EXMAR

EXMAR HALF YEAR REPORT 2019

CONTENT

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. As well as it aims for the highest standards in performing commercial, technical, quality assurance and administrative management for the entire maritime energy industry.

FINANCIAL OVERVIEW

CONSOLIDATED KEY FIGURES

	International Financial Reporting Standards (IFRS) *(Note 1)*		Management reporting based on proportionate consolidation *(Note 2)*	
	30/06/2019	Restated (*)(**) 30/06/2018	30/06/2019	Restated (*)(**) 30/06/2018
CONSOLIDATED STATEMENT OF PROFIT OR LOSS (IN MILLION USD)				
Turnover	57.0	41.0	99.5	81.7
EBITDA	22.2	23.3	48.5	43.3
Depreciations and impairment losses	-15.4	-9.4	-32.1	-21.8
Operating result (EBIT)	6.8	13.8	16.4	21.5
Net finance result	-14.5	-10.2	-23.5	-17.4
Share in the result of equity accounted investees (net of income tax)	1.2	0.7	0.7	0.4
Result before tax	-6.5	4.4	-6.4	4.5
Tax	-1.3	-0.9	-1.4	-1.0
Consolidated result after tax	-7.8	3.5	-7.8	3.5
of which group share	-7.8	3.4	-7.8	3.4
INFORMATION PER SHARE (IN USD PER SHARE)				
Weighted average number of shares of the period	57,226,737	57,017,761	57,226,737	57,017,761
EBITDA	0.39	0.41	0.85	0.76
EBIT (operating result)	0.12	0.24	0.29	0.38
Consolidated result after tax	-0.14	0.06	-0.14	0.06
INFORMATION PER SHARE (IN EUR PER SHARE)				
Exchange rate	1.1326	1.2127	1.1326	1.2127
EBITDA	0.34	0.34	0.75	0.63
EBIT (operating result)	0.10	0.20	0.25	0.31
Consolidated result after tax	-0.12	0.05	-0.12	0.05

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 2019. 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 2019.

(*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer to Note 14 in the Financial Report per 30 June 2019.
(**) As a consequence of the non-application of the agent principle on revenue and costs for one of our subsidiaries in the offshore segment, the prior period financial statements have been restated. This restatement only concerns a reclassification within the statement of profit or loss and does not have an impact on the bottom line result of the prior period. We refer to Note 6 in the Financial report per 30 June 2019.

Market cap
MUSD 364.7

Total assets
MUSD 1,252.1

Net debt
MUSD 586.9

Equity ratio
36.13%

EBITDA
MUSD 48.5

Key Figures in MUSD as per 30 June 2019.
(based on proportionate consolidation method)

LPG | AMMONIA | PETCHEMS

EXMAR LPG is a leading shipowner 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 30/06/2019	Total per 30/06/2018 (*)
Turnover	53.8	48.5
EBITDA	24.6	14.4
REBITDA (**)	24.6	13.5
Operating result (EBIT)	4.3	1.9
Consolidated result after tax	-5.6	-6.5
Vessels (including vessels under construction)	496.9	468.5
Financial debts	413.8	330.0

(*) *The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero.The right-of-use assets and the right-of-use lease liabilities as a consequence of the implementation of IFRS 16 are included in the above reported vessels and financial debts per 30/06/2019.*

(**) *REBITDA: recurring earnings before interests, taxes, depreciations and amortizations.*

The EBIT for the LPG Division per 30/6/2019 was USD 4.3 million compared to USD 1.9 million for half year 2018. This increase can be mainly explained by increased freight rates. This upward trend is expecting to be continued.

MARKET OVERVIEW

After a slow start to the year, earnings for the Very Large Gas Carriers (VLGC) have been forcefully increasing. The upturn was at large inspired by record LPG exports out of the US thanks to more shale gas production and terminal expansions. Combined with global vessel availability falling and healthy demand in Asia, LPG freight rates have been oscillating between 1 and 2 million USD/month. Such buoyant market conditions support the smaller Fully Refrigerated gas markets like the Midsize Gas Carriers (MGC) markets.

VLGC

With 17 vessels still to be delivered to owners in 2019 the current world fleet capacity continues to grow, although not sufficiently in line with the current increase in cargo volumes.

As a consequence, the time charter equivalent on the Baltic Freight Index based on a modern 84,000 m³ VLGC has risen from USD 775,000 per month in March to USD 2,050,000 per month in June. While charter rates have decreased over the course of summer to USD 1,300,000 per month, rates are expected to stay well above USD 1,000,000 per month for the foreseeable future.

Currently, EXMAR controls one chartered vessel in this segment, the 83,300 m³ ***BW TOKYO***, that is chartered to Trafigura until the fourth quarter 2019. The hire is determined by a mix of fixed freight elements as well as a straight link to the Baltic Gas Index.

EXMAR has two newbuild 88,000 m³ VLGCs on order which will use LPG as a fuel marking a new era for the Company and the industry. Both vessels are committed to a long-term charter with Equinor. The Company plans delivery of the first ship from Jaingnan Shipyard in the second quarter of 2021, with delivery of the second ship following shortly afterwards in the third quarter of 2021.

MIDSIZE

Whilst the world fleet in this segment has been significantly modernised during recent years,

only three vessels remain on the order book (OB). This factor, combined with higher demand for LPG and more ton-miles on the various ammonia trades is resulting in stronger freight rates for the Midsize Gas Carrier. This upward trend in the market seen in recent months is expected to continue during the remainder of 2019 and 2020.

The EXMAR Midsize Gas Carrier (MGC) fleet is prepared for the upcoming IMO 2020 Bunker regulations thanks to its completed newbuild programme, fuel-efficient vessels and a relatively high cargo volume capacity, with a mix of the latest scrubber technologies and other innovations. This will minimise the impact of the new legislation and maintain competitiveness.

