



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

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

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Cathrine Manum  
Dato for fastsettelse av årsregnskapet: 30.06.2021

### Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert  
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 16.06.2022



### Resultatregnskap

Beløp i: USD	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt		711 723 000	886 247 000
<b>Sum inntekter</b>		<b>711 723 000</b>	<b>886 247 000</b>
<b>Kostnader</b>			
Avskrivning på varige driftsmidler og immaterielle eiendeler	7	69 491 000	67 961 000
Bunker expenses	3	145 104 000	189 124 000
Voyage exp and other operating exp	4	308 750 000	353 701 000
Charter hire expenses	5	100 480 000	170 981 000
Operating and admin expenses	6	94 962 000	107 259 000
<b>Sum kostnader</b>		<b>718 787 000</b>	<b>889 026 000</b>
<b>Driftsresultat</b>		<b>-7 064 000</b>	<b>-2 779 000</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern	11	2 000	3 000
Annen renteinntekt	8	12 000	97 000
Annen finansinntekt	8	1 058 000	1 709 000
<b>Sum finansinntekter</b>		<b>1 072 000</b>	<b>1 809 000</b>
Rentekostnad til foretak i samme konsern	17	28 126 000	43 873 000
Annen rentekostnad	8	8 845 000	7 972 000
<b>Sum finanskostnader</b>		<b>36 971 000</b>	<b>51 845 000</b>
<b>Netto finans</b>		<b>-35 899 000</b>	<b>-50 036 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-42 963 000</b>	<b>-52 815 000</b>
Skattekostnad på ordinært resultat	9	25 000	0
<b>Ordinært resultat etter skattekostnad</b>		<b>-42 988 000</b>	<b>-52 815 000</b>
<b>Årsresultat</b>		<b>-42 988 000</b>	<b>-52 815 000</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital	2	-42 988 000	-52 815 000
<b>Sum overføringer og disponeringer</b>		<b>-42 988 000</b>	<b>-52 815 000</b>



## Resultatregnskap

<b>Beløp i: USD</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
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### Balanse

Beløp i: USD	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Equipment	7	5 708 000	6 834 000
Vessels	7	967 122 000	1 010 778 000
Newbuildings and projects	7	9 436 000	8 211 000
<b>Sum varige driftsmidler</b>		<b>982 266 000</b>	<b>1 025 823 000</b>
<b>Finansielle anleggsmidler</b>			
Lån til foretak i samme konsern	11	0	74 000
Andre fordringer	10	5 988 000	11 177 000
<b>Sum finansielle anleggsmidler</b>		<b>5 988 000</b>	<b>11 251 000</b>
<b>Sum anleggsmidler</b>		<b>988 254 000</b>	<b>1 037 074 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Bunker		24 723 000	32 751 000
<b>Sum varer</b>		<b>24 723 000</b>	<b>32 751 000</b>
<b>Fordringer</b>			
Trade and other receivables	12	63 025 000	76 239 000
Prepayments		1 322 000	2 155 000
Andre fordringer	13	971 000	3 173 000
Konsernfordringer	18	16 584 000	3 259 000
<b>Sum fordringer</b>		<b>81 902 000</b>	<b>84 826 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		40 084 000	73 822 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>40 084 000</b>	<b>73 822 000</b>
<b>Sum omløpsmidler</b>		<b>146 709 000</b>	<b>191 399 000</b>
<b>SUM EIENDELER</b>		<b>1 134 963 000</b>	<b>1 228 473 000</b>



### Balanse

Beløp i: USD	Note	2020	2019
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	2	20 245 000	20 245 000
Overkurs	2	496 922 000	496 922 000
<b>Sum innskutt egenkapital</b>		<b>517 167 000</b>	<b>517 167 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	2	-455 258 000	-412 272 000
<b>Sum opptjent egenkapital</b>		<b>-455 258 000</b>	<b>-412 272 000</b>
<b>Sum egenkapital</b>		<b>61 909 000</b>	<b>104 895 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	15	48 930 000	51 704 000
Langsiktig konserngjeld	17	754 551 000	797 051 000
Øvrig langsiktig gjeld	14	5 957 000	10 562 000
<b>Sum annen langsiktig gjeld</b>		<b>809 438 000</b>	<b>859 317 000</b>
<b>Sum langsiktig gjeld</b>		<b>809 438 000</b>	<b>859 317 000</b>
<b>Kortsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	22	4 222 000	3 730 000
Leverandørgjeld	19	41 547 000	55 260 000
Betalbar skatt	9	552 000	605 000
Kortsiktig konserngjeld	18	177 824 000	158 928 000
Current accruals and provisions	21	34 488 000	40 819 000
Other current liabilities	20	4 983 000	4 921 000
<b>Sum kortsiktig gjeld</b>		<b>263 616 000</b>	<b>264 263 000</b>
<b>Sum gjeld</b>		<b>1 073 054 000</b>	<b>1 123 580 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 134 963 000</b>	<b>1 228 475 000</b>



## Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
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## Skattedirektoratet

Saksbehandler Jan Hoelstad	Deres dato 23.05.2011	Vår dato 06.06.2011
Telefon 22077325	Deres referanse Martin B. Hogganvik	Vår referanse 2009/766865

Høegh Autoliners Management AS  
Postboks 4, Skøyen  
0212 Oslo

## Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Det vises til deres brev av 23. mai 2011 samt e-post 31. mai 2011 med supplerende opplysninger i sakens anledning. Det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for:

- RoRo Investments Ltd (Nuf) Org. nr: 996 885 194
- Leif Høegh & Co Holdings AS Org. nr: 992 436 859
- Høegh Autoliners Management AS Org. nr: 921 482 957
- Høegh Autoliners Shipping AS Org. nr: 977 270 510
- Høegh Autoliners Shipowning AS Org. nr: 996 235 769
- Høegh Autoliners AS Org. nr: 933 099 628
- Høegh Fleet Services AS Org. nr: 974 388.766

### Bakgrunn:

De ovennevnte selskap inngår alle i konsernet Leif Høegh & Co AS hvor konsernspissen i vedtak av 3. februar 2011 er innvilget dispensasjon fra å utarbeide årsregnskap og årsberetning på norsk språk. I tillegg er i tilsvarende dispensasjon gitt i vedtak av 26. januar 2011 til selskapet Høegh Autoliners Holdings AS som er et underliggende morselskap for de fem siste nevnte selskap ovenfor.

