

GOLAR LNG PARTNERS LP

Financial statements as of and for the three months period ended March 31, 2023

GOLAR LNG PARTNERS LP
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands of \$)

	Three Months Ended March 31,	
	2023	2022
Operating revenues		
Time charter revenues	\$ —	\$ 73,010
Total operating revenues	—	73,010
Vessel operating expenses	(483)	(16,557)
Voyage and commission expenses	—	(892)
Administrative expenses	(377)	(1,135)
Depreciation and amortization	(885)	(18,583)
Total operating expenses	(1,745)	(37,167)
Operating (loss) income	(1,745)	35,843
Interest expense	—	(4,001)
Gain on derivative instruments, net	608	13,481
Other income	2,392	1,458
Loss on disposal	(37,401)	—
(Loss) income before tax, income from equity method investments and non-controlling interests	(36,146)	46,781
Income taxes	—	(4,279)
Income from equity method investments	9,980	13,555
Net (loss) income	\$ (26,166)	\$ 56,057
Net comprehensive (loss) income	\$ (26,166)	\$ 56,057
Net (loss) income attributable to:		
Non-controlling interests	(102)	(245)
Golar LNG Partners LP Owners	(26,064)	56,302

The accompanying notes are an integral part of these condensed consolidated financial statements.

GOLAR LNG PARTNERS LP
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands of \$)

	March 31, 2023	December 31, 2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 13,810	\$ 38,468
Restricted cash	5,408	5,408
Inventories	1,262	1,262
Other current assets	6,766	10,005
Total Current Assets	27,246	55,143
Non-current Assets		
Restricted cash	—	2,500
Equity method investments	136,300	392,306
Vessels and equipment, net	40,067	40,951
Other non-current assets	—	11,650
Total Assets	\$ 203,613	\$ 502,550
LIABILITIES AND EQUITY		
Current Liabilities		
Amounts due to related parties	\$ 3,419	\$ 3,591
Other current liabilities	120	5,357
Total Current Liabilities	3,539	8,948
Total Liabilities	3,539	8,948
Equity		
Partners' capital:		
Common unitholders	42,819	336,245
Preferred unitholders	140,259	140,259
Total Partners' Capital Before Non-Controlling Interests	183,078	476,504
Non-controlling interests	16,996	17,098
Total Equity	200,074	493,602
Total Liabilities and Equity	\$ 203,613	\$ 502,550

The accompanying notes are an integral part of these condensed consolidated financial statements.

GOLAR LNG PARTNERS LP
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of \$)	Three Months Ended March 31,	
	2023	2022
Net income	\$ (26,166)	\$ 56,057
<i>Adjustments for:</i>		
Depreciation and amortization	885	18,583
Earnings of equity method investees	(9,980)	(13,555)
Deferred tax provision	—	113
Amortization of deferred charges and debt guarantees, net	(2,286)	(1,129)
Dividends received from equity method investees	5,830	7,609
Sales-type lease payments received in excess of interest income	—	3,877
Loss on disposal	37,401	—
Change in market value of derivatives	11,650	(15,833)
<i>Change in assets and liabilities:</i>		
Trade accounts receivable	—	(61)
Inventories	—	57
Prepaid expenses, accrued income and other assets	3,239	(1,043)
Amount due to/from related companies	(172)	1,345
Trade accounts payable	—	(816)
Accrued expenses and deferred income	—	4,256
Other current and non-current liabilities	(2,951)	(9,964)
Net cash (used in)/provided by operating activities	17,450	49,496
INVESTING ACTIVITIES		
Sale of equity method investment	100,000	—
Additions to vessels and equipment	—	(2,760)
Net cash provided by/(used in) investing activities	100,000	(2,760)
FINANCING ACTIVITIES		
Repayment of debt (including related parties)	—	(15,357)
Cash distributions paid	(144,608)	(47,985)
Net cash used in financing activities	(144,608)	(63,342)
Net (decrease)/increase in cash, cash equivalents and restricted cash	(27,158)	(16,606)
Cash, cash equivalents and restricted cash at beginning of period (1)	46,376	109,508
Cash, cash equivalents and restricted cash at end of period (1)	\$ 19,218	\$ 92,902

Supplemental disclosure of non-cash investing and financing activities:

NFE Class A shares received in Hilli Exchange	122,754	—
NFE Class A shares distributed to NFE	(122,754)	

(1) The following table identifies the balance sheet line-items included in 'cash, cash equivalents and restricted cash' presented in the consolidated statements of cash flows:

(in thousands of \$)	March 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 13,810	\$ 38,468
Restricted cash and short-term deposits	5,408	5,408
Restricted cash - non-current	—	2,500
	<u>\$ 19,218</u>	<u>\$ 46,376</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

