EXMAR
HALF YEAR REPORT
2018

EXMAR

FINANCIAL SUMMARY

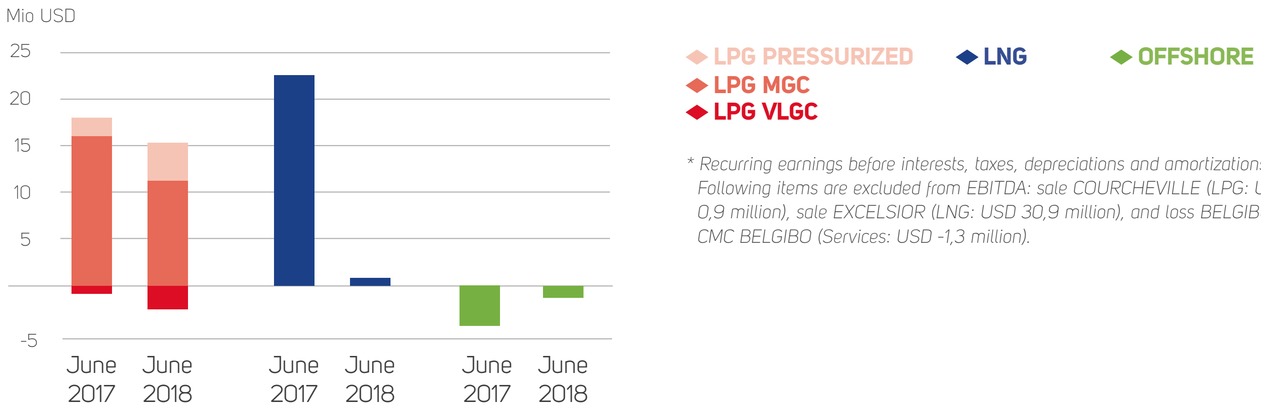
CONSOLIDATED KEY FIGURES

	International Financial Reporting Standards (IFRS 11) *(Note 1)*		Management reporting based on proportionate consolidation *(Note 2)*	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (IN MILLION USD)				
Turnover	47.6	44.6	88.3	117.6
EBITDA	23.3	-17.8	43.3	30.0
Depreciations and impairment losses	-9.4	-4.2	-21.8	-46.3
Operating result (EBIT)	13.8	-22.0	21.5	-16.3
Net finance result	-10.2	1.3	-17.4	-16.6
Share in the result of equity accounted investees (net of income tax)	0.7	-12.8	0.4	-0.5
Result before tax	4.4	-33.5	4.5	-33.4
Tax	-0.9	-0.6	-1.0	-0.7
Consolidated result after tax	3.5	-34.1	3.5	-34.1
of which group share	3.4	-34.1	3.4	-34.1
INFORMATION PER SHARE (IN USD PER SHARE)				
Weighted average number of shares of the period	57,017,761	56,832,799	57,017,761	56,832,799
EBITDA	0.41	-0.31	0.76	0.53
EBIT (operating result)	0.24	-0.39	0.38	-0.29
Consolidated result after tax	0.06	-0.60	0.06	-0.60
INFORMATION PER SHARE (IN EUR PER SHARE)				
Exchange rate	1.2127	1.0789	1.2127	1.0789
EBITDA	0.34	-0.29	0.63	0.49
EBIT (operating result)	0.20	-0.36	0.31	-0.27
Consolidated result after tax	0.05	-0.56	0.05	-0.56

Note 1: The figures in these columns have been prepared in accordance with IFRS as adopted by the EU.

Note 2: The figures in these columns show joint ventures applying the proportionate consolidation method instead of applying the equity method. The amounts in these columns correspond with the amounts in the 'Total' column of Note 4 Segment Reporting in the Financial Report per 30 June 2018. A reconciliation between the amounts applying the proportionate method and the equity method is shown in Note 5 in the Financial Report per 30 June 2018.

REBITDA* PER SEGMENT



** Recurring earnings before interests, taxes, depreciations and amortizations. Following items are excluded from EBITDA: sale COURCHEVILLE (LPG: USD 0,9 million), sale EXCELSIOR (LNG: USD 30,9 million), and loss BELGIBO/ CMC BELGIBO (Services: USD -1,3 million).*

EXMAR IN THE WORLD

MISSION STATEMENT

EXMAR is a provider of floating solutions for the operation, transportation and transformation of gas. EXMAR's mission is to serve customers with innovations in the field of offshore extraction, transformation, production, storage and transportation by sea of liquefied natural gases, petrochemical gases and liquid hydrocarbons.

EXMAR creates economically viable and sustainable energy value chains in long-term alliances with first class business partners.

EXMAR designs, builds, certifies, owns, leases and operates specialized, floating maritime infrastructure for this purpose. We also aim for the highest standards in performing commercial, technical, quality assurance and administrative management for the entire maritime energy industry.

EXMAR OWNED FLEET LIST

LPG

- 20 Midsize LPG Carrier
- 3* VLGC
- 10 Fully Pressurized LPG Carrier
- 1 Semi-ref.

LNG

- 1 LNG Carrier
- 1 FSRU (barge-based)
- 1 FLNG (barge-based)

OFFSHORE

- 2 Accomm. Barges

Note: list includes fully-owned vessels, vessels in joint venture and vessels chartered in as of 6 September 2018

** of which 2 under construction*

Key ratios

in MUSD

(based on proportionate consolidation method as per 30 June 2018)

Market cap
403.6

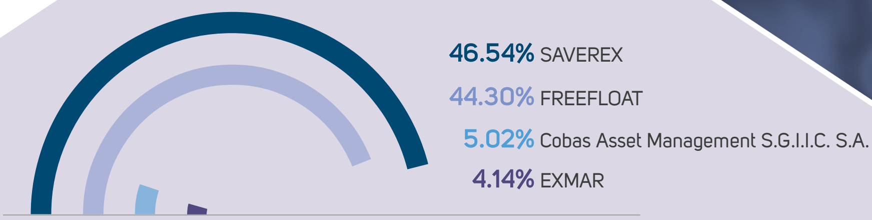
EBITDA
43.3

Equity ratio
39.23%

Net debt
519.8

Total assets
1,230.5

SHAREHOLDING AS PER 6 SEPTEMBER 2018



LPG/AMMONIA/ PETCHEMS

EXMAR LPG is a leading ship owner and operator in the transportation of liquefied gas products such as Liquid Petroleum Gas (LPG, butane, propane and a mixture of both), anhydrous ammonia and petrochemical gases. EXMAR trades worldwide for the fertilizer, clean energy fuel and petrochemical industry. As a prominent Midsize LPG owner-operator, EXMAR benefits from long-term contracts with first class customers.

PROPORTIONATE CONSOLIDATION (IN MILLION USD)	Total per 30/06/2018	Total per 30/06/2017
Turnover	48.5	51.3
EBITDA	14.4	19.2
REBITDA (*)	13.5	18.7
Operating result (EBIT)	1.9	7.4
Consolidated result after tax	-6.5	0.9
Vessels (including vessels under construction)	468.5	417.0
Financial debts	330.0	280.4

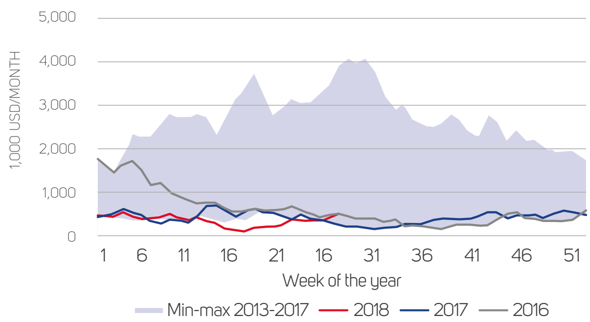
The operating result (EBIT) of the LPG fleet for the first semester of 2018 was USD 1.9 million, including a capital gain of USD 0.9 million on the sale of the COURCHEVILLE (as compared to USD 7.4 million in 2017 including a capital gain of USD 0.5 million on the sale of the BRUGGE VENTURE).

(*) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations. Following item is excluded from EBITDA: sale COURCHEVILLE (LPG: USD 0.9 million).

MARKET OVERVIEW

Across the Very Large Gas Carrier **(VLGC)** and **Midsize** segments, earnings continue to be negatively impacted by the vessel deliveries that have steadily added to supply in addition to the persistently poor trading environment. In the case of VLGCs, 76 have been delivered since 2016 out of the 270 currently in service. In the case of **Midsize**, 34 vessels out of the current 96 vessels (with 28 - 38,000 cbm) have been delivered since January 2016, with three more expected for delivery in the next year-and-a-half.