Fra deres begrunnelse gjengis:

Konsernet driver en internasjonal shipping virksomhet hvor US dollar og det engelske språk er dominerende. Innad i konsernet er engelsk forretningspråket, og det rapporteres også internt på dette språket. Eierne Leif og Morten Høegh bruk engelsk som forretningspråk. Morten er for øvrig bosatt i London. Kreditorne er internasjonale finansinstitusjoner/banker. De øvrige brukerne av regnskapet er en lukket krets av interessenter. Konsernet er ikke børsnotert.

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

### Skattedirektoratets vurdering og konklusjon

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

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

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a> Org. nr: 996250318	Sentralbord 800 80 000 Telefaks 22 17 08 60
For elektronisk henvendelse se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a>		



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

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

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Selskapene inngår i et konsern hvor konsernspissen alt er innvilget dispensasjon. De tidligere vurderte forhold ved den behandlingen, er også gjeldene for disse selskapene. Selskapene opererer innen en internasjonal næring hvor engelsk språk benyttes både internt i selskapene, og mellom forretningspartnere.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering de ovenfor nevnte selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen  
Torstein Kinden Helleland

seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Jan Hoelstad



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**HÖEGH AUTOLINERS**



## Höegh Autoliners Shipping AS Financial Statement 2020



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## Directors' Report

2020 was a challenging year for the PCTC/RoRo industry and total deep sea transported volume fell around 20% compared to 2019. For Høegh Autoliners transported volume was down 18%.

The sharp decline in volumes in April and May was mitigated by capacity adjustments and 10-12 vessels was temporarily taken out of operation in order to balance capacity with volumes. Only two vessels were placed in cold lay-up, and when the volumes came back in July and August, we could fast reactivate the idle tonnage and continue to serve our customers. The volume recovery came faster than most have expected and in Q4 we were back at pre-covid volumes and results.

The cost saving programs initiated in 2019, focusing on reducing S&GA and capacity costs, gave full effect in 2020 and helped to mitigate the effects of the volume reductions. In addition to cost reductions, the company focused on cash preservation and working capital management.

An important issue in 2020 was safety and wellbeing of employees in the offices around the world and at sea. Most of the company's land-based employees have been working from home since March 2020. Crew changes has been a challenge with travel restrictions in combination with strict testing and quarantine rules. We have through good planning and new solutions managed well.

The terminal activities in US, Mexico and Mozambique were sold in 2020 with good profits.

A new management team was nominated in September 2020 and Andreas Enger succeeded Thor Jørgen Guttormsen as CEO.

### OPERATIONS AND LOCATIONS

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

The Company is a fully integrated RoRo entity. It is one of the world's largest operators in the transportation of vehicles and high/heavy rolling cargo.

### GENERAL MARKET OVERVIEW

2020 was unlike any other year for the automotive industry. Global pandemics, leading to runaway COVID-19 virus levels and repeated stringent lockdown restrictions across the world, decimated 2020 automotive demand. April 2020 saw the low sales point, down 46% y/y. Sales in May fell 33%, June -14%, July -5%, August -10%, but from September and on the market recovered faster than anticipated. Full-year 2020 global demand posted an estimated 76.5 million units, down by 14.8%. Benchmarked against the pre-COVID-19 forecasts made in January 2020, COVID-19-related downgrades for 2020 represent over 12 million units of losses compared with potential global auto demand. The swift recovery was supported by many governments that have announced stimulus packages to help economies through the healing process, some with targeted auto stimulus programs.

Most Høegh Autoliners relevant markets reported double digit sales declines: Western European car market fell by 21% in 2020, US market was down 15%, Mexico by 28%, S. Africa by 27%, Middle East by 21%, Oceania by 15%. The only market that remained strong during the pandemics was Taiwan.

Total shipments of light vehicles in Høegh Autoliners relevant trade lanes declined by 17% (with recovery in the second half), a better result than global shipments that fell by 19%. Shipments from Asia to USA were particularly solid in the second half of the year, driven by OEMs need to replenish inventories that were drawn down to very low levels by plant closures. Shipments in Asia to Europe recovered as well driven by China-based OEMs ambitions to penetrate the just opening market for electrified vehicles.

Shipments of used cars fell on average by 20% in 2020. Shipments to Africa, particularly to North Africa (Libya) and West Africa were slightly less affected by pandemics. Shipments of High and Heavy machinery declined less than light vehicles mainly due to the fact that infrastructure projects, where they are normally deployed, continued during the year despite lockdowns. Shipments from Japan to the U.S. recovered strongly in the second half.

The global fleet of PCTCs trading in deep sea trades totalled 616 vessels (over 2,000 CEU capacity) by February 2021 (Source: Clarksons Platou). 22 vessels were recycled in 2020. The global

order book counted 18 vessels, of which 12 vessels are scheduled for delivery in 2021, three vessels in 2022 and three vessels in 2023. Total capacity on order is equal to 2.5% of the active fleet.

### RESULT 2020

The Company reported a decrease in operating profit (EBITDA) from USD 65 182 thousand in 2019 to USD 62 428 thousand in 2020. The net loss after tax amounted to USD 43 million (a loss of USD 53 million in 2019), mainly due to lower interest expenses on long-term debt. The Board of Directors proposes the 2020 loss of USD 43 million to be transferred to other equity.

The decrease in revenues is a result of lower volumes and lower revenues from charter out activities. Bunker expenses were down by USD 44 million (23%) from 2019 to 2020 mainly due to lower volumes. Voyage- and other operating expenses were down by 13%.

