaction FIDs in 2019 – highest level ever seen

Liquefaction capacity by FID year



Global supply of LNG, million tonnes



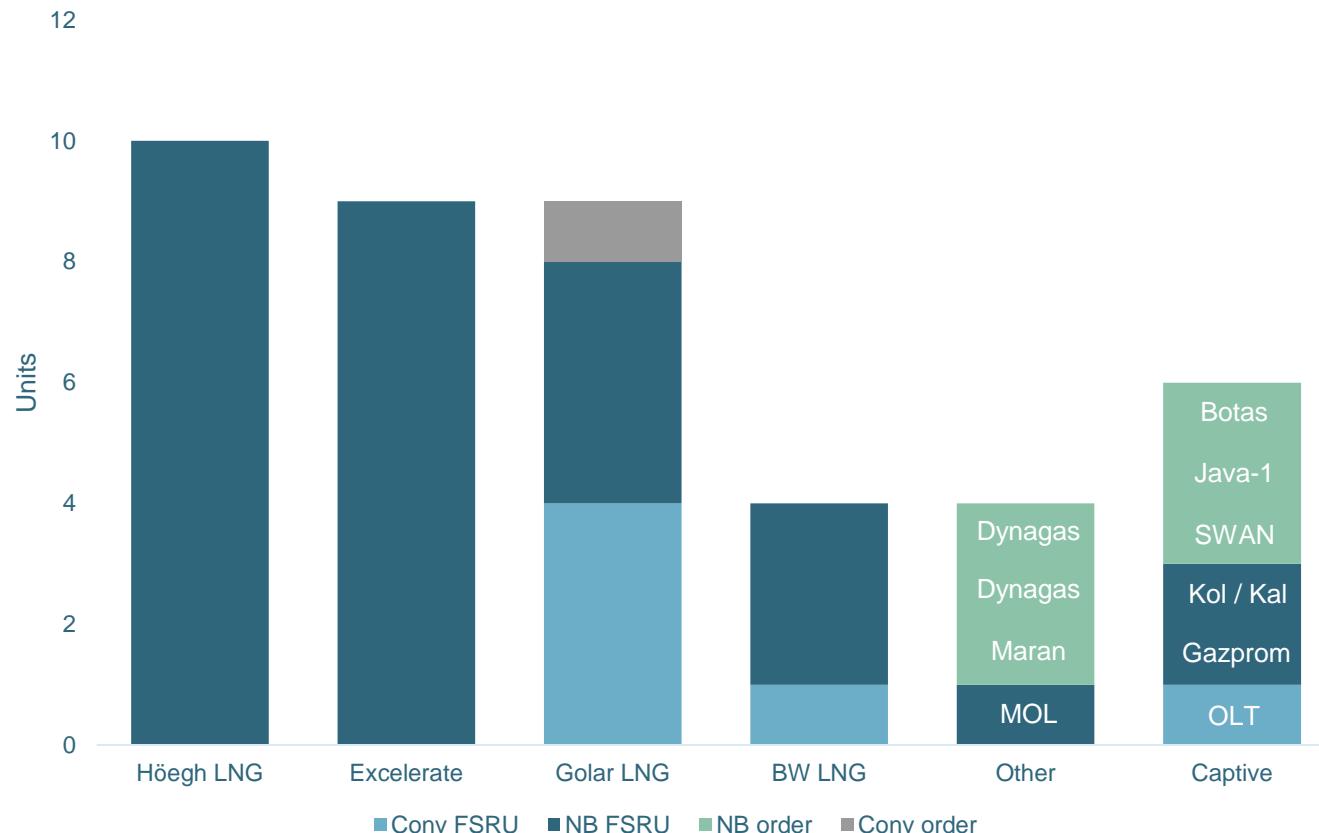
Highest level for FIDs for liquefaction capacity ever