BALTIC VLGC TCE (1000 USD/MONTH)



Source: Poten and Partners

VERY LARGE SEGMENT OVERVIEW

Higher oil and bunker prices have now also started to impact **VLGC** earnings. Poor US/Far East arbitrage conditions have led to continuous cargo cancellations. These cancellations are a result of comparatively higher US LPG prices which are partly down to relatively low stock levels in the US following strong export volumes. Idling is more frequent East of Suez with modest premiums in the West resulting in longer haul transits for **VLGCs** trading across the Pacific.

In consequence, spot time charter rates for **VLGCs** were at the lowest levels since 2015. This is a segment that EXMAR has relatively low exposure to at present, with the chartered vessel **BW TOKYO** currently on a time charter with a contract that runs until mid-2019 in accordance with the Baltic Index and which could well continue for longer.

Since early June however, spot market returns for **VLGCs** have almost doubled and are expected to stay stable going forward. The two LPG-fuelled 80,200 m³ newbuild gas carriers under construction at the Hanjin Heavy Industries shipyard in Philippines are secured by a long-term charter commitment with Equinor (previously known as Statoil ASA). The vessels will be delivered by 2020.

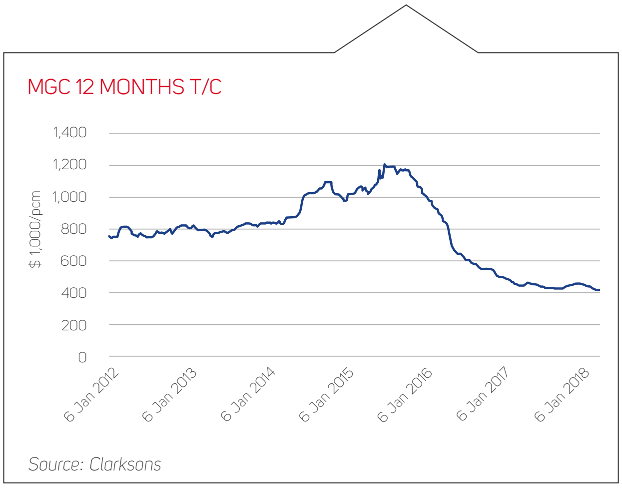
MIDSIZE SEGMENT OVERVIEW

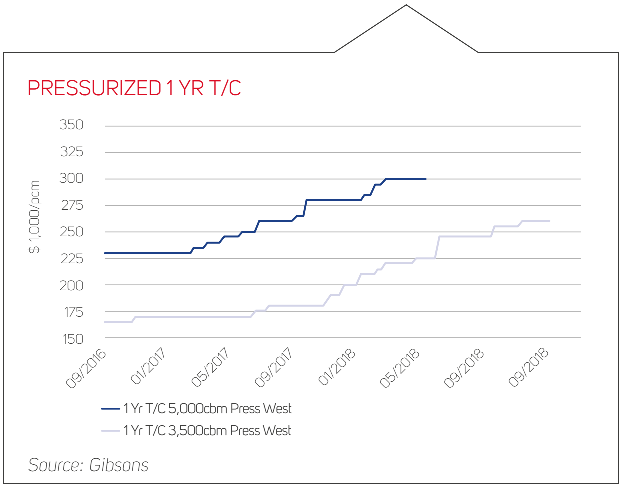
Pressure on spot rates in the VLGC-segment also has a trickle-down impact on the **Midsize** segment. EXMAR has one of the most fuel-efficient **Midsize** fleets in the sector following a modernisation programme commenced in 2014 that came to the end with the delivery of the final vessel **WEPION** on 31 July 2018. EXMAR aims to secure mid-long term time charters and contracts of affreightment for its vessels in this category and has succeeded in building a portfolio of first class customers by offering proven high quality operational service levels. For the rest of 2018, EXMAR's cover stands at 83% for its fleet of 20 midsize vessels and at 48% for 2019 (which excludes options to extend existing time charters).

PRESSURIZED SEGMENT OVERVIEW

Rates in the pressurized segment have continued their trend upwards. Additional volumes have been generated in the Far East and trades to the West of Suez also experienced a positive evolution in earnings as a result of tight availability of vessels and continuous demand for smaller LPG and petrochemical cargoes.

With a limited order book for **Pressurized** vessels and an ageing world fleet, EXMAR is well positioned with its ten vessels to benefit further from these solid rates. EXMAR's pressurized fleet is 100% covered for the rest of 2018. The 16% cover level for 2019 does not include outstanding options to extend, and EXMAR is confidently negotiating with its first class customers for a similarly high cover level next year.





LNG

EXMAR is a leading player in regasification and liquefaction, having pioneered the ship-to-ship transfer of LNG at sea as well as on-board regasification of LNG to feed onshore energy grids. EXMAR has now successfully designed and built two unique, barge-based floating LNG terminals which will be used for the import and export of natural gas. The barge-based FSRU is already being deployed for a long-term commitment to regasify and import LNG into an energy grid. The barge-based liquefaction terminal will be deployed to treat, clean and liquefy natural gas from source for export.

PROPORTIONATE CONSOLIDATION (IN MILLION USD)	Total per 30/06/2018	Total per 30/06/2017
Turnover	8.8	36.1
EBITDA	31.5	11.7
REBITDA (*)	0.6	22.7
Operating result (EBIT)	23.8	-20.4
Consolidated result after tax	7.5	-33.2
Vessels (including vessels under construction)	494.5	739.2
Financial debts	222.6	364.3

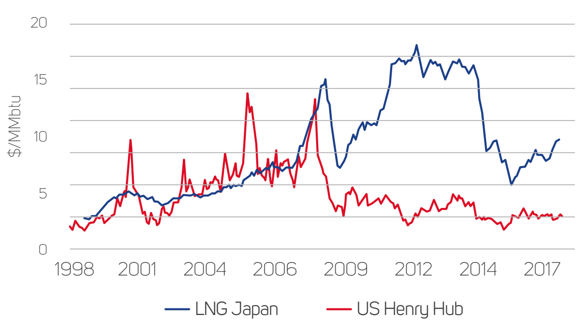
The operating result (EBIT) of the LNG division for the first semester of 2018 was USD 23.8 million including a capital gain of USD 30.9 million on the sale of the EXCELSIOR (compared to USD -20.4 million for the first semester of 2017 which was negatively influenced by a non-cash impairment of USD 22.5 million on the EXCEL as well as costs related to the late delivery of the CFLNG).

LNG SHIPPING & LNG INFRASTRUCTURE

LNG SHIPPING

The first half of 2018 saw LNG freight markets react with the kind of volatility that can sometimes occur in the shipping sector. Increasing crude oil values combined with geopolitical tensions influenced tonnage demand, which in turn shaped the yo-yo effect on freight rate levels. Modern LNG-carriers obtained up to and over USD 80,000 per day, which is a rate level not seen since back in 2014. Entering the second half of 2018, there was a noticeable flurry of spot fixtures for the less modern steam-turbine LNG ships from independent ship owners. This explains freight rates for these units crossing the USD 40,000 per day mark. Owners were now in a better position to dictate terms, and tried to shift towards seeking multi-month charter deals aimed at cashing-in on benefits over the current term.

(L)NG PRICES



Source: Bloomberg

(*) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations. Following item is excluded from EBITDA: sale EXCELSIOR (LNG: USD 30.9 million).

EXMAR has currently one vessel **EXCALIBUR** remaining in ownership (50/50 Exmar/Teekay) which is on a long-term time charter contract beyond 2022. EXMAR is confident to capitalize on new opportunities for the vessel after her current charter, be it a new or extended charter, or a possible conversion of the vessel to FS(R)U.

FLOATING REGASIFICATION

Demand for quick-to-market LNG import solutions in LNG emerging countries remains very much intact. This has been supported in abundance by new natural gas discoveries as well as increasing demand for natural gas as an environmentally-friendlier replacement to coal and oil. Floating Storage and Regasification Units (FSRUs) are considered the preferred alternative. Alongside the current FSRUs on order, flexible and more cost-efficient barge based solutions offer interesting opportunities as they can be adapted to locally gas demand levels. They can also offer flexibility in terms of infrastructure considering site-specific maritime conditions such as tide and weather patterns.