### FINANCIAL POSITION

The book equity is total USD 62 million at the end of 2020 (USD 105 million in 2019). The book equity represented 5% of total equity and liabilities.

Net cash flow from operating, investing and financing activities was USD -34 million for 2020. The net cash flow from operations amounted to USD 74 million, mainly due to lower payments related to bunkers and other suppliers. Net cash flow from investing activities was negative with USD 26 million, mainly related to drydock and intercompany funding. Net cash flow from financing activities was negative with USD 81 million.

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

### FINANCIAL RISK

#### Overall view on objectives and strategy

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

The interest rate risk is reduced through interest rate swaps.

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

#### Credit risk

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

#### Liquidity risk

The Company has a cash balance of USD 40 million, decreased from USD 74 million end 2019, mainly due to higher repayment of debt during 2020.

### ORGANISATION AND SUSTAINABLE DEVELOPMENT

The Company has no employees.

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

#### Compliance

Høegh Autoliners is deeply committed to compliance and to create an ethical mindset guiding the Company's decisions. That commitment is reflected in continuous improvement of the compliance program and learning in areas including anti-corruption, competition and anti-trust, applicable sanctions and export control and data privacy, including GDPR. In 2011, the Group was one of the founding members of MACN (Maritime Anti-Corruption Network). Since then the Group has been an active member and has headed a collective action in the Suez Canal, combatting illegal facilitation payment demands by pilots and others during transit, which has



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had a demonstrated positive effect. The Group has also been involved in the Norwegian working group on commissions. Høegh Autoliners has an internal learning program called "Zero". This program is developed to help employees take a stand against corruption in general and facilitation payments in particular. Most of the Group's employees have completed various e-learning programs on compliance during 2020, including a brand new e-learning on competition law and anti-trust. Compliance Ambassadors are appointed in all offices and the Code of conduct was launched through the event Integrity Day conducted in all offices. Sanctions and export control compliance is a constant focus area due to the ever-changing regulatory landscape. There is also an emphasis on data privacy and particularly transfers to countries outside the EU.

#### Environment

The maritime industry is under continued pressure to reduce its environmental footprint. Høegh Autoliners has had a positive trend through 2020, with reduced average consumption and an EEOI at 28,9 g CO<sub>2</sub> per t\*km, down 9% from 2019. Fuel efficiency has improved 38% since 2008, and Høegh Autoliners continues to seek energy optimisation through innovation and operational initiatives. Høegh Autoliners purchased about 290,000 tons of low sulphur fuel oil and 40,000 tons of distillates in 2020.

In addition, the fleet is in progress of installing compliant ballast water treatment systems across the fleet. Technical and operational preparations for Høegh Autoliners' first operation on biofuel commenced in 2020. The waste stream biofuel will be burned onboard a selected vessel in first quarter of 2021.

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

Høegh Autoliners is one of the founding members of the Trident Alliance; a coalition of shipowners and operators who share a common interest in robust enforcement of maritime Sulphur regulations. The alliance also partners with other stakeholder groups, who share similar interest in robust enforcement.

#### Stakeholder engagement

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

The global car carrier anti-trust investigation in the PCTC industry, which was initiated in 2012, has been finalised in most of the relevant jurisdictions, notably 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. There are pending class actions in Canada and a private stand-alone action filed by a single customer. As before, the Group continues to cooperate fully with all relevant agencies. It is expected that the few remaining investigations and related matters may continue for another few years.

#### LOOKING FORWARD

Some operational challenges and disruptions related to covid-19 has continued into 2021. This has led to delays and use of more capacity to move the same volume of cargo. Sales in some markets are volatile and there are disruptions also amongst the manufacturers related to ie. semiconductors.

The overall market outlook for the PCTC/RoRo segment is positive with an expected increase in demand in combination with a low order book giving an expected sound supply/demand balance.

The Group has launched a green fleet renewal plan to meet the decarbonization requirements of the Automotive and Equipment industries. There is an upward pressure on freight rates due to volume recovery out of the pandemic and a tight capacity situation.

The Board of Directors  
Oslo, 30 June 2021

Andreas Enger  
Chair/CEO

Espen Stubberud  
Board Member

Sebjørn Dahl  
Board Member

Per Øivind Rosmo  
Board member



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Ⓞ HÖEGH AUTOLINERS SHIPPING AS

## Statement of Income

<i>(USD 1 000)</i>	<i>Notes</i>	<i>2020</i>	<i>2019</i>
Total revenues		711 723	886 247
Bunker expenses	3	(145 104)	(189 124)
Voyage expenses and other operating expenses	4	(308 750)	(353 701)
Charter hire expenses	5	(100 480)	(170 981)
Operating and administrative expenses	6	(94 962)	(107 259)
<b>Operating profit before depreciation</b>		<b>62 428</b>	<b>65 182</b>
Depreciation	7	(69 491)	(67 961)
<b>Operating profit</b>		<b>(7 063)</b>	<b>(2 779)</b>
Interest income	8	12	97
Interest income group companies	11	2	3
Interest expenses	8	(8 845)	(7 972)
Interest expenses group companies	17	(28 126)	(43 873)
Income/(expenses) from other financial items	8	1 058	1 709
<b>Profit / (loss) before tax</b>		<b>(42 961)</b>	<b>(52 814)</b>
Income tax expenses	9	(25)	-
<b>Profit / (loss)</b>		<b>(42 986)</b>	<b>(52 814)</b>



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⊙ HÖEGH AUTOLINERS SHIPPING AS