43 million tonnes were sanctioned without long-term offtake agreements in place

FIDs made will secure growth in LNG volumes

# 35 FSRUs on the water – 7 units in orderbook

## FSRU fleet<sup>1</sup> by owner and orderbook<sup>2</sup> by owner



No new orders since 2018

Orderbook to be delivered through 2022

1: Including purpose built FSRUs and conversions, barges excluded

2. Orderbook defined as confirmed orders, excluding LOIs, options and conversions not firmed up

Source: publicly available company information, Höegh LNG

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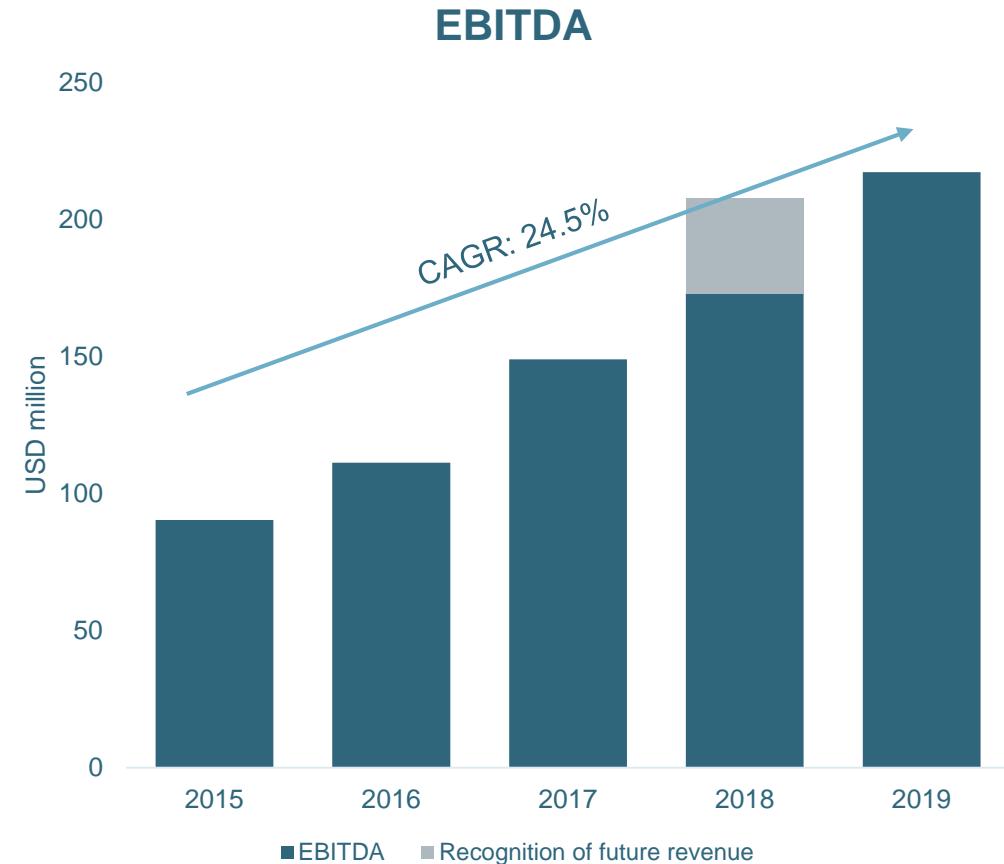
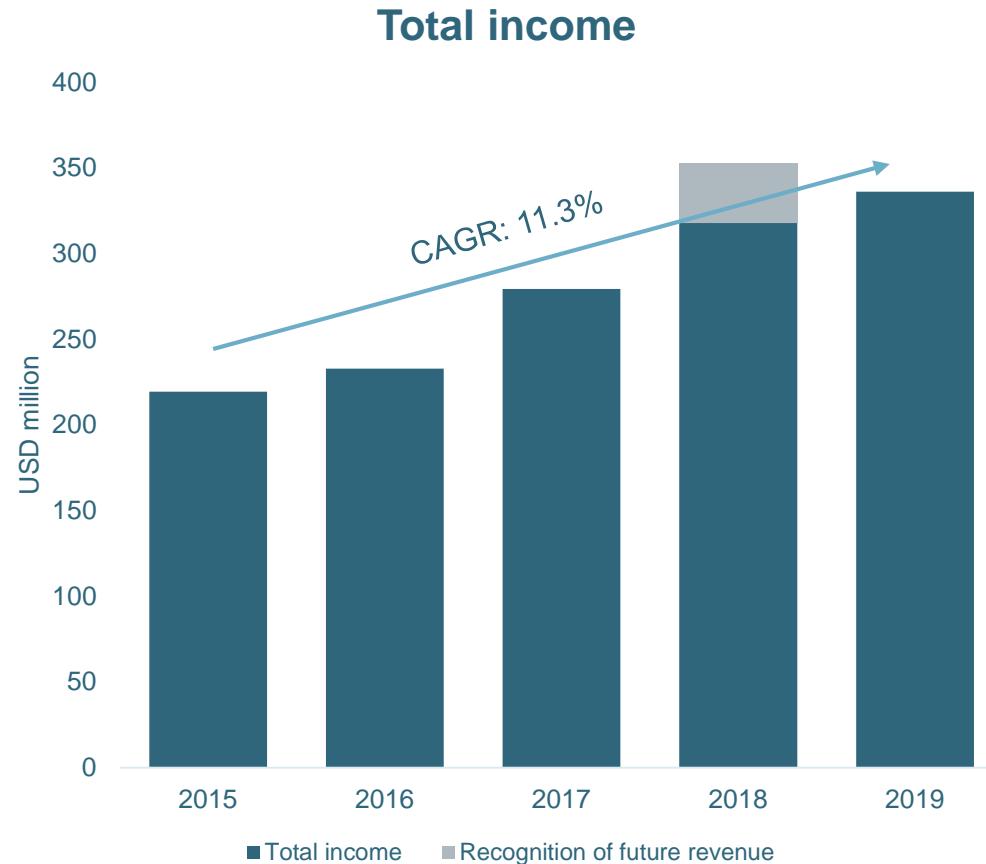
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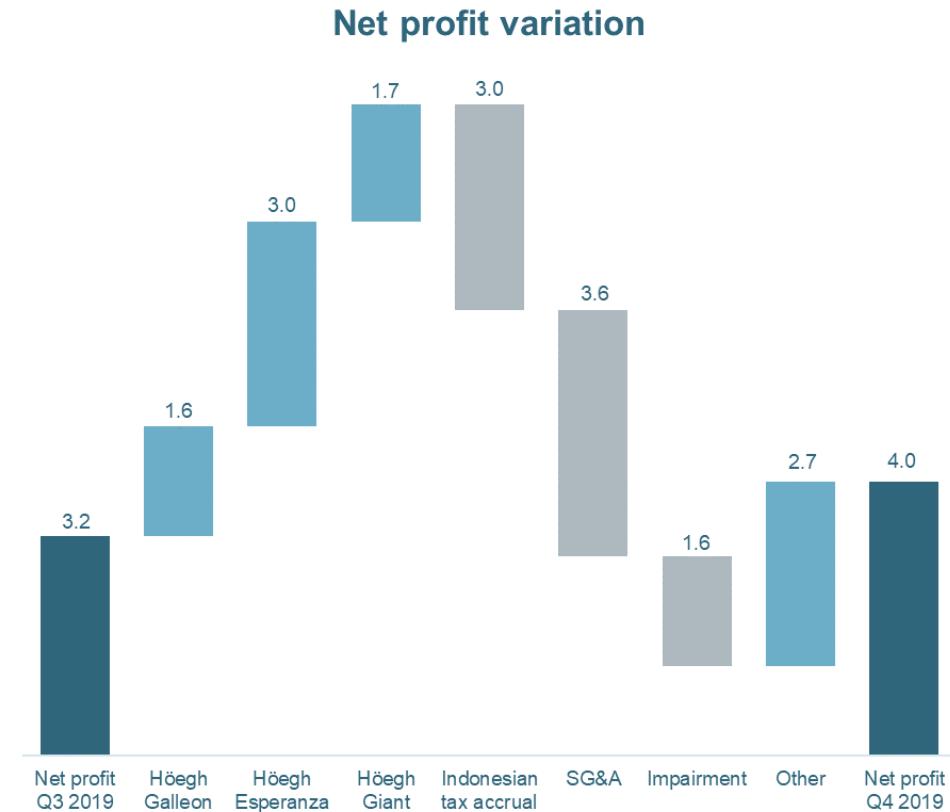
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# Growth in income and EBITDA