The remaining FSRUs of EXMAR were sold off end 2017 / beginning of 2018 in view of a profitable opportunity that arose at the time.

EXMAR has executed a fully effective ten-year charter with Gunvor for the provision of its FSRU barge and related services in Bangladesh. The EXMAR FSRU barge is currently at Keppel Shipyard undergoing site specific modifications after having been delivered from Wison Offshore and Marine in December 2017. The FSRU developed and operated by EXMAR is going to perfectly serve Gunvor's long-term strategy of support the development of new LNG markets by providing reliable and efficient LNG infrastructure solutions. The long-term contract will start generating cash flow as from October 2018.

Currently the FSRU has been fully paid by EXMAR and the financing of the unit is under discussion.

FLOATING LIQUEFACTION

Supported by current LNG price levels, there is a strong and continued interest in the market for new export solutions for the monetization of existing oil & gas fields. Thanks to their rapid deployment time and lower capital investment requirements, smaller-scale floating liquefaction solutions create a sound business case in comparison with larger scale alternatives.

The **CFLNG** delivered from the yard in 2017 is currently being prospected for several LNG export opportunities. Feasibility and commercial discussions are currently ongoing in various development stages.

OFFSHORE

EXMAR Offshore is dedicated to the ownership and leasing of offshore assets and providing floating solutions to the production, drilling, and accommodations market. This includes operating a variety of offshore assets for both the EXMAR Group and external client owners. EXMAR's office in Houston, U.S.A., specializes in the design and development of floating production systems (FPS) as well as project management and engineering services related to offshore units, ships, and marine vessels. EXMAR Group owns an offshore consultancy and has business interests in an industrial supplier to the marine and offshore industry.

	Total per 30/06/2018	Total per 30/06/2017
PROPORTIONATE CONSOLIDATION (IN MILLION USD)		
Turnover	18.8	16.3
EBITDA	-1.1	-2.8
REBITDA	-1.1	-4.2
Operating result (EBIT)	-2.0	-3.9
Consolidated result after tax	-1.5	-4.7
Vessels (including vessels under construction)	10.2	11.7
Financial debts	2.0	4.0

The operating result (EBIT) of the offshore division in the first semester of 2018 was USD -2.0 million (as compared to USD -3.9 million in 2017).

MARKET OVERVIEW

The price of crude oil remains a key economic component in making the final investment decision (FID) for developing deep water projects. The price of oil has climbed 14% from April to the end of June 2018 (to almost USD 78 per barrel for Brent and USD 74 for WTI). After declining slightly in early July, most forecasters see it remaining relatively stable for the second half of the year. This is partly based on continued decline in production in Venezuela and disruption to exports in Libya being offset by anticipated production increases in Saudi Arabia and other countries. Longer range forecasts (out to five years) believe that increases in shale output will further reduce oil prices. Nonetheless the forecasters predict that the barrel price will be in the range of USD 55 to USD 65 per barrel for WTI. United States shale production increases in 2018 have been limited due to lack of pipeline infrastructure and alternative methods of delivery, but current investment should improve shale oil deliverability in 2019.

WTI CRUDE OIL PRICES - 10 YEAR DAILY CHART

Interactive chart showing the daily closing price for West Texas Intermediate (NYMEX) Crude Oil over the last 10 years. Source: Macrotrends

Shale oil will certainly contribute to oil production growth required to meet the forecasted world oil consumption increases over the next few years, but cannot replace conventional crude, which is required as the main feed stock to produce diesel and aviation fuel. This issue coupled with the fact that offshore production supplies approximately 30% of the global daily output of over 90 million barrels illustrates the enduring importance of offshore oil. Offshore operators have taken positive steps to drive down finding and lifting costs to achieve breakeven rates which are attractive in today's oil price environment. Lack of offshore investment since 2014 will result in a net loss of offshore production unless new projects are sanctioned. New potential offshore investments are emerging with discoveries being announced in the Gulf of Mexico, Brazil, Guyana, the North Sea, and West and South Africa. Operators are actively planning, and some bidding for services to develop these and previous discoveries.

OFFSHORE ACCOMMODATION BARGE SEGMENT OVERVIEW

Offshore accommodation units are used throughout the life cycle of a field, in both CAPEX (greenfield) and OPEX (brownfield) stages to provide temporary accommodation support in order to minimize platform downtime during maintenance and modification work, or to expedite the installation of new platforms. These units benefited from the past FIDs and standard maintenance programmes during the early days of the oil price downturn. But with major budget restrictions after that, no new constructions & installations were sanctioned. Maintenance programmes were postponed resulting in an oversupply of units. With the award of only five contracts in the last two years off the coast of West Africa, market rates for these barges have fallen to historically low levels and are expected to remain low until the first half of 2019. Medium-to-long term contracts from newly-sanctioned greenfield projects as well as short-term maintenance programmes from brownfield projects which were previously-postponed are expected to re-emerge at that time. The **NUNCE** accommodation work barge will remain under firm employment with Sonangol P&P, offshore Angola, until the end of the second quarter 2022. The **WARIBOKO** accommodation work barge continues to be employed by Total E&P, offshore Nigeria, and will be employed until the end of the third quarter 2018. EXMAR is currently working on employment opportunities beyond that period.

EXMAR OFFSHORE COMPANY (USA)

After 18 months of no contract awards for floating production units during the second half of 2015 and the whole of 2016, seven contracts for newbuild or conversions were awarded in 2017. Four units have been contracted in the first half of 2018 and as many as 18 production units could be awarded in the next 18 months. EXMAR's proven low cost, high value floating production solutions target many of these projects in the Gulf of Mexico, South America, West Africa, and Australia as the market situation improves. Upturn of the oil price resulted in increased activity in EXMAR's engineering and project management services.

BEXCO (44.9% PARTICIPATION)

BEXCO is a Belgian-based manufacturer which designs and produces a wide range of specialized synthetic ropes geared to serve the specific mooring, towing and heavy lifting needs of marine, offshore and energy providers.

The company had a positive first six months of 2018. There were significant increases in orders, in particular for offshore and industrial heavy lift slings. The offshore market for DeepRope and Single Point Mooring (SPM) has improved with the increase in global oil prices. With BEXCO tendering for several contracts for the second half of the year have commenced producing DeepRope for the Shell VITO project at its Antwerp facility.

BEXCO also further developed its range of mooring and towing product lines, offering users both high end and price-competitive high modulus polyethylene (HMPE) ropes.

DVO

With its main office located near Paris, France, DV Offshore (DVO) is an independent firm of consulting engineers specialized in all the technical aspects of marine engineering and operations. DVO acts as consulting engineers in industrial maritime projects for oil majors, port authorities, governmental institutions and companies involved in the oil and gas industry, with recognized expertise in mooring engineering and installation. The Engineering and Procurement offshore market has been extremely challenging in recent years. However DVO has been able to sustain its activity due to a large commitment to various product terminals. DVO is now also actively bidding for new business given the recovery in oil and gas prices and reappearance of mothballed projects as well as the new projects with recent oil discoveries in emerging markets.

SUPPORTING SERVICES

In addition to its core business activities, EXMAR owns a ship management company (EXMAR SHIP MANAGEMENT, and a specialized travel agency (TRAVEL PLUS).

	Total per 30/06/2018	Total per 30/06/2017
PROPORTIONATE CONSOLIDATION (IN MILLION USD)		
Turnover	20.9	22.7
EBITDA	-1.5	1.9
REBITDA	-0.2	1.9
Operating result (EBIT)	-2.1	0.6
Consolidated result after tax	4.0	2.9
Vessels (including vessels under construction)	0.0	0.0
Financial debts	138.5	130.5

The contribution of the Supporting activities to the operating result (EBIT) for the first semester of 2018 was USD 1.4 million (compared to USD 1.8 million in 2017 for the same period).

EXMAR SHIP MANAGEMENT

EXMAR Ship Management (ESM) is a leading innovator in the field of maritime floating asset management. It has a varied portfolio of vessel and maritime infrastructure owners as clients.

In the first six months of 2018, ESM progressed further with the Midsize newbuild programme of the EXMAR LPG fleet. It successfully supervised the commissioning and delivery of the 38,000 m³ LPG carriers **KAPELLEN** and **KORTRIJK** to the owner in March and May respectively and with the midsize LPG carrier **WEPION** delivered at the end of July. Its LNG division is also supervising the preparation, commissioning and delivery of EXMAR's **FSRU S188** to Gunvor in Bangladesh later this year and is also progressing on the conversion of the LNG carrier **EXCEL** into a Floating Storage Unit (FSU) for its new owner.