GOLAR LNG PARTNERS LP
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

Three Months Ended March 31, 2022					
(in thousands of \$)	Partners' capital		Total Before Non-Controlling Interest	Non-Controlling Interest	Total Equity
	Preferred Units ⁽¹⁾	Common Units ⁽¹⁾			
Balance at December 31, 2021	\$ 140,259	\$ 764,499	\$ 904,758	\$ 17,790	\$ 922,548
Net income	2,985	53,317	56,302	(245)	56,057
Dividends	(2,985)	(45,000)	(47,985)	—	(47,985)
Balance at March 31, 2022	\$ 140,259	\$ 772,816	\$ 913,075	\$ 17,545	\$ 930,620

⁽¹⁾ As of March 31, 2022 there were 5,520,000 preferred units, 69,301,636 common units and 1,436,391 general partner units outstanding.

Three Months Ended March 31, 2023					
(in thousands of \$)	Partners' capital		Total Before Non-Controlling Interest	Non-Controlling Interest	Total Equity
	Preferred Units ⁽¹⁾	Common Units ⁽¹⁾			
Balance at December 31, 2022	\$ 140,259	\$ 336,245	\$ 476,504	\$ 17,098	\$ 493,602
Net income	3,019	(29,083)	(26,064)	(102)	(26,166)
Dividends	(3,019)	(264,343)	(267,362)	—	(267,362)
Balance at March 31, 2023	\$ 140,259	\$ 42,819	\$ 183,078	\$ 16,996	\$ 200,074

⁽¹⁾ As of March 31, 2023 there were 5,520,000 preferred units, 69,301,636 common units and 1,436,391 general partner units outstanding.

The accompanying notes are an integral part of these condensed consolidated financial statements.

GOLAR LNG PARTNERS LP
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION

Golar LNG Partners LP (the “Partnership,” “we,” “our,” or “us”) is a Marshall Islands limited partnership formed to own and operate LNG carriers and floating storage and regasification units (“FSRUs”) under long-term charters. All of the Partnership’s common units are held by New Fortress Energy Inc. (“NFE”), and NFE is the ultimate parent of the Partnership.

On August 15, 2022, the Partnership and an affiliate of certain funds or investment vehicles managed by affiliates of Apollo Global Management, Inc., AP Neptune Holdings Ltd. (“Purchaser”), completed a sales transaction resulting in cash proceeds of approximately \$1.09 billion. This transaction comprised (1) the formation of a limited liability company doing business as Energos Infrastructure (“Energos”), (2) the sale for cash of five vessels, along with these vessels’ owning and operating entities to the Purchaser, (3) the contribution of acquired vessel owning entities by the Purchaser to Energos in exchange for equity in Energos, and (4) the Partnership’s contribution of three vessels, along with each vessels’ owning and operating entities, to Energos in exchange for equity in Energos (the “Energos Formation Transaction”). As a result of the Energos Formation Transaction, the Partnership owns approximately a 20% equity interest in Energos, with the remaining interest owned by the Purchaser, the Partnership is no longer the owner of eight vessels, and these vessels have been de-recognized from the financial statements. The Partnership has accounted for the investment in Energos as an equity method investment; see Note 6 for further discussion of this investment.

As of March 31, 2023, as a result of the Energos Formation Transaction, we have a fleet of one FSRU, one LNG carrier, and an interest in Energos.

2. BASIS OF PREPARATION

The accompanying financial statements present the consolidated financial position, results of operations, and cash flows of the Partnership and its subsidiaries, including less-than-wholly-owned subsidiaries in which the Partnership has a controlling financial interest. All significant intercompany accounts and transactions have been eliminated in consolidation.

The accompanying unaudited condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). In the opinion of management, all adjustments considered necessary to present fairly the financial position as of March 31, 2023 and the results of operations and cash flows for the interim periods ended March 31, 2023 and 2022 have been included. Certain information and footnote disclosures normally included in financial statements presented in accordance with U.S. GAAP, but which are not required for interim reporting purposes, have been omitted. These unaudited condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2022.

3. ADOPTION OF NEW AND REVISED STANDARDS

The Partnership has reviewed recently issued accounting pronouncements and concluded that such pronouncements are either not applicable to the Partnership or no material impact is expected in the condensed consolidated financial statements as a result of future adoption.