# Income statement for the quarter ended 31 December 2019

USD million	Q4 2019	Q3 2019
<b>Total income</b>	<b>94.2</b>	<b>82.2</b>
Charterhire and other expenses	0.0	-0.3
Operating expenses	-21.2	-16.4
Administrative and BD expenses	-13.2	-9.6
<b>EBITDA</b>	<b>59.8</b>	<b>55.9</b>
Depreciation	-28.1	-26.7
Impairment	-1.6	0.0
<b>EBIT</b>	<b>30.2</b>	<b>29.2</b>
Net interest expense	-25.1	-22.6
Net other financials	0.0	-1.2
<b>Profit before taxes</b>	<b>5.1</b>	<b>5.4</b>
Corporate income tax	-1.1	-2.3
<b>Profit for the period</b>	<b>4.0</b>	<b>3.2</b>



# Financial position at 31 December 2019

<i>USD million</i>	<b>31.12.2019</b>	<b>30.09.2019</b>
Investments in vessels and other assets	2 300	2 318
Other	107	124
Cash and short-term restricted cash	195	178
<b>Total assets</b>	<b>2 602</b>	<b>2 621</b>
Equity attributable to the parent	396	394
Non-controlling interests	300	286
Total equity	696	680
Interest-bearing debt	1 779	1 804
Other	127	137
<b>Total equity and liabilities</b>	<b>2 602</b>	<b>2 621</b>
<i>NIBD</i>	1 566	1 608
<i>Adjusted equity</i>	801	800
<i>Adjusted equity ratio</i>	30 %	30 %

**No material change to the financial position quarter-on-quarter**

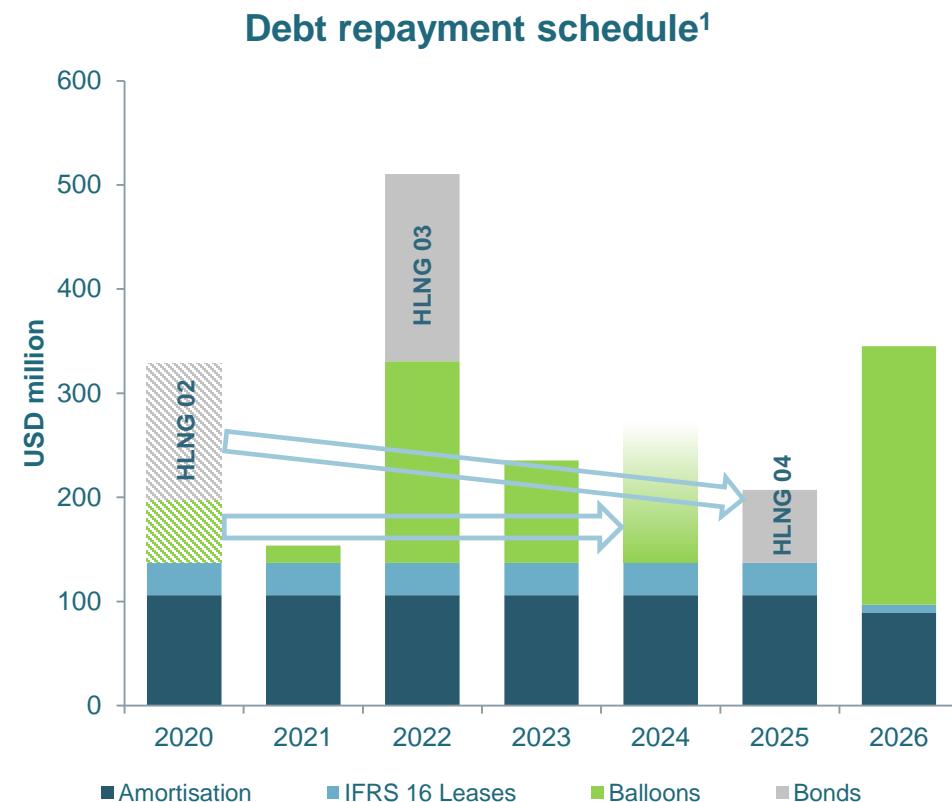
**Book equity ratio of 30%<sup>1</sup>**