## Statement of financial position

<i>(USD 1 000)</i>	<i>Notes</i>	<i>31.12.2020</i>	<i>31.12.2019</i>
<b>Assets</b>			
<i>Non-current assets</i>			
Vessels	7	967 122	1 010 778
Newbuildings and projects	7	9 436	8 211
Equipment	7	5 708	6 834
Other non-current assets	10	5 988	11 177
Non-current receivables group companies	11	-	74
<b>Total non-current assets</b>		<b>988 253</b>	<b>1 037 074</b>
<i>Current assets</i>			
Bunker		24 723	32 751
Trade and other receivables	12	63 025	76 239
Prepayments		1 322	2 155
Other current financial assets	13	971	3 173
Current receivables group companies	18	16 584	3 259
Cash		40 084	73 822
<b>Total current assets</b>		<b>146 709</b>	<b>191 400</b>
<b>Total assets</b>		<b>1 134 962</b>	<b>1 228 474</b>
<b>Equity and liabilities</b>			
<i>Equity</i>			
Share capital	2	20 245	20 245
Share premium reserve	2	496 922	496 922
Retained earnings	2	(455 258)	(412 272)
<b>Total equity</b>		<b>61 909</b>	<b>104 895</b>
<i>Non-current liabilities</i>			
Other non-current liabilities	14	5 957	10 562
Other non-current financial liabilities	15	48 930	51 704
Non-current debt group companies	17	754 551	797 051
<b>Total non-current liabilities</b>		<b>809 437</b>	<b>859 317</b>
<i>Current liabilities</i>			
Trade and other payables	19	41 547	55 260
Tax payable	9	552	605
Other current liabilities	20	4 983	4 921
Current accruals and provisions	21	34 488	40 819
Other current financial liabilities	22	4 222	3 730
Current liabilities group companies	18	177 824	158 928
<b>Total current liabilities</b>		<b>263 615</b>	<b>264 262</b>
<b>Total equity and liabilities</b>		<b>1 134 962</b>	<b>1 228 474</b>

The Board of Directors  
Oslo, 30 June 2021

*Andreas Enger*

Andreas Enger  
CEO/Chair

*Espen Stubberud*

Espen Stubberud  
Board Member

*Sebjørn Dahl*

Sebjørn Dahl  
Board Member

*Per Øivind Rosmo*

Per Øivind Rosmo  
Board member



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## Statement of cash flows

<i>(USD 1 000)</i>	<i>Notes</i>	<i>2020</i>	<i>2019</i>
<b>Cash flows from operating activities</b>			
Profit/(loss) before tax		(42 961)	(52 814)
Depreciation and amortisation		69 491	67 961
<b>Cash flow provided by operating activities before working capital</b>		<b>26 529</b>	<b>15 146</b>
<b>Working capital</b>			
Trade and other receivables		13 955	31 604
Bunker		8 029	3 040
Prepayments		7 438	6 296
Net change in receivables/payables from/to Group companies		39 671	26 200
Trade and other payables		(14 454)	(8 281)
Accruals and provisions		(6 268)	(4 638)
Income tax payable		25	21
Other current liabilities		(2 537)	(40)
Other changes to working capital		1 187	(2 849)
<b>Net cash flow provided by operating activities</b>		<b>73 574</b>	<b>66 501</b>
<b>Cash flows from investing activities</b>			
Investment in vessels, other tangible and intangible assets		(25 933)	(17 758)
<b>Net cash flow provided by/(used in) investing activities</b>		<b>(25 933)</b>	<b>(17 758)</b>
<b>Cash flows from financing activities</b>			
Repayment of debt		(83 417)	(38 500)
Net change in other long term borrowings		8 199	12 141
Lease liabilities		(1 557)	(1 377)
Other financial items		(4 605)	(4 236)
<b>Net cash flow used in financing activities</b>		<b>(81 379)</b>	<b>(31 972)</b>
<b>Net cash flow during the year</b>		<b>(33 739)</b>	<b>16 770</b>
Cash beginning of period		73 822	57 052
<b>Cash and cash equivalents at 31.12</b>		<b>40 084</b>	<b>73 822</b>
Non-restricted cash		40 084	73 822
Restricted cash		-	-
<b>Cash and cash equivalents at 31.12</b>		<b>40 084</b>	<b>73 822</b>



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## Notes

### 1 Summary of significant accounting policies

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

#### VESSELS/ NEWBUILDINGS/ EQUIPMENT/ DOCKING

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

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

##### Vessels

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

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

##### Newbuildings

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

##### Equipment

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

- Vessel equipment 10 years

##### Impairment of non-financial assets

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

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

#### LEASES

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

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

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

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

#### FOREIGN CURRENCY TRANSACTIONS

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



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#### Transactions and balances

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

#### ARRANGEMENT FEES

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

#### FINANCIAL INSTRUMENTS

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

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

#### REVENUES AND EXPENSES

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

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

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

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

#### TIME CHARTER- AND BAREBOAT CONTRACTS

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

#### MAINTENANCE EXPENSES

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

#### INVENTORIES

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

#### TAX

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

#### CASH FLOW

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

The Company has no restriction on cash assets.

#### CONTINGENT LIABILITIES AND ASSETS

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

#### ESTIMATES

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



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#### CLASSIFICATION OF ITEMS IN THE BALANCE SHEET

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

#### RECEIVABLES

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

#### DEBT

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

#### EVENTS AFTER THE BALANCE SHEET DATE

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



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(Amount in tables in 1 000 USD)

## 2 Equity

	Share capital	Share premium reserve	Retained earnings	Total
Equity 01.01.2019	20 237	366 930	(359 458)	27 709
Profit / (loss) of the year	-	-	(52 814)	(52 814)
Capital increase	8	129 992	-	130 000
<b>Equity 31.12.2019</b>	<b>20 245</b>	<b>496 922</b>	<b>(412 272)</b>	<b>104 895</b>
Profit / (loss) of the year	-	-	(42 986)	(42 986)
<b>Equity 31.12.2020</b>	<b>20 245</b>	<b>496 922</b>	<b>(455 258)</b>	<b>61 909</b>

Equity consists	Number of shares	Currency	2020	2019
Ordinary shares	1	NOK	181 800 000	181 800 000
<b>Total</b>			<b>181 800 000</b>	<b>181 800 000</b>

In 2019, the Company increased its share capital by USD 130 million. The capital increase was made by converting debt to capital. An amount of USD 8 thousand was allocated as share capital, the remaining amount was allocated to share premium reserve.