4. RESTRICTED CASH AND SHORT-TERM DEPOSITS

Our restricted cash balances are as follows:

(in thousands of \$)	March 31, 2023	December 31, 2022
Restricted cash relating to our interest rate swaps	—	2,500
Restricted cash relating to security deposits	5,408	5,408
Total restricted cash	5,408	7,908
Less: current portion of restricted cash	(5,408)	(5,408)
Non-current restricted cash	—	2,500

5. OTHER CURRENT ASSETS

The components of other current assets are as follows:

(in thousands of \$)	March 31, 2023	December 31, 2022
Prepaid expenses	\$ 1,699	\$ 1,465
Other receivables	5,067	8,540
Total Other current assets	\$ 6,766	\$ 10,005

As of March 31, 2023 and December 31, 2022, there was no allowance for doubtful accounts against trade receivables.

6. EQUITY METHOD INVESTMENTS

The components of our equity method investments are as follows:

(in thousands of \$)	March 31, 2023
Equity method investments at December 31, 2022	392,306
Dividends	(5,830)
Equity in earnings of investees	9,980
Sale of equity method investment	(260,156)
Equity method investments at March 31, 2023	136,300

The carrying amount of equity method investments as of March 31, 2023 is as follows:

(in thousands of \$)	March 31, 2023
Hilli LLC	—
Energos	136,300
Total	136,300

As of March 31, 2023, the carrying value of the Partnerships' equity method investments was less than its proportionate share of the underlying net assets of its investees by \$1.5 million.

Hilli LLC

On March 15, 2023, the Partnership completed a transaction with Golar LNG Limited for the sale of the Partnership's investment in the common units of Hilli LLC in exchange for approximately 4.1 million NFE shares and \$100.0 million in cash (the "Hilli Exchange"). In the fourth quarter of 2022, the Partnership recognized an other-than-temporary impairment on the investment in Hilli LLC of \$118.6 million; this impairment was recognized in Loss from equity method investments in the consolidated statements of operations. Upon completion of the Hilli Exchange, a loss on disposal of \$37.4 million was recognized in the condensed consolidated statements of operations. As a result of the Hilli Exchange, the Partnership no longer has an ownership interest in the *Hilli*.

The Partnership had guaranteed 50% of the outstanding principal and interest amounts payable by Hilli Corp., a direct subsidiary of Hilli LLC. The Partnership had also guaranteed letters of credit issued by a financial institution in the event of Hilli Corp.'s underperformance or non-performance under the liquefaction tolling agreement with its customer. In conjunction with the Hilli Exchange, the Partnership is no longer a guarantor under these arrangements, and the remaining guarantee

liability of \$2.3 million was derecognized as a reduction to Administrative expenses in the condensed consolidated statements of operations in the three months ended March 31, 2023.

Energos

On August 15, 2022, the Partnership and an affiliate of certain funds or investment vehicles managed by affiliates of Apollo Global Management, Inc., AP Neptune Holdings Ltd. ("Purchaser"), completed a sales and financing transaction resulting in cash proceeds of approximately \$1.9 billion. This sales and financing transaction comprised (1) the formation of a limited liability company doing business as Energos Infrastructure ("Energos"), (2) the sale for cash of eight vessels, along with these vessels' owning and operating entities to the Purchaser, (3) the contribution of acquired vessel owning entities to Energos by the Purchaser and (4) the Partnership's contribution of three vessels, along with each vessels' owning and operating entities, to Energos in exchange for equity in Energos (the "Energos Formation Transaction").

As a result of the Energos Formation Transaction, the Partnership owns an approximately 20% equity interest in Energos, with the remaining interest owned by the Purchaser. The Partnership's equity investment provides certain rights, including representation on the board of directors, which give the Partnership significant influence over the operations of Energos, and as such, the investment has been accounted for under the equity method. Energos is also an affiliate, and all transactions with Energos are transactions with an affiliate.

Due to the timing and availability of financial information of Energos, the Partnership recognizes its proportional share of the income or loss from the equity method investment on a financial reporting lag of one fiscal quarter. For the three months ended March 31, 2023, the Partnership has recognized earnings from Energos of \$4.0 million.

7. VESSELS AND EQUIPMENT, NET

As of March 31, 2023 and December 31, 2022, the Partnership's vessels and equipment, net consisted of the following:

(in thousands of \$)	March 31,	December 31,
	2023	2022
Vessels	\$ 47,000	\$ 47,000
Less: Accumulated depreciation	(6,933)	(6,049)
Total Vessel and equipment, net	\$ 40,067	\$ 40,951

Depreciation expense during the three months ended March 31, 2023 and 2022 amounted to \$0.9 million and \$18.6 million, respectively.