**Net interest-bearing debt of USD 1 566 million**

**No material remaining capex commitments**

1: Adjusted for mark-to-market of hedges

# Refinancing of 2020 debt maturities in good progress



## Refinancing activities:

New revolving credit facility of up to USD 80 million secured in January 2020, subject to final documentation with expected completion end Q1 2020

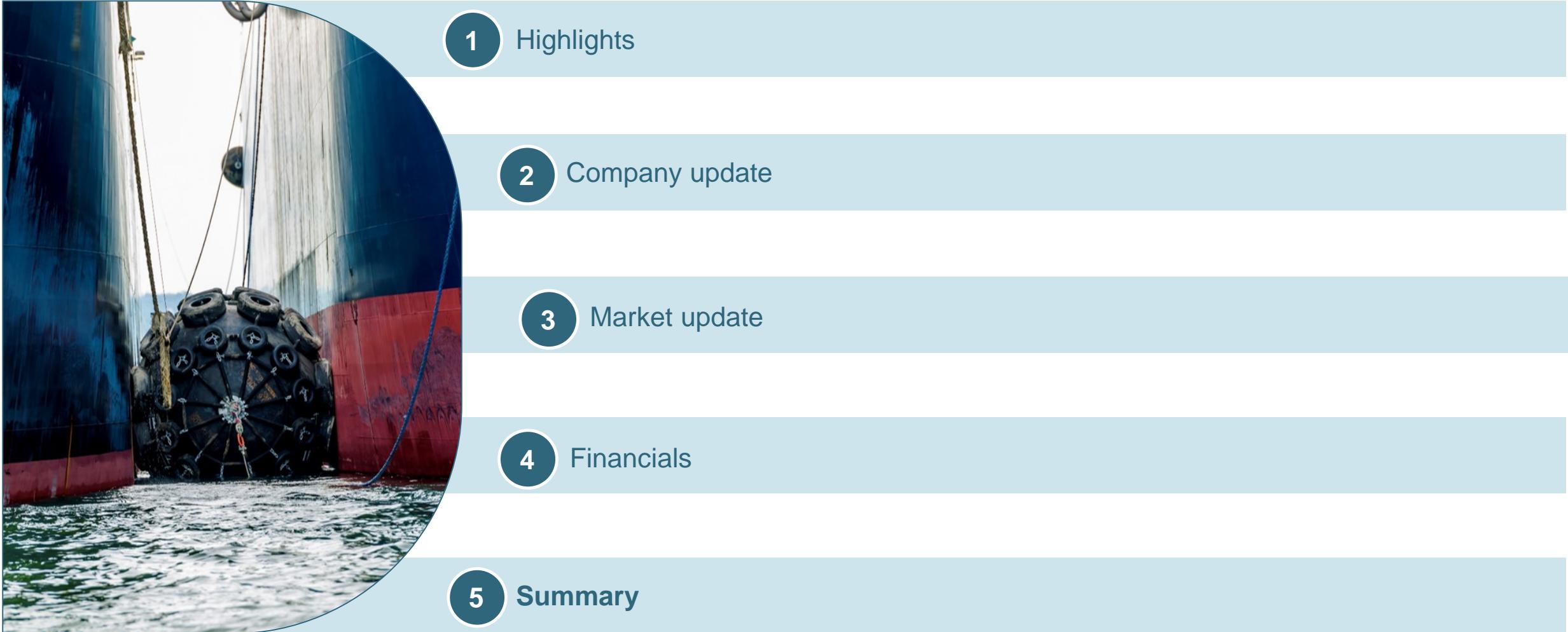
New bond loan of NOK 650 million issued in January 2020