ESM has also been diversifying its fleet under management and its multinational crew's skill sets. ESM now also manages and crews a fleet of bulk liquid carriers transporting highly sensitive cargoes of fresh and concentrated fruit juice around the world. Its Indian subsidiary has bulk vessels under management. Its luxury yachting ship management enterprise (EXMAR Yachting) is also expanding its fleet and the company has also established a crewing office in Jamaica with the intention to serve several customers in the Caribbean region.

TRAVEL PLUS

Travel PLUS is Belgium's largest independent travel agency which offers personalized services to both business and leisure customers. The company had a good first semester in 2018, with a six month year-on-year increase of 2% in overall earnings. The split between business and leisure travel currently stands at around 70-30, with an increase in luxury travel itineraries for high-end leisure clientele. Overall business accounts were also up volume-wise with complete outsourcing of bookings to Travel PLUS at a premium. Some business clients have successfully trialed the CYTRIC online reservations portal offered as an optional addition to direct contact from an agent.

Prospects for further growth this year will depend on skilled resource availability in the market, as standards of personalized service at Travel PLUS are extremely high.

03

FINANCIAL REPORT

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in thousands of USD)

	Note	30 June 2018	31 December 2017
ASSETS			
NON-CURRENT ASSETS		738,014	729,266
Vessels		575,274	563,021
Vessels	8	561,687	563,021
Vessels under construction - advance payments	8	13,587	0
Other property, plant and equipment		2,277	2,323
Intangible assets		347	612
Investments in equity accounted investees	9	103,911	104,416
Borrowings to equity accounted investees	10	56,205	58,894
CURRENT ASSETS		161,845	189,329
Equity accounted investee held for sale	7	0	23,004
Other investments	13	5,756	4,577
Trade receivables and other receivables		38,176	50,772
Current tax assets		568	653
Derivative financial instruments	13	758	1,065
Restricted cash	11	67,438	67,434
Cash and cash equivalents	11	49,149	41,824
TOTAL ASSETS		899,859	918,595
EQUITY AND LIABILITIES			
TOTAL EQUITY		482,731	477,542
Equity attributable to owners of the Company		482,561	477,407
Share capital		88,812	88,812
Share premium		209,902	209,902
Reserves		180,398	150,662
Result for the period		3,449	28,031
Non-controlling interest		170	135
NON-CURRENT LIABILITIES		328,411	350,757
Borrowings	12	321,356	343,571
Employee benefits		4,695	4,826
Provisions		2,360	2,360
Deferred tax liabilities		0	0
CURRENT LIABILITIES		88,717	90,296
Borrowings	12	40,731	29,136
Trade debts and other payables		46,185	60,001
Current tax liability		1,801	1,159
Derivative financial instruments	13	0	0
TOTAL EQUITY AND LIABILITIES		899,859	918,595

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (in thousands of USD)

	Note	6 months ended 30 June 2018	6 months ended 30 June 2017
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS			
Revenue	6	47,569	44,631
Gain on disposal	6	30,922	1,504
Other operating income	6	416	710
OPERATING INCOME		78,906	46,845
Raw materials and consumables used		0	0
Goods and services (*)		-32,583	-42,277
Personnel expenses		-21,524	-22,153
Depreciations, amortisations & impairment losses		-9,438	-4,192
Provisions		0	0
Loss on disposal		-1,288	0
Other operating expenses		-227	-203
RESULT FROM OPERATING ACTIVITIES		13,846	-21,980
Interest income (**)		1,571	12,907
Interest expenses		-8,752	-7,558
Other finance income		1,952	788
Other finance expenses		-4,950	-4,808
NET FINANCE RESULT		-10,179	1,329
RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEES		3,667	-20,651
Share of result of equity accounted investees (net of income tax)	9	709	-12,836
RESULT BEFORE INCOME TAX		4,376	-33,487
Income tax expense		-887	-619
RESULT FOR THE PERIOD		3,489	-34,106
ATTRIBUTABLE TO:			
Non-controlling interest		40	27
Owners of the Company		3,449	-34,133
RESULT FOR THE PERIOD		3,489	-34,106
BASIC EARNINGS PER SHARE (IN USD)		0.06	-0.60
DILUTED EARNINGS PER SHARE (IN USD)		0.06	-0.60
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
RESULT FOR THE PERIOD		3,489	-34,106
ITEMS THAT ARE OR MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:			
Equity accounted investees - share in other comprehensive income		1,835	239
Foreign currency translation differences		-602	1,235
Net change in fair value of cash flow hedges - hedge accounting		0	-100
Available-for-sale financial assets - net change in fair value		0	0
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD (NET OF INCOME TAX)		1,233	1,374
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,722	-32,732
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Non-controlling interest		35	-24
Owners of the Company		4,687	-32,708
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,722	-32,732

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

(*) Goods and services decrease compared to 2017, this higher cost in 2017 was mainly caused by the fees paid to Wison Shipyard in respect of the Caribbean FLNG.

(**) Interest income decrease compared to 2017, is mainly caused by the 2017 sale of EXMAR's interest in three equity accounted investees (EXPLORER NV, EXPRESS NV, and EXCELERATE NV) for which EXMAR provided borrowings.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (in thousands of USD)

	Note	6 months ended 30 June 2018	6 months ended 30 June 2017
OPERATING ACTIVITIES			
Result for the period		3,489	-34,106
Share of result of equity accounted investees (net of income tax)		-709	12,836
Depreciations, amortisations & impairment loss		9,438	4,192
Profit or loss effect equity securities measured at FVTPL		760	-137
Net interest expenses / (income)		7,180	-5,349
Income tax expense		887	619
Net gain on sale of assets		-29,634	-1,504
Unrealized exchange differences		2,895	1,310
Dividend income		60	-42
Equity settled share-based payment expenses (option plan)		347	399
GROSS CASH FLOW FROM OPERATING ACTIVITIES		-5,285	-21,782
(Increase) / decrease of trade and other receivables		12,299	-12,288
Increase / (decrease) of trade and other payables		-7,971	-1,107
Increase / (decrease) in provisions and employee benefits		132	0
CASH GENERATED FROM OPERATING ACTIVITIES		-825	-35,177
Interest paid		-6,971	-9,360
Interest received		2,929	11,529
Income taxes paid		-1,438	-1,024
NET CASH FROM OPERATING ACTIVITIES		-6,305	-34,032
INVESTING ACTIVITIES			
Acquisition of vessels and vessels under construction	8	-22,339	-33,586
Acquisition of other property plant and equipment		-129	-175
Acquisition of intangible assets		-29	-219
Proceeds from the sale of vessels and other property, plant and equipment		0	1,528
Disposal of an equity accounted investee	7	44,438	0
Dividends from equity accounted investees	9	2,000	-2,558
Borrowings to equity accounted investees	10	0	0
Repayments from equity accounted investees	10	2,115	18,730
NET CASH FROM INVESTING ACTIVITIES		26,056	-16,280
FINANCING ACTIVITIES			
Dividends paid		0	0
Dividends received		60	42
Proceeds from treasury shares and share options exercised		120	125
Proceeds from new borrowings	12	0	0
Repayment of borrowings	12	-12,888	-12,286
Increase in restricted cash	11	0	-47
Decrease in restricted cash	11	0	4,740
NET CASH FROM FINANCING ACTIVITIES		-12,708	-7,426
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		7,043	-57,738
RECONCILIATION OF NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS			
Net cash and cash equivalents at 1 January		41,825	121,096
Net increase / (decrease) in cash and cash equivalents		7,043	-57,738
Exchange rate fluctuations on cash and cash equivalents		281	1,768
NET CASH AND CASH EQUIVALENTS AT 30 JUNE	11	49,149	65,126

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (in thousands of USD)

	Share capital	Share premium
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS PER 30 JUNE 2017		
OPENING EQUITY PER 1 JANUARY 2017 (*)	88,812	209,902
CORRECTION OF THE NON APPLICATION OF IAS 23 IN PRIOR PERIODS (*)		
OPENING EQUITY AS PREVIOUSLY REPORTED PER 1 JANUARY 2017	88,812	209,902
COMPREHENSIVE RESULT FOR THE PERIOD		
Result for the period		
Foreign currency translation differences		
Foreign currency translation differences - share equity accounted investees		
Net change in fair value of cash flow hedges - hedge accounting		
Net change in fair value of cash flow hedges - hedge accounting - share equity accounted investees		
Total other comprensive result		
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	0	0
TRANSACTIONS WITH OWNERS OF THE COMPANY		
Dividends paid		
Share-based payments		
Share options exercised		
Share based payments transactions		
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY	0	0
30 JUNE 2017	88,812	209,902