The shares in Høegh Autoliners Shipping AS are 100% owned by Høegh Autoliners Management AS, which in turn is 100% owned by Høegh Autoliners Holdings AS. 38.75% of the shares in Høegh Autoliners Holdings AS are held by A.P. Møller-Mærsk AS and 61.25% are held by Leif Høegh & Co Holdings AS. Leif Høegh & Co Holdings AS is controlled by Leif Høegh & Co AS which is ultimately owned 50% by trusts under which Morten W. Høegh and his immediate family are the primary beneficiaries, while 50 % is ultimately owned by companies controlled by Leif O. Høegh and his immediate family.

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

## 3 Bunker expenses

	2020	2019
Total bunker consumption (1 000 mt)	350	430
Average price (USD/ mt)	415	440
<b>Total</b>	<b>145 104</b>	<b>189 124</b>

## 4 Voyage expenses and other operating expenses

	2020	2019
Loading	51 910	55 905
Discharging	53 589	60 452
Port cost	71 801	84 350
Canal cost	40 643	46 556
Transshipment	28 750	26 200
Claims and insurance	1 833	2 351
Equipment	7 632	9 184
Commission	39 232	55 067
Other	13 360	13 636
<b>Total</b>	<b>308 750</b>	<b>353 701</b>

### Voyage expenses

Voyage expenses are variable costs relating to vessel operation and transshipment. Lower activity in 2020 with less cargo to load and discharge has decreased total voyage expenses.



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(Amount in tables in 1 000 USD)

## 5 Charter hire expenses

	2020	2019
Charter hire expenses on long-term time charter contracts *	86 270	109 483
Charter hire and space charter expenses on short-term time charter contracts	14 210	61 488
<b>Total</b>	<b>100 480</b>	<b>170 981</b>

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

### Charter hire expenses

The main factor of the decrease in charter hire is fewer vessels on charter in 2020 compared to 2019.

## 6 Operating and administrative expenses

	2020	2019
Spare parts	5 761	5 235
Consumables	15 052	13 924
Damage on vessels and equipment	971	1 573
Insurance	6 772	7 130
Tonnage tax	504	650
Other operating- and administrative expenses	27 888	41 690
Sea personnel expenses	35 294	34 440
Other	2 719	2 617
<b>Total</b>	<b>94 962</b>	<b>107 259</b>

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

<i>Auditor's fee</i>	2020	2019
Statutory audit	70	69
<b>Total</b>	<b>70</b>	<b>69</b>

Amounts excluded value added tax.



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(Amount in tables in 1 000 USD)

## 7 Vessels, newbuildings and equipment

2020	Vessels	Newbuildings & Projects	Equipment	Total
Cost at 01.01	1 784 845	8 211	16 864	1 809 920
Additions	24 708	1 225	-	25 933
Disposals	-	-	-	-
<b>Cost at 31.12</b>	<b>1 809 553</b>	<b>9 436</b>	<b>16 864</b>	<b>1 835 853</b>
Accumulated depreciation and impairment at 01.01	(774 066)	-	(10 031)	(784 097)
Depreciation	(68 364)	-	(1 126)	(69 491)
Disposals	-	-	-	-
<b>Accumulated depreciation and impairment at 31.12</b>	<b>(842 431)</b>	<b>-</b>	<b>(11 157)</b>	<b>(853 588)</b>
<b>Net carrying amount at 31.12</b>	<b>967 122</b>	<b>9 436</b>	<b>5 707</b>	<b>982 265</b>
Book value assets sold / disposed	-	-	-	-
Sales price	-	-	-	-
<b>Gain/(loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2019</b>	<b>Vessels</b>	<b>Newbuildings &amp; Projects</b>	<b>Equipment</b>	<b>Total</b>
Cost at 01.01	1 773 307	2 449	16 407	1 792 162
Additions	11 538	5 762	458	17 758
Disposals	-	-	-	-
<b>Cost at 31.12</b>	<b>1 784 845</b>	<b>8 211</b>	<b>16 864</b>	<b>1 809 920</b>
Accumulated depreciation and impairment at 01.01	(707 318)	-	(8 819)	(716 137)
Depreciation	(66 749)	-	(1 212)	(67 961)
Disposals	-	-	-	-
<b>Accumulated depreciation and impairment at 31.12</b>	<b>(774 066)</b>	<b>-</b>	<b>(10 031)</b>	<b>(784 097)</b>
<b>Net carrying amount at 31.12</b>	<b>1 010 778</b>	<b>8 211</b>	<b>6 833</b>	<b>1 025 822</b>
Book value assets sold / disposed	-	-	-	-
Sales price	-	-	-	-
<b>Gain/(loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Vessels

#### Additions

Out of the total additions in 2020, USD 20.0 million (USD 11.0 million in 2019) is related to capitalised drydocking costs.

#### Disposals

There were no disposals of vessels in 2020 and 2019.

#### Depreciation and updated accounting estimates

The residual value and useful lifetime of the fleet is evaluated yearly. There is no change in the residual values in 2020. Out of the total yearly depreciation of vessels of USD 69 million, USD 3 million is related to the financial lease of Høegh Copenhagen.

#### Impairment

Market values of the vessels lower than the carrying amount, are an indicator of possible impairment for the Company's vessels book value. All RoRo vessels in the Company 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 expected net present value generated from the fleet's operation is expected to be higher than the book value for the cash generating unit vessels, and no impairment is recognised in 2020. The assessment is based on management's best estimate as per the five year long term forecast. A Weighted Average Cost of Capital (WACC) is applied as the Company's discount rate, calculated to 6.45% for 2020.



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(Amount in tables in 1 000 USD)

### *Leased vessels*

The bareboat lease of Höegh Copenhagen was renegotiated in 2017, and is currently classified as a financial lease in the Company's Financial Statements. The remaining lease period is for 15 years. Höegh has the right to purchase the vessel in options throughout the lease period. Future lease payments in relation to the lease amount to USD 50.6 million. The lease is a fixed lease rate per day, payments due within one year are USD 1.7 million, 1-5 years USD 10.7 million and 5 years USD 38.2 million. For further information see liquidity analysis in Note 16, information on the lease liability in Note 15, and Note 22 for lease commitments.