8. FINANCIAL INSTRUMENTS

Interest rate risk management

In certain situations, we may enter into financial instruments to reduce the risk associated with fluctuations in interest rates. We have entered into swaps that convert floating rate interest obligations to fixed rates, which, from an economic perspective, hedge our interest rate exposure. During the first quarter of 2023, the Partnership terminated the interest rate swap in connection with the Hilli Exchange and received \$12.3 million in proceeds.

We do not hold or issue instruments for speculative or trading purposes. The counterparties to such contracts are major banking and financial institutions. Credit risk exists to the extent that the counterparties are unable to perform under the contracts; however, we do not anticipate non-performance by any of our counterparties.

Fair values

We recognize our fair value estimates using a fair value hierarchy based on the inputs used to measure fair value. The fair value hierarchy has three levels based on reliability of inputs used to determine fair value as follows:

Level 1: Quoted market prices in active markets for identical assets and liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The carrying value and estimated fair value of our financial instruments as of March 31, 2023 and December 31, 2022 are as follows:

(in thousands of \$)	Fair value Hierarchy	March 31,		December 31,	
		2023	2023	2022	2022
		Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Derivatives:					
Cash and cash equivalents	Level 1	13,810	13,810	38,468	38,468
Restricted cash	Level 1	5,408	5,408	7,908	7,908
Derivatives:					
Interest rate swap ^{(1) (2)}	Level 2	—	—	11,650	11,650

(1) As of December 31, 2022, the interest rate swap was presented within Other non-current assets on the consolidated balance sheet.

(2) The fair value of certain derivative instruments is the estimated amount that we would receive or pay to terminate the agreements at the reporting date, taking into account current interest rates, closing quoted market prices and our creditworthiness and that of our counterparties.

The following table shows gain on our interest rate swap for the three months ended March 31, 2023 and 2022.

(in thousands of \$)	Three Months Ended March 31,	
	2023	2022
Mark-to-market (losses) gains for interest rate swaps	(11,650)	15,833
Proceeds upon termination of interest rate swap	12,258	—
Net interest expense on interest rate swaps	—	(2,352)
Gain on derivative instruments, net	608	13,481

9. INCOME TAXES

Income tax expense for the three months ended March 31, 2022 included current tax expense in respect of our operations in the United Kingdom, Brazil, Indonesia and Jordan. Subsequent to the Energos Formation Transaction, we no longer have vessels or operations in these jurisdictions. The Partnership is not subject to any other domestic or foreign income taxes, and as such, no income tax provision was recorded for the three months ended March 31, 2023.

10. RELATED PARTY TRANSACTIONS

Transactions with related parties:

(in thousands of \$)	Three Months Ended March 31,	
	2023	2022
Transactions with Hilli LLC:		
Distributions from Hilli LLC	5,830	7,609
Transactions with NFE and affiliates:		
Distributions to NFE (b)	264,343	45,000
Time and voyage charter revenue	—	4,588
Payments under investment in leased vessel	—	3,877

Payables with related parties:

As of March 31, 2023 and December 31, 2022, balances with related parties consisted of the following:

<u>(in thousands of \$)</u>	<u>March 31,</u>	<u>December 31,</u>
	<u>2023</u>	<u>2022</u>
Balance due to NFE and affiliates (c)	3,419	3,591
	<u>3,419</u>	<u>3,591</u>

Transactions with affiliates included the following:

(a) *Distributions Hilli* - During the three months ended March 31, 2023 and 2022, Hilli LLC declared and paid quarterly distributions totaling \$5.8 and \$7.6 million, respectively.

(b) *Distributions to NFE* - During the three months ended March 31, 2023, we declared distributions to NFE of \$222.8 million related to the sale of the Hilli, including \$100.0 million of cash distributions and \$122.8 million of shares received. We also declared distributions to NFE of \$41.5 million. During the three months ended March 31, 2022, we paid total distributions to NFE of \$45.0 million.

(c) *Balance due to NFE and affiliates* – The balance as of March 31, 2023 and December 31, 2022 primarily consists of amounts due under charter and operating service agreements between the Partnership and NFE in the ordinary course of business

11. OTHER COMMITMENTS AND CONTINGENCIES

We may, from time to time, be involved in legal proceedings and claims that arise in the ordinary course of business. A loss will be recognized in the financial statements only where we believe that a liability will be probable and for which the amounts are reasonably estimable, based upon the facts known prior to the issuance of the financial statements.

12. SUBSEQUENT EVENTS

The Partnership has evaluated subsequent events through the date of issuance of these financial statements, July 10, 2023.

Cash Distributions

On May 15, 2023, we paid a cash distribution of \$0.546875 per Series A Preferred Unit in respect of the period from February 15, 2023 through May 14, 2023 to unitholders of record as of May 7, 2023, amounting to \$3.0 million.