	Share capital	Share premium
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS PER 30 JUNE 2018		
OPENING EQUITY AS PREVIOUSLY REPORTED PER 1 JANUARY 2018	88,812	209,902
COMPREHENSIVE RESULT FOR THE PERIOD		
Result for the period		
Foreign currency translation differences		
Foreign currency translation differences - share equity accounted investees		
Net change in fair value of cash flow hedges - hedge accounting		
Net change in fair value of cash flow hedges - hedge accounting - share equity accounted investees		
Total other comprensive result		
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	0	0
TRANSACTIONS WITH OWNERS OF THE COMPANY		
Dividends paid		
Share-based payments		
Share options exercised		
Share based payments transactions		
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY	0	0
30 JUNE 2018	88,812	209,902

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

(*) IAS 23 requires that borrowing costs which are attributable to the construction of vessels are to be capitalized as part of the asset. As a consequence of the non-application of IAS 23 in prior periods, the prior period financial statements have been restated. We refer to note 11 of the Annual report 2017 for more information in this respect.

Retained earnings	Reserve for treasury shares	Translation reserve	Fair value reserve	Hedging reserve	Share-based payments reserve	Total	Non-controlling interest	Total equity
183,435	-52,236	-9,777	0	822	11,511	432,469	215	432,684
9,234						9,234		9,234
192,669	-52,236	-9,777	0	822	11,511	441,703	215	441,918
-34,133						-34,133	27	-34,106
		1,286				1,286	-51	1,235
		558				558		558
				-100		-100		-100
				-319		-319		-319
						0		0
-34,133	0	1,844	0	-419	0	-32,708	-24	-32,732
						0		0
-85	449				-65	299		299
					399	399		399
-85	449	0	0	0	334	698	0	698
158,451	-51,787	-7,933	0	403	11,845	409,693	191	409,884

Retained earnings	Reserve for treasury shares	Translation reserve	Fair value reserve	Hedging reserve	Share-based payments reserve	Total	Non-controlling interest	Total equity
218,373	-48,486	-5,666	0	2,901	11,571	477,407	135	477,542
3,449						3,449	40	3,489
		-597				-597	-5	-602
		-248				-248		-248
						0		0
				2,083		2,083		2,083
						0		0
3,449	0	-845	0	2,083	0	4,687	35	4,722
						0		0
-265	425				-40	119		119
					347	347		347
-265	425	0	0	0	307	467	0	467
221,557	-48,061	-6,511	0	4,984	11,878	482,561	170	482,731

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. REPORTING ENTITY

EXMAR NV is a company domiciled in Belgium, whose shares are publicly traded (Euronext - EXM). The condensed consolidated interim financial statements of EXMAR NV for the six months ended 30 June 2018 comprise EXMAR NV and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint arrangements. The Group is active in the industrial shipping business.

2. BASIS OF PREPARATION

Principles for preparation of half-yearly figures: The condensed consolidated half-yearly figures are prepared on the basis of the principles of financial reporting in accordance with IFRS and in accordance with IAS 34 "Interim financial reporting". In these condensed half-yearly figures, the same principles of financial information and calculation methods are used as those used for the consolidated annual accounts as at 31 December 2017 except for the changes as mentioned in note 3 "Significant accounting policies".

Standards and interpretations applicable for the annual period beginning on 1 January 2018 (all applicable for annual periods beginning on or after 1 January 2018):

- Amendments to IAS 40 *Transfers of Investment Property*
- Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions*
- Amendments to IFRS 4 *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*
- Annual improvements to IFRS Standards 2014-2016 Cycle: Amendments to IFRS 1 and IAS 28
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration*
- IFRS 9 *Financial Instruments and subsequent amendments*
- IFRS 15 Revenue from Contracts with Customers
- Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2018
- Amendments to IAS 19 *Plan Amendment, Curtailment or Settlement* (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)
- Amendments to IAS 28 Long term interests in Associates and Joint Ventures(applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)
- Amendments to IFRS 9 *Prepayment Features with Negative Compensation* (applicable for annual periods beginning on or after 1 January 2019)
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (the effective date has been deferred indefinitely, and therefore the endorsement in the EU has been postponed)
- Annual improvements to IFRS Standards 2015-2017 Cycle (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)
- IFRIC 23 *Uncertainty over Income Tax Treatments* (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)
- IFRS 14 *Regulatory Deferral Accounts* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- IFRS 16 *Leases* (applicable for annual periods beginning on or after 1 January 2019)
- IFRS 17 *Insurance Contracts* (applicable for annual periods beginning on or after 1 January 2021, but not yet endorsed in the EU)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2017.

IFRS 9 and IFRS 15 are effective for annual periods beginning on or after 1 January 2018. The first time application of these new IFRS standards and other revised IFRS standards, which are effective for annual periods beginning on or after 1 January 2018 have no or limited impact on the condensed consolidated interim financial statements, except for a renaming of the "Available-for-sale financial assets" (IFRS 9) as explained in note 13 of this half-year report. The consolidated financial statements per 31 December 2018 will contain updated accounting policies and more extensive disclosures as a consequence of IFRS 9 and 15.

4. SEGMENT REPORTING (in thousands of USD)

The company continues to manage its operations based on internal management reports applying the principles of the proportionate consolidation method.

The reconciliation of the segment reporting to the condensed consolidated statement of profit or loss is presented in note 5. All differences relate to the application of IFRS 11 Joint Arrangements, no other differences exist.

SEGMENT REPORTING 30 JUNE 2018

	LPG	LNG	Offshore	Supporting services	Eliminations	Total
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS						
Revenue third party	48,240	8,805	16,983	13,679	0	87,708
Revenue intra-segment	253	0	1,781	7,194	-9,229	0
Total revenue	48,494	8,805	18,764	20,873	-9,229	87,708
Revenue on property rental third party				614		614
Revenue on property rental intra-segment				83	-83	0
Total revenue on property rental	0	0	0	697	-83	614
Gain on disposal	923	30,906	0	14	0	31,843
Other operating income	123	40	24	269		456
Other operating income intra-segment				186	-186	0
Total other operating income	123	40	24	455	-186	456
OPERATING INCOME	49,540	39,752	18,788	22,039	-9,498	120,621
OPERATING RESULT BEFORE DEPRECIATIONS, AMORTISATIONS & IMPAIRMENT LOSSES (EBITDA)	14,422	31,527	-1,069	-1,542	0	43,339
Depreciations, amortisations and impairment losses	-12,507	-7,746	-978	-573	0	-21,803
OPERATING RESULT (EBIT)	1,916	23,781	-2,046	-2,115	0	21,536
Interest income/expenses (net)	-7,972	-14,672	-16	9,015	0	-13,645
Other finance income/expenses (net)	-452	-1,574	68	-1,844	0	-3,802
Share in the result of equity accounted investees (net of income tax)	0	0	458	-84	0	374
Income tax expense	-1	-37	0	-936	0	-974
SEGMENT RESULT FOR THE PERIOD	-6,510	7,499	-1,536	4,036	0	3,489
RESULT FOR THE PERIOD						3,489
Non-controlling interest	0	0	34	6	0	40
ATTRIBUTABLE TO OWNERS OF THE COMPANY						3,449

SEGMENT REPORTING 30 JUNE 2017

	LPG	LNG	Offshore	Supporting services	Eliminations	Total
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS						
Revenue third party	50,569	36,118	15,833	14,620	0	117,140
Revenue intra-segment	742	0	474	7,552	-8,768	0
Total revenue	51,311	36,118	16,307	22,172	-8,768	117,140
Revenue on property rental third party	0	0	0	477	0	477
Revenue on property rental intra-segment	0	0	0	73	-73	0
Total revenue on property rental	0	0	0	550	-73	477
Gain on disposal	543	0	1,425	80	0	2,048
Other operating income	207	0	153	340	0	700
Other operating income intra-segment	0	0	0	171	-171	0
Total other operating income	207	0	153	511	-171	700
OPERATING INCOME	52,061	36,118	17,885	23,313	-9,012	120,365
OPERATING RESULT BEFORE DEPRECIATIONS, AMORTISATIONS & IMPAIRMENT LOSSES (EBITDA)	19,195	11,710	-2,853	1,913	0	29,965
Depreciations, amortisations and impairment losses (*)	-11,838	-32,150	-1,021	-1,258	0	-46,267
OPERATING RESULT (EBIT)	7,357	-20,440	-3,874	655	0	-16,302
Interest income/expenses (net)	-5,956	-10,993	-77	5,059	0	-11,967
Other finance income/expenses (net)	-495	-1,717	-268	-2,130	0	-4,610
Share in the result of equity accounted investees (net of income tax)	0	0	-524	29	0	-495
Income tax expense	-7	0	0	-725	0	-732
SEGMENT RESULT FOR THE PERIOD	900	-33,150	-4,743	2,888	0	-34,106
RESULT FOR THE PERIOD						-34,106
Non-controlling interest						26
ATTRIBUTABLE TO OWNERS OF THE COMPANY						-34,132

(*) In the LNG segment, an impairment loss of USD 22.5 million has been registered on the vessel EXCEL to reflect the market value of the vessel.