### *Newbuildings*

The Company has no contracted newbuildings as of year-end 2020.

### *Equipment*

Equipment consists of vessel equipment.

## 8 Interest and other financial items

<i>Interest income</i>	2020	2019
Interest income from banks	12	97
<b>Total</b>	<b>12</b>	<b>97</b>

  

<i>Interest expenses</i>	2020	2019
Interest mortgage debt	-	-
Interest on interest rate swaps realised	2 505	1 179
Interest on interest rate swaps unrealised	266	256
Interest expense discounted financial receivables	457	761
Interest on financial leases	5 617	5 777
<b>Total</b>	<b>8 845</b>	<b>7 972</b>

  

<i>Other financial items</i>	2020	2019
Gain/(loss) on interest rate swaps	991	(356)
Gain/(loss) on bunkers cap	(2 867)	2 576
Gain/(loss) on currency exchange	3 193	(231)
Other	(259)	(276)
<b>Total</b>	<b>1 058</b>	<b>1 709</b>

## 9 Tax

### *Norwegian tonnage tax scheme*

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

### *Tonnage tax payable*

Tonnage tax is assessed and paid according to net tonnage operated during the year. Current year's tonnage tax is assessed at USD 0.5 million and is classified under operating expenses.

<i>Income tax for the year</i>	2020	2019
Change in deferred tax	-	-
Tax payable	(25)	-
<b>Tax (expense) / income</b>	<b>(25)</b>	<b>-</b>



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(Amount in tables in 1 000 USD)

<i>Reconciliation of calculated and actual tax expense</i>		
	2020	2019
Profit / (loss) before tax	(42 961)	(52 814)
Estimated tax at 22% statutory tax rate *	9 451	11 619
Tax effect on result exempted from taxation under the tonnage tax scheme	(11 535)	(10 969)
Tax payable	(25)	-
Deferred tax asset not recognised	2 084	(650)
<b>Tax (expense) / income</b>	<b>(25)</b>	<b>-</b>
Effective tax rate for the Company	0%	0%
<b>Tax payable</b>		
Tonnage tax	527	605
Other tax payable	25	-
<b>Tax payable</b>	<b>552</b>	<b>605</b>
<b>Deferred tax assets</b>		
Current assets	324	(618)
Non-current debt / receivables	7 378	8 091
Loss carried forward	66 577	64 722
Deferred tax asset not recognised *	(74 279)	(72 195)
<b>Deferred tax assets</b>	<b>-</b>	<b>-</b>

\* From 1 January 2021 the corporate tax rate remains at 22%.

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

## 10 Other non-current assets

	2020	2019
Prepaid TC	5 988	11 177
<b>Total</b>	<b>5 988</b>	<b>11 177</b>

## 11 Non-current receivables group companies

	2020	2019
Høegh Autoliners B.V.	-	74
<b>Total</b>	<b>-</b>	<b>74</b>

Interests on non-current receivables amount to USD 2 thousand for 2020. The loan was settled in September 2020.



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(Amount in tables in 1 000 USD)

12 Trade and other receivables

<i>Freight receivables and other receivables</i>	2020	2019
Freight receivables	59 580	69 935
Provision for impairment on freight receivables	(98)	(88)
Other trade receivables and agents	963	4 019
Public duties	445	119
Other receivables	2 135	2 254
<b>Total</b>	<b>63 025</b>	<b>76 239</b>

<i>Total outstanding as of 31.12</i>	2020	2019
Not due	34 507	42 631
1-15 days over due	10 264	11 037
16-30 days over due	2 176	8 228
31-60 days over due	6 653	5 098
61- days over due	5 979	2 940
<b>Total</b>	<b>59 580</b>	<b>69 935</b>

13 Other current financial assets

	2020	2019
Other receivables	971	3 173
<b>Total</b>	<b>971</b>	<b>3 173</b>

14 Other non-current liabilities

	2020	2019
Settlement U.S. Department of Justice	5 957	10 562
<b>Total</b>	<b>5 957</b>	<b>10 562</b>

In relation with U.S. investigations into the car carrier industry and ocean shipping services to and from the U.S., Höegh Autoliners accepted a settlement with the U.S. Department of Justice in 2017. Höegh Autoliners has agreed to pay USD 21 million in a plea agreement related to U.S. to Middle East exports. The liability is to be settled over a period of five years, with the first downpayment made in December 2017. One yearly payment has been made every year since, with the fourth payment made in 2020. The liability is presented in the Company's Financial Statements as both non-current liability and current liability (see Note 20), discounted with an interest of 0.36%.

15 Other non-current financial liabilities

	2020	2019
Non-current financial lease liability	48 887	50 601
Interest rate swaps liabilities *	43	1 103
<b>Total</b>	<b>48 930</b>	<b>51 704</b>

\* For further information see Note 16.



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⊙ HÖEGH AUTOLINERS SHIPPING AS

(Amount in tables in 1 000 USD)

## 16 Financial risk

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

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

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

### Market risk

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

#### Cash flow interest rate risk

The Company's interest rate risk arises from long-term borrowings at floating rate and the risk is therefore a cash flow interest rate risk.

The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. The interest rate swaps are recognised at fair value and changes in fair value are recognised through the statement of comprehensive income.

	2020	2019
Fair value interest rate swaps *	(2 022)	(3 013)

\* Classified as other non-current financial liabilities in Note 15 and other current financial liabilities in Note 22.

For 2020, a change in interest rate of 1 percentage would have had an effect on the Company's profit before tax and equity, through the impact of net floating rate borrowings, of about USD 3.5 million (USD 3.6 million in 2019).