Refinancing of Independence commercial tranche on track

1: Consolidated debt as of 31 December 2019 with the following assumptions and adjustments:

All balloons assumed refinanced in full, extending current amortisation profiles | HMLP's RCF is included with the amount drawn at 31 December 2019 and assumed refinanced upon maturity | HLNG's new RCF is assumed drawn by USDm 60 to refinance part of HLNG02 and included with the same amount and refinanced upon maturity | Independence commercial tranche of USDm 61 is assumed refinanced with new maturity end 2024 and with a potential top-up (shaded area)

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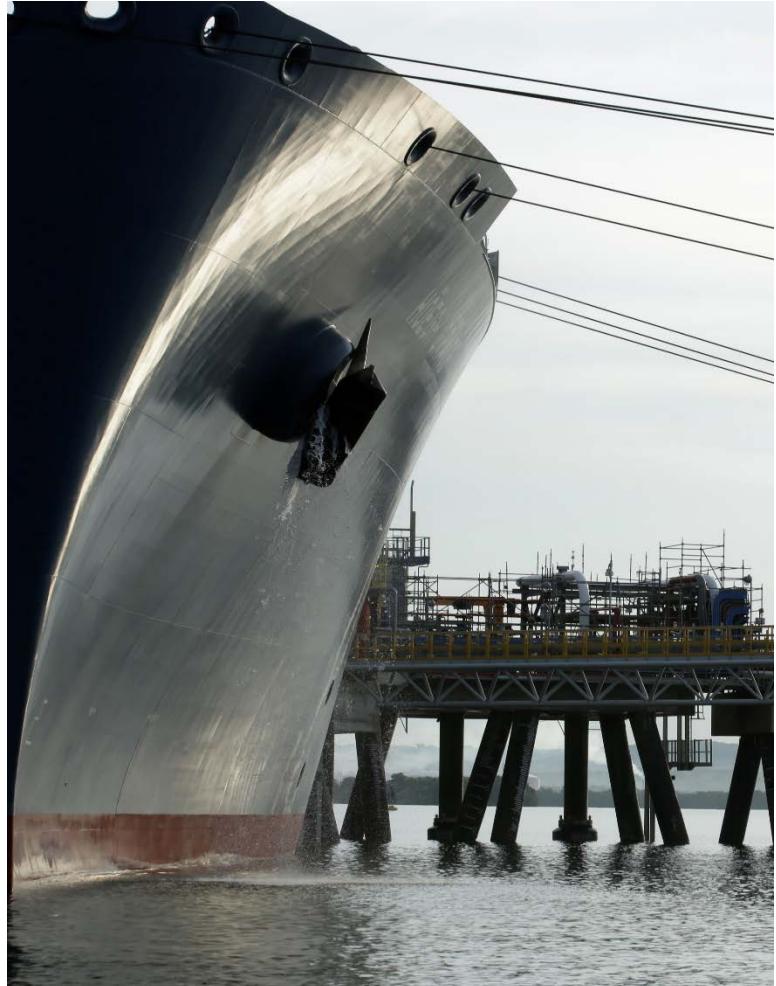
EBITDA of 59.8 million and net profit of 4.0 million for Q4 2019

Personnel, operations or revenues currently not affected by Corona virus outbreak

HÖEGH LNG

Growth in global LNG trade continues – 2019 a record year for liquefaction FIDs

Strong ESG focus



# Q&A session

**27 February 2020 - 09:00 CET**

Call-in details:

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Participant passcode: 3275682

Webcast:

[https://channel.royalcast.com/webcast/hegnarmedia/20200227\\_4/](https://channel.royalcast.com/webcast/hegnarmedia/20200227_4/)