5. RECONCILIATION SEGMENT REPORTING (in thousands of USD)

The financial information of each operating segment is reviewed by management using the proportionate consolidation method. The below tables reconcile the 30 June financial information as reported in the condensed consolidated statement of profit or loss (using the equity consolidation method as required under IFRS 11) with the information disclosed in note 4 'Segment reporting' (using the proportionate consolidation method).

	Proportionate Consolidation	Difference	Equity Consolidation
RECONCILIATION CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND PROPORTIONATE CONSOLIDATION (SEGMENT REPORTING)			
FOR THE SIX MONTHS ENDED 30 JUNE 2018			
Revenue	88,322	-40,753	47,569
Net gain/loss on disposal	31,843	-922	30,922
Other operating income	456	-40	416
Goods and services	-53,858	21,275	-32,583
Personnel expenses	-21,554	30	-21,524
Depreciations, amortisations & impairment losses	-21,803	12,365	-9,438
Loss on disposal	-1,288	0	-1,288
Other operating expenses	-582	355	-227
RESULT FROM OPERATING ACTIVITIES	21,536	-7,690	13,846
Interest income	1,770	-199	1,571
Interest expenses	-15,415	6,663	-8,752
Other finance income	2,095	-144	1,952
Other finance expenses	-5,897	947	-4,950
RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEES	4,090	-422	3,667
Share of result of equity accounted investees (net of income tax)	374	335	709
Income tax expense	-974	87	-887
RESULT FOR THE PERIOD	3,489	0	3,489

	Proportionate Consolidation	Difference	Equity Consolidation
RECONCILIATION CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND PROPORTIONATE CONSOLIDATION (SEGMENT REPORTING)			
FOR THE SIX MONTHS ENDED 30 JUNE 2017			
Revenue	117,617	-72,986	44,631
Net gain/loss on disposal	2,048	-544	1,504
Other operating income	700	10	710
Goods and services	-67,572	25,295	-42,277
Personnel expenses	-22,178	25	-22,153
Depreciations, amortisations & impairment losses	-46,267	42,075	-4,192
Other operating expenses	-650	447	-203
RESULT FROM OPERATING ACTIVITIES	-16,302	-5,678	-21,980
Interest income	1,353	11,554	12,907
Interest expenses	-13,320	5,762	-7,558
Other finance income	817	-29	788
Other finance expenses	-5,427	619	-4,808
RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEES	-32,879	12,228	-20,651
Share of result of equity accounted investees (net of income tax)	-495	-12,341	-12,836
Income tax expense	-732	113	-619
RESULT FOR THE PERIOD	-34,106	0	-34,106

6. OPERATING INCOME (in thousands of USD)

	30 June 2018	30 June 2017
REVENUE		
LPG segment	15,020	14,619
LNG segment	2,000	0
Offshore segment	15,746	13,996
Services segment	14,803	16,016
	47,569	**44,631**

Our LNG segment was positively influenced following a settlement under the CCAA of PRE. As Effected Creditor Exmar received its pro rata share of Recognized Common Stock for earlier unrecognized revenue as a consequence of PRE filing Chapter 11.

The increase in the offshore segment is mainly caused by increasing activity in our engineering and project management activities (Exmar Offshore, USA) as a result of improving oil prices.

	30 June 2018	30 June 2017
GAIN ON DISPOSAL		
Disposal equity accounted investees LNG	30,892	0
Other	30	1,504
	30,922	**1,504**

In the first semester of 2018 EXMAR sold its share in Excelsior BVBA. We refer to note 7 for more information regarding the sale of EXCELSIOR.

	30 June 2018	30 June 2017
OTHER OPERATING INCOME		
Other	416	710
	416	**710**

7. DISPOSAL OF AN EQUITY ACCOUNTED INVESTEE (in thousands of USD)

On January 31, 2018 EXMAR has sold its 50% share in Excelsior BVBA (owner of the LNGRV EXCELSIOR) to Excelerate Energy LP. The investment in this equity accounted investee has been derecognised from the balance sheet. The sale resulted in a gain of USD 30.9 million.

	Period ended 30 June 2018
A. CONSIDERATION RECEIVED	
Consideration received in cash and cash equivalents	**44,438**
Presentation in the consolidated Statement of Cash flows:	
Disposal of an equity accounted investee	54,438
Payments to equity accounted investees	-10,000
	44,438

	Period ended 30 June 2018
B. GAIN ON DISPOSAL OF AN EQUITY ACCOUNTED INVESTEE	
Total consideration received	44,438
Repayment of shareholderloan granted by an equity accounted investee to EXMAR	10,000
Participation	-1,049
Net assets disposed of	-22,497
GAIN OF THE TRANSACTION	**30,892**

8. VESSELS (in thousands of USD)

	LPG	LNG (**)	Offshore	Under construction - advance payments (*)	Total
COST 2018					
BALANCE AS PER 1 JANUARY 2018	118,500	453,562	0	0	572,062
Changes during the financial year					
Acquisitions		7,669		13,587	21,256
Borrowing costs				0	0
Disposals			0		0
Conversion differences					0
BALANCE AS PER 30 JUNE 2018	118,500	461,230	0	13,587	593,318
DEPRECIATIONS AND IMPAIRMENT LOSSES 2018					
BALANCE AS PER 1 JANUARY 2018	9,041	0	0	0	9,041
Changes during the financial year					
Depreciations (**)	2,982	6,021			9,003
Disposals			0		0
Conversion differences					0
BALANCE AS PER 30 JUNE 2018	12,023	6,021	0	0	18,044
NET BOOK VALUE					
NET BOOK VALUE AS PER 30 JUNE 2018	106,477	455,210	0	13,587	575,274

(*) The advance payments in respect of vessels under construction have been presented under vessels in the condensed consolidated statement of financial position. The advance payments do not give EXMAR ownership rights on the vessels before their final delivery.

(**) The depreciations mentioned under LNG is for the newly built and delivered asset "Caribbean FLNG". This asset is depreciated on a straight-line basis over it's useful life which is estimated at 20 years to a residual value of zero.

9. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES (in thousands of USD)

EQUITY ACCOUNTED INVESTEES	
BALANCE AS PER 1 JANUARY 2018	104,416
Changes during the financial year	
Share in the profit/loss(-)	709
Dividends	-2,000
Changes in consolidation scope (*)	-938
Allocation of negative net assets (**)	319
Conversion differences	-248
Changes in other comprehensive income equity accounted investees	2,477
Other	-824
BALANCE AS PER 30 JUNE 2018	103,911

(*) The change in consolidation scope in 2018 relates to the disposal of the LNGRV EXCELSIOR. We refer to note 7 for further information in respect of this sale.

(**) The equity accounted investees for whom the share in the net assets is negative as EXMAR has a constructive obligation, are allocated to other components of the investor's interest in the equity accounted investee and if the negative net asset exceeds the investor's interest, a corresponding liability is recognized.

EXMAR has analysed the existing joint arrangements and has concluded that these joint arrangements are all joint ventures in accordance with IFRS 11 "joint arrangements".

EXMAR has provided guarantees to financial institutions that have provided credit facilities to her equity accounted investees. As of June 30, 2018, an amount of USD 636.6 million was outstanding under such loan agreements, of which EXMAR has guaranteed its share of USD 318.3 million.