#### Fair value interest risk

Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's fair value interest risk arises from floating-to-fixed interest rate swaps. In 2020, a change in the fair value of 0.1 percentage point of the Interest rate swap's (IRS), due to change in interest rates would profit and equity of about USD 0.1 million. For interest on interest rate swaps realised/unrealised and gain/loss on interest swaps realised/unrealised, see Note 8.

#### Foreign exchange rate risk

The Company is exposed to currency fluctuations to a limited extent as a greater part of its income and expenses (including financial and capital expenses) are in USD. The Company has active currency hedges as of 31.12.2020.

#### Bunker price risk

The Company has Bunker Adjustment Factor (BAF) clauses in most commercial contracts designed to adjust for changes in bunker prices. Due to time lag, the Company will not be fully compensated in periods of rapidly changing prices, but it will give reasonable compensation in most periods. The Company has no bunkers derivatives at year-end 2020. The table below presents the total gain/loss relating to bunker caps, including fair value changes in the current year.

The new regulation regarding the type of oil consumed on vessels (IMO 2020) became applicable on 1 January, 2020. Low-sulfur oil compliant with the 0.5% cap on sulfur content will be completely new fuel for the shipping industry. Höegh Autoliners is fully compliant from the implementation date.

	Total Gain/(loss)
Bunker swaps	(2 867)
<b>Total</b>	<b>(2 867)</b>



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## Ⓞ HÖEGH AUTOLINERS SHIPPING AS

(Amount in tables in 1 000 USD)

### Credit risk

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

Normal credit period for freights is from 25 to 30 days. For larger new customers a credit analysis is conducted. The majority of the largest customers have had a long relationship with Höegh. Bad debt has remained at a very low and stable level in recent years. The Company has provided for 100% of receivables that are past due more than 365 days as experience tells that such claims are difficult to recover. For accounts receivable due between 1 and 365 days provisions are made based on individual assessments. The maximum exposure to credit risk is represented by the carrying amounts of the financial assets that are carried in the balance sheets. For further information about receivables see Note 12.

### Liquidity risk

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

Per 31.12.2020	Note	< 1 year	1 - 5 years	> 5 years	Total
Debt group companies (interest not included)	17, 18	177 824	473 292	281 259	932 374
Financial lease liability (interest not included)	15, 22	1 714	10 732	38 154	50 601
Interest rate swaps liabilities	15, 22	2 508	43	-	2 551
Trade payables	19	41 547	-	-	41 547
Settlement U.S. Department of Justice (cash payments)	14, 20	5 000	6 000	-	11 000
<b>Total</b>		<b>228 593</b>	<b>490 067</b>	<b>319 413</b>	<b>1 038 073</b>

Per 31.12.2019	Note	< 1 year	1 - 5 years	> 5 years	Total
Debt group companies (interest not included)	17, 18	158 928	524 625	273 060	956 613
Financial lease liability (interest not included)	15, 22	1 557	9 851	40 749	52 158
Interest rate swaps liabilities	15, 22	2 173	1 103	-	3 276
Trade payables	19	43 638	-	-	43 638
Settlement U.S. Department of Justice (cash payments)	14, 20	5 000	11 000	-	16 000
<b>Total</b>		<b>211 295</b>	<b>546 580</b>	<b>313 809</b>	<b>1 071 684</b>

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.

## 17 Non-current debt group companies

	2020	2019
Höegh Autoliners Holdings AS	620 712	667 114
Höegh Autoliners Shipping Pte Ltd.	133 839	129 937
<b>Total</b>	<b>754 551</b>	<b>797 051</b>

Interests and arrangement fee on non-current debt to group companies amount to USD 28 million for 2020 (USD 44 million in 2019).



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## ⊙ HØEGH AUTOLINERS SHIPPING AS

(Amount in tables in 1 000 USD)

### 18 Current receivables/(payables) group companies

2020	Current receivables	Current debt	Total
Høegh Autoliners Holdings AS	-	(64 209)	(64 209)
Høegh Autoliners Shipping Pte Ltd	-	(69 506)	(69 506)
Høegh Autoliners Management AS	-	(8 890)	(8 890)
Høegh Autoliners Logistics AS	-	(2 049)	(2 049)
Høegh Technical Management	11 118	-	11 118
Høegh Autoliners PTY Ltd.	-	(49)	(49)
Leif Høegh & Co China Ltd.	4 026	-	4 026
Høegh Autoliners K.K.	1 440	-	1 440
Høegh Autoliners AS	-	(28 876)	(28 876)
Høegh Autoliners Germany GmbH	-	(364)	(364)
Høegh Autoliners Spain S.L.	-	(138)	(138)
Høegh Autoliners Pty. Ltd.	-	(619)	(619)
Høegh Autoliners S.A.S.	-	(807)	(807)
Høegh Autoliners North America Inc.	-	(1 784)	(1 784)
Høegh Autoliners Panama, S.A.	-	(121)	(121)
Høegh Autoliners UK Ltd. (Dormant)	-	(412)	(412)
<b>Total</b>	<b>16 584</b>	<b>(177 824)</b>	<b>(161 240)</b>

2019	Current receivables	Current debt	Total
Høegh Autoliners Holdings AS	-	(72 734)	(72 734)
Høegh Autoliners Shipping Pte Ltd	-	(41 874)	(41 874)
Høegh Autoliners Management AS	-	(11 315)	(11 315)
Høegh Autoliners Logistics AS	-	(949)	(949)
HFS China Ltd.	-	(28)	(28)
HFS Philippines Inc.	-	(48)	(48)
Høegh Autoliners PTY Ltd.	-	(38)	(38)
Leif Høegh & Co China Ltd.	2 874	-	2 874
Høegh Autoliners K.K.	327	-	327
Høegh Autoliners B.V.	58	-	58
Høegh Autoliners AS	-	(27 928)	(27 928)
Høegh Autoliners Germany GmbH	-	(507)	(507)
Høegh Autoliners Spain S.L.	-	(88)	(88)
Høegh Autoliners Pty. Ltd.	-	(544)	(544)
Høegh Autoliners (Korea) Ltd.	-	(559)	(559)
Høegh Autoliners S.A.S.	-	(980)	(980)
Høegh Autoliners North America Inc.	-	(1 088)	(1 088)
Høegh Autoliners UK Ltd. (Dormant)	-	(247)	(247)
<b>Total</b>	<b>3 259</b>	<b>(158 928)</b>	<b>(155 668)</b>

### 19 Trade and other payables

	2020	2019
Suppliers	41 547	43 638
Prepaid TC hire (TC out)	-	11 622
<b>Total</b>	<b>41 547</b>	<b>55 260</b>



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(Amount in tables in 1 000 USD)

## 20 Other current liabilities

	2020	2019
Settlement U.S. Department of Justice	4 983	4 921
<b>Total</b>	<b>4 983</b>	<b>4 921</b>

For further information see Note 14.

## 21 Current accruals and provisions

	2020	2019
Accrued voyage expenses	33 220	31 506
Accrued running expenses and other provisions	1 269	9 313
<b>Total</b>	<b>34 488</b>	<b>40 819</b>

### 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.

## 22 Other current financial liabilities

	2020	2019
Financial lease liability	1 714	1 557
Accrued interest on interest rate swaps	529	263
Interest rate swaps liabilities	1 979	1 910
Currency hedge	-	-
<b>Total</b>	<b>4 222</b>	<b>3 730</b>

## 23 Commitments, contingent liabilities and securities

### Charter commitments

The Company has as per year-end 2020 operational bareboat commitments of nominal USD 260 million (USD 348 million at year-end 2019) related to the future fixed charter periods. In addition to the fixed periods the Company has several option periods. The total amount refers to nine vessels on bareboat charter (ten in 2019), and three vessels on long-term time charter contracts (six in 2018). The contracts have remaining periods from one year to seven years (two month to eight years at the end of 2019). No provisions have been made for onerous time charter (TC) hire contracts based on the fixed TC periods. For further information see Note 7.

### Capital commitments

The Company has no capital commitments at the end of 2020.

### Contingent liabilities

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

### Security

The USD 1 000 million senior secured term loan and revolving credit facility drawn by the Group is secured by mortgages in most of the Company's vessels, with a total book value of USD 861 million. In addition, the debt is secured by an assignment of earnings and insurances.



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## Ⓞ HÖEGH AUTOLINERS SHIPPING AS

(Amount in tables in 1 000 USD)

### 24 Transactions with related parties

Main transactions between group companies

Höegh Autoliners Management AS delivers operational, financial and administrative services while Höegh Technical Management delivers technical and crewing services. The company has three vessels under US flag with Maersk Lines Ltd and Farrell Lines during 2020. All three vessels are owned as individual US US Trusts. Each vessel is on a bareboat charter to Maersk Lines or Farrell from the Trusts and Höegh Autoliners Shipping AS has the vessels on time charter from Maersk Lines Ltd.

Höegh Holdings B.V., a subsidiary of Höegh Autoliners Management had a 50% interest in Euro Marine Logistics NV up to December 2019, when the shares were sold. Euro Marine Logistics NV delivers short-sea shipping services to Höegh Autoliners Shipping AS. Euro Marine Logistics charters two vessels from Höegh Autoliners Shipping AS on a time charter basis.

ParCar AS, owned 36,45% by Höegh Autoliners Holdings AS, has a 100% ownership of ParCar Shipholding AS. Höegh Autoliners Holdings AS has a 100% ownership in Höegh Autoliners Shipping AS through Höegh Autoliners Management AS. The company ParCar Shipholding AS delivers bareboat charter of Höegh Copenhagen to Höegh Autoliners Shipping AS.

The main transactions are listed in the table below:

<i>Supplier</i>	<i>Receiver</i>	<i>Type of agreement</i>	<i>2020</i>	<i>2019</i>
Höegh Autoliners Management AS	Höegh Autoliners Shipping AS	Management agreement	24 840	39 044
Höegh Technical Management Holding Pte Ltd.	Höegh Autoliners Shipping AS	Technical Management	76 244	66 128
Maersk Line Limited	Höegh Autoliners Shipping AS	Technical Management	21 898	14 468
Höegh Autoliners Shipping AS	Maersk Line Limited	Shipping services	26 069	30 020
Euro Marine Logistics NV	Höegh Autoliners Shipping AS	Shipping services	5 517	6 526
Höegh Autoliners Shipping AS	Euro Marine Logistics NV	Shipping services	3 121	11 402
Horizon Terminal Services LLC	Höegh Autoliners Shipping AS	Terminal services	2 093	3 019
ParCar Shipholding AS	Höegh Autoliners Shipping AS	Bareboat lease	7 174	7 154
Höegh Autoliners Shipping AS	Euro Marine Logistics NV	Time charter	1 489	7 939

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 25 million in 2019) as voyage expenses.

### 25 Events after the balance sheet date

There have been no events after 31 December that have a material effect on the financial statements for 2020.



To the General Meeting of Höegh Autoliners Shipping AS

## *Independent Auditor's Report*

### *Report on the Audit of the Financial Statements*

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#### *Opinion*

We have audited the financial statements of Höegh Autoliners Shipping AS, which comprise the statement of financial position as at 31 December 2020, the statement of income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, 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.

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#### *Basis for Opinion*

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, 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.

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#### *Other information*

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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authorised accounting firm*



Independent Auditor's Report - Høegh Autoliners Shipping AS



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## *Responsibilities of the Board of Directors and the Managing Director for the Financial Statements*

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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## *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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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## *Report on Other Legal and Regulatory Requirements*

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### *Opinion on the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

(2)



Independent Auditor's Report - Høegh Autoliners Shipping AS



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*Opinion on Registration and Documentation*

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 30 June 2021  
**PricewaterhouseCoopers AS**

Bjørn Rydland  
State Authorised Public Accountant

(This document is signed electronically)

(3)



 Securely signed with Brevio

Revisjonsberetning

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Rydland, Bjørn	BANKID	2021-06-30 09:09

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