10. BORROWINGS TO EQUITY ACCOUNTED INVESTEES (in thousands of USD)

	LPG	LNG	Offshore	Total
BORROWINGS TO EQUITY ACCOUNTED INVESTEES				
BALANCE AT 1 JANUARY 2018	50,273	0	12,971	63,244
New loans and borrowings				0
Repayments			-2,115	-2,115
Change in allocated negative net assets (*)	-1,708		1,389	-319
Capitalised interests				0
BALANCE AT 30 JUNE 2018	48,565	0	12,245	60,810
MORE THAN 1 YEAR	48,565	0	7,640	56,205
LESS THAN 1 YEAR	0	0	4,605	4,605

(*) The equity accounted investees for whom the share in the net assets is negative as EXMAR has a constructive obligation, are allocated to other components of the investor's interest in the equity accounted investee. If the negative net asset exceeds the investor's interest, a corresponding liability is recognized.

The activities and assets of certain of our equity accounted investees are financed by shareholder borrowings made by the company to the respective equity accounted investee. The current portion of such borrowings is presented as other receivables. The main borrowings to equity accounted investees relate to the borrowings granted to EXMAR LPG, the joint venture with Teekay LNG Partners L.P.

11. RESTRICTED CASH AND CASH AND CASH EQUIVALENTS (in thousands of USD)

	30 June 2018	31 December 2017
RESTRICTED CASH AND CASH AND CASH EQUIVALENTS		
RESTRICTED CASH	67,438	67,434
Bank	38,835	31,459
Cash in hand	128	141
Short-term deposits	10,186	10,223
CASH AND CASH EQUIVALENTS	49,149	41,824

The restricted cash relates mainly to the credit facility with the Bank of China for the Caribbean FLNG (see also note 12).

12. BORROWINGS (in thousands of USD)

	Bank loans	Other loans	Total
BORROWINGS			
BALANCE AT 1 JANUARY 2018	246,973	125,734	372,707
New loans and borrowings	0	0	0
Scheduled repayments	-12,888	0	-12,888
Amortised transaction costs	1,024	614	1,638
Conversion differences	0	630	630
BALANCE AT 30 JUNE 2018	235,109	126,978	362,087
MORE THAN 1 YEAR	194,378	126,978	321,356
LESS THAN 1 YEAR	40,731	0	40,731
LPG	54,853	0	54,853
LNG	180,219	0	180,219
Offshore	0	0	0
Services	37	126,978	127,015
BALANCE AT 30 JUNE 2018	235,109	126,978	362,087

	30 June 2018	31 December 2017
UNUSED CREDIT FACILITIES		
Unused credit facilities	13,115	13,492
	13,115	13,492

The bank loans mainly relate to the LPG pressurized facilities and the Caribbean FLNG facility.

The other loans relate to a NOK 1 billion senior unsecured bond issue, with initial maturity date in July 2017. In June 2017, the term of the bond has been extended until July 2019. As a consequence, the bond has been classified as a long term liability in the condensed consolidated statement of financial position as the Company informed the Bond Trustee in December 2017 that it has received USD 50 million in Junior Capital, the call premium will be 105% of par value.

EXMAR's barge based FSRU was delivered end of December 2017. The unit was able to obtain a long-term contract with GUNVOR in Bangladesh and earnings will commence in October 2018. The last instalment of the FSRU has been financed with the proceeds of the sale of the three LNG companies (EXPLORER NV, EXPRESS NV and EXCELERATE NV) in December 2017. EXMAR is currently negotiating with different parties the financing of the FSRU. The unit is undergoing site specific modifications before the start of its operations in the second quarter of 2019.

13. FINANCIAL INSTRUMENTS (in thousands of USD)

Financial instruments include a broad range of financial assets and liabilities. They include both primary financial instruments such as cash, receivables, debt and shares in another entity and derivative financial instruments. They are measured either at fair value or at amortized cost.

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an at arm's length transaction. All derivative financial instruments are recognized at fair value in the condensed consolidated statement of financial position.

The fair values of financial assets and liabilities measured at fair value are presented by class in the table below. The Group aggregates its financial instruments into classes based on their nature and characteristics.

	Level 1	Level 2	Level 3	Total
30 JUNE 2018				
Equity securities - measured at FVTPL	4,193	1,563		5,756
FX Forward		758		758
TOTAL FINANCIAL ASSETS CARRIED AT FAIR VALUE	4,193	2,321	0	6,514
TOTAL FINANCIAL LIABILITIES CARRIED AT FAIR VALUE	0	0	0	0

In 2014 and 2015 Exmar entered into two cross currency interest rate swaps (CCIRS) to cover its exposure on the issued bond in NOK. These CCIRS-contracts have ended in July 2017. As per 30 June 2018, a forward exchange contract was outstanding to cover the NOK/USD exposure which was terminated in August 2018.

Financial instruments other than those listed above are all measured at amortized cost.

For its financial instruments, the Group has applied the new requirements under IFRS 9. These new classification and measurement requirements did not have an impact on the condensed consolidated financial statements, except for the renaming of the "Available-for-sale financial assets" to "Equity securities - measured at fair value through profit or loss (FVTPL)". On the face of the balance sheet, the former "Available-for-sale financial assets" have been presented as "Other investments". The accounting classification and basis for determining fair values in these condensed consolidated interim financial statements are the same as those applied in the consolidated financial statements as at and for the year ended December 31, 2017.

The fair value of financial assets and liabilities not measured at fair value has not been updated per June 30, 2018 as no significant changes occurred that would impact the fair value determination. Therefore, we refer to the Annual Report 2017, disclosure note 29 "Financial risks and financial instruments".

In respect of liquidity risk, we refer to note 15 "Capital commitments".

14. LEASES (in thousands of USD)

OPERATING LEASES

LEASE OBLIGATIONS

EXMAR leases a number of assets using operating lease agreements. The agreements don't impose restrictions such as additional debt and further leasing. The expense for the first semester of 2018 relating to the operating lease agreements amounts to USD 5.5 million (2017: USD 11 million) of which USD 4.4 million is borne by our equity accounted investees (2017: USD 8.9 million). No payments for non-cancellable subleases were received. The future minimum lease payments for our subsidiaries and equity accounted investees are as follows:

	30 June 2018		31 December 2017	
	Subsidiaries	Equity accounted investees	Subsidiaries	Equity accounted investees
OPERATING LEASE OBLIGATIONS (LEASES AS LESSEE)				
Less than 1 year	1,667	6,847	1,667	8,572
Between 1 and 5 years	3,334	21,636	4,168	21,636
More than 5 years	0	4,507	0	7,212
	5,001	**32,990**	**5,835**	**37,420**

The amounts disclosed for the equity accounted investees represent our share in the lease obligations. The average duration of the lease agreements amount to 3.1 years. The group has for some of the leased assets purchase options, some contracts foresee extension options. Such options have not been taken into account for determining above lease obligations.

LEASE RIGHTS

The Group entered into long-term time charter agreements for certain assets in its fleet. In respect of lease classification, it was judged that substantially all risks and rewards remain with the Group. As a consequence, these agreements qualify as operating leases.

The income in the first semester of 2018 relating to operating leases amounts to USD 103.3 million (2017: USD 157.6 million) of which USD 43.9 million is earned by our equity accounted investees (2017: USD 134 million). The future minimum rental receipts are as follows:

	30 June 2018		31 December 2017	
	Subsidiaries	Equity accounted investees	Subsidiaries	Equity accounted investees
OPERATING LEASE RIGHTS (LEASES AS LESSOR)				
Less than 1 year	20,612	70,362	24,057	65,955
Between 1 and 5 years	2,407	121,652	714	136,220
More than 5 years	0	41,620	0	48,265
	23,019	**233,635**	**24,771**	**250,440**

The amounts disclosed for the equity accounted investees represent our share in the lease rights. The average duration of the lease agreements amounts to 1.77 years. Some contracts foresee a possible extension at the end of the lease agreement. Such options have not been taken into account for determining above lease rights. The decrease of the lease rights in our equity accounted investees can be mainly explained by the sale of the LNG companies EXCELERATE NV, EXPLORER NV and EXPRESS NV (2017) and EXCELSIOR BVBA in January 2018 (we refer in this respect also to note 7 of this report).

The other operating lease rights relate to the time charter agreement on the Nunce. The original 10 year contract has been extended for 3 years, new end date is June 2022.

FINANCE LEASES

EXMAR leases 5 vessels under financial lease agreements. These vessels are all situated within our equity accounted investees. Hence, the financial lease obligations are not shown in our consolidated financial statements. The payments made in the first semester of 2018 relating to the finance lease agreements amount to USD 5.1 million (2017: USD 5.1 million), all borne by our equity accounted investees.

15. CAPITAL COMMITMENTS (in thousands of USD)

As per June 30, 2018 the capital commitments are as follows:

	Subsidiaries (*)	Equity accounted investees
LPG segment	131,549	12,486
	131,549	12,486

The amount disclosed for the equity accounted investees represents our share in the capital commitments of these equity accounted investees. The capital commitment relates to the midsize carrier "WEPION" under construction (LPG segment). The final payment of this commitment has been paid on 31/07/2018 at delivery of the vessel with drawdown under a long term bank loan.

On February 7, 2018 EXMAR has contracted 2 VLGC newbuilding's, to serve long-term commitments with EQUINOR ASA (previously STATOIL) of Norway for worldwide LPG transportation. Both vessels are constructed by Hanjin Heavy Industries & Construction at Subic Bay (Philippines) for delivery within the third quarter of 2020. Discussions for financing of these 2 vessels are ongoing.

(*) Payment schedule for these two contracted VLCC newbuilds is as follows:

Timing	In thousands of USD
2nd semester 2018	13,588
2019	27,175
2020	90,786
TOTAL	131,549

16. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The significant judgements and estimates that might have a risk of causing a material adjustment to the carrying amount of assets and liabilities relates to:

GOING CONCERN

Per condensed consolidated interim financial statements for the period ended 30 June 2018, the Company is of the opinion that, taking into account its available cash and cash equivalents (including undrawn committed facilities) and financing and re-financing assumptions (as listed hereunder), it has sufficient liquidity to meet its present obligations and cover its working capital needs for a period of at least 12 months from the authorisation date of this semi-annual report.

The condensed consolidated interim financial statements have been prepared on a going concern basis. In making this assessment the Board of Directors made the following assumptions relative to a number of uncertainties that the Company is facing and which are expected to impact the sufficiency of the liquidity of the Company:

- A successful re-financing of our pressurized fleet in the coming months will make significant free cash available to the Company. The Company has currently several alternatives for this re-financing;
- FSRU barge: The long term financing of the unit of approximately USD 120 million is under discussion with several parties. Drawdown should occur between start of earnings (October 2018) and a successful commissioning in April 2019;
- Successful employment of the CFLNG will release a significant portion of restricted cash used as a security for the financing of the CFLNG.

The Board is confident that management will be able to timely and successfully implement these plans and therefore it has an appropriate basis for the use of the going concern assumption. In the event the above assumptions are not timely met, there is a material uncertainty whether the Company will have sufficient liquidities to fulfil its obligations for the period of at least 12 months from the date of authorising these interim financial statements.

In light of its ongoing operational challenges and the resulting pressure on its financial position, the Company is closely monitoring its compliance with the financial covenants. The Company has met all its financial covenants as at June 30th 2018 and the next testing date with respect to the financial position as at the end of December 2018 is in March 2019. In the event of a breach of covenants the Company will request a waiver from the relevant lenders.

17. CONTINGENCIES AND GUARANTEES

There were no significant changes in contingencies as disclosed in the consolidated financial statements of the Group for the year ended 31 December 2017.

In general, the borrowings held by EXMAR and its equity accounted investees are secured by a mortgage on the underlying assets owned by the subsidiaries or the equity accounted investees. Furthermore, different pledges and other types of guarantees exist to secure the borrowings. In addition, dividend restrictions may exist. EXMAR has pledged financial assets as collateral for liabilities. We refer to note 11 where the amount of restricted cash in respect of financing agreements is disclosed.

Also different financial covenants exist that require compliance with certain financial ratio's. These ratio's are calculated semi-annually based on EXMAR's consolidated figures in which equity accounted investees are not accounted for under IFRS 11 but still on a proportionate basis (similar to accounting policies used for segment reporting purposes). In case of non-compliance with these covenants, early repayment of related borrowings might be required. As of June 30, 2018 EXMAR was compliant with all covenants with sufficient headroom. EXMAR is continuously monitoring compliance with all applicable covenants.

18. RELATED PARTIES

The Company has a related party relationship with its controlling shareholder and with its controlling shareholder related parties, with its subsidiaries, joint ventures, associates and with its directors and executive officers. These relationships were disclosed in the consolidated financial statements of the Group for the year ended 31 December 2017. There were no significant changes in these related party transactions.

19. RISKS AND UNCERTAINTIES

There were no significant changes in risks and uncertainties compared to the risks and uncertainties described in the annual consolidated financial statements for the year ended 31 December 2017.

In respect of liquidity risk, we refer to note 15 Capital commitments.

20. SUBSEQUENT EVENTS

No subsequent events.

STATEMENT ON THE TRUE AND FAIR VIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND THE FAIR OVERVIEW OF THE INTERIM MANAGEMENT REPORT

The board of directors, represented by Nicolas Saverys and Jalcos NV represented by Ludwig Criel, and the executive committee, represented by Patrick De Brabandere and Miguel de Potter, hereby certifies, on behalf and for the account of the company, that, to their knowledge,

- the condensed consolidated interim financial information which has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the equity, financial position and financial performance of the company, and the entities included in the consolidation as a whole,
- the interim management report includes a fair overview of the information required under Article 13, §§ 5 and 6 of the Royal Decree of November 14, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

04

COLOPHON, GLOSSARY

COLOPHON

BOARD OF DIRECTORS
Baron Philippe Bodson – Chairman
Nicolas Saverys – CEO
Jalcos NV – represented by Ludwig Criel
Kathleen Eisbrenner
Michel Delbaere
Jens Ismar
Ariane Saverys
Barbara Saverys
Pauline Saverys
Baron Philippe Vlerick

EXECUTIVE COMMITTEE
Nicolas Saverys – Chief Executive Officer, Chairman
Patrick De Brabandere – Chief Operating Officer
Miguel de Potter – Chief Financial Officer
Pierre Dincq – Managing Director Shipping
David Lim – Managing Director Offshore
Marc Nuytemans – CEO Exmar Shipmanagement

AUDITOR
Deloitte Auditors
Represented by
Mr. Gert Vanhees

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E-mail: corporate@exmar.be

CONTACT
All EXMAR press releases can be consulted on the website: www.exmar.be

Questions can be asked by telephone at +32(0)3 247 56 11 or by e-mail to corporate@exmar.be, for the attention of Patrick De Brabandere (COO), Miguel de Potter (CFO) or Mathieu Verly (Secretary)

In case you wish to receive our printed annual or half year report please mail: annualreport@exmar.be

The Dutch version of this report must be considered to be the official version.

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FINANCIAL CALENDER

Results 3rd quarter 2018	25 October 2018
Annual shareholders meeting	21 May 2019
Final results 1st semester 2019	6 September 2019

GLOSSARY

Bn	Billion
CAPEX	Capital Expenditure
cbm	Cubic meters (m^3)
CCIRS	Cross Currency Interest Rate Swaps
CFLNG	Caribbean FLNG
DVO	DV Offshore
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EE	Excelerate Energy
ESM	Exmar Ship Management
FID	Final Investment Decision
FLNG	Floating Liquefaction of Natural Gas
FPS	Floating Production System
FSU	Floating Storage Unit
FPSO	Floating Production Storage and Offloading-unit
FSRU	Floating Storage and Regasification Unit
FV	Fair value
HHIC	Hanjin Heavy Industries and Construction
HMPE	High modulus polyehtylene
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
JV	Joint venture
k	1,000
LGC	Large Gas Carrier
LNG	Liquefied Natural Gas
LNG/C	Liquefied Natural Gas Carrier
LNGRV	Liquefied Natural Gas Regasification Vessel
LPG	Liquefied Petroleum Gas
MGC	Midsize Gas Carrier
Midsize	20,000 m^3 to 40,000 m^3
Mio	Million
NYMEX	New York Mercantile Exchange
OB	Order book
OPEX	Operating Expenditures
Pcm	Per calendar month
Petchems	Petrochemicals
PEP	Pacific Exploration and Production
PVC	Polyvinylchloride
R&D	Research & Development
REBITDA	Recurring earnings before interests, taxes, depreciations and amortizations
Semi-ref.	Semi-refrigerated LPG carrier
SPM	Single Point Mooring
STS	Ship-to-ship
TC	Time charter
TCE	Time charter equivalent
U/C	Under Construction
UN	United Nations
US	United States
USA	United States of America
USD	United States Dollar
VLGC	Very Large Gas Carrier
WTI	West Texas Intermediate

EXMAR