EXMAR has consolidated its key player status in this segment, with 15 of its MGCs trading LPG and six MGCs transporting ammonia for a diverse customer portfolio.

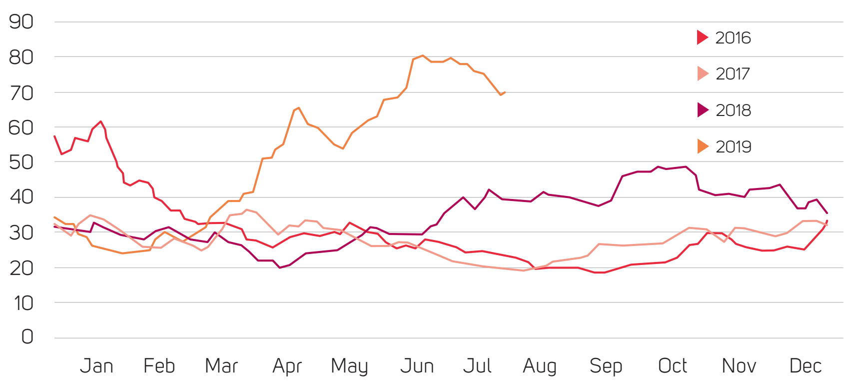
Fleet coverage for the remainder of 2019 is over 90%, with substantial coverage already signed up for 2020 at rates in line with improved Fully Refrigerated market conditions.

PRESSURIZED

The firm upward trend in rates in the Pressurized vessel segment has stabilized over the past six months. A handful of new vessels are being delivered to owners during the course of 2019, mainly replacing scrapped tonnage.

EXMAR's Pressurized fleet is well-positioned in the markets on both sides of Suez, with high coverage levels secured for the remainder of 2019. Strong activity in both LPG and easy petrochemicals ascertain further strong demand for pressurized vessels, especially when order books for such units are almost non-existent.

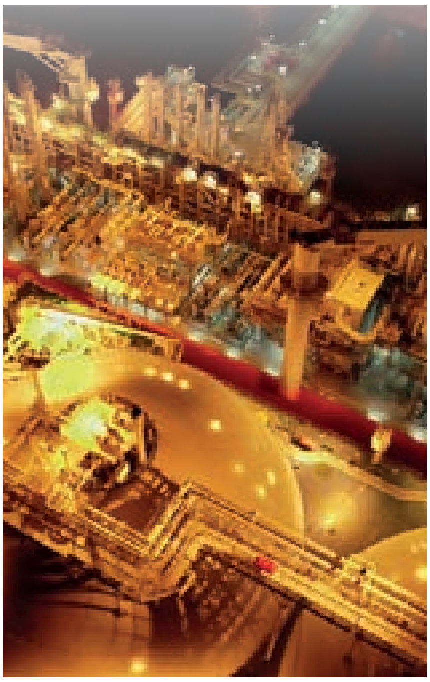
VLGC SPOT RATES ($/TON)



Source: Clarksons

LNG

EXMAR aims at providing creative shipping and marine infrastructure solutions to support LNG import or export opportunities in the rapidly changing oil and gas market. Anticipating clients' needs for increased flexibility in the LNG industry, EXMAR has pioneered solutions in the fields of floating LNG regasification and liquefaction.



PROPORTIONATE CONSOLIDATION (IN MILLION USD)	Total per 30/06/2019	Total per 30/06/2018 (*)
Turnover	18.3	8.8
EBITDA	2.1	31.5
REBITDA (**)	2.1	0.6
Operating result (EBIT)	-7.4	23.8
Consolidated result after tax	-33.2	7.5
Vessels (including vessels under construction)	500.5	494.5
Financial debts	194.7	222.6

(*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method.Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero.
(**) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations.

The EBIT for the LNG division for the first half of 2019 was USD -7.4 million compared to USD 23.8 million for the first half of 2018 including USD 30.9 million capital gain on the sale of FSRU EXCELSIOR. The standby revenues generated by TANGO FLNG since May 2019 will only be recognised in P&L as from start of operations in September 2019 (in accordance with IFRS 15).

MARKET OVERVIEW

LNG SHIPPING

The ongoing transition in energy consumption is favoring gas as an alternative fuel source. In addition to a series of new regasification and liquefaction projects appearing on the market, the delivery of LNG-fueled ships over the coming years will boost demand. This will provide opportunities for EXMAR to bring new marine LNG value chain solutions to the market.

Whilst at the end of 2018 LNG freight rate levels were buoyant, the beginning of 2019 was marked by an abrupt fall in freight rates caused by further reductions in LNG prices. This fall was further exacerbated by uncertainty due to geopolitical tensions.

The graph on page 7 shows that earnings have more than halved, and that the relevant freight rate for a 160,000 m³ LNG carrier slipped below USD 40,000 per day. A few months later, a noticeable flurry of spot fixtures boosted market conditions again on the back of an arbitrage window opening in the East and even on the Atlantic trades.

EXMAR currently owns one vessel in this category and is therefore limited in exposure to recent market movements. ***EXCALIBUR*** remains on a long-term time charter contract beyond 2022 with Excelerate Energy.

The Company confidently expects to capitalize on new opportunities for the vessel after her current charter.

FLOATING LIQUEFACTION

In June 2019, EXMAR has completed commissioning and the performance acceptance test (PAT) of its liquefaction barge ***TANGO FLNG*** by its customer YPF, less than four months after arrival of the unit in Bahía Blanca, Argentina. This has triggered monthly standby revenues, while preparing effective

startup and operations after Argentinian winterperiod as from September onwards.

TANGO FLNG has become world's third FLNG in commercial operation with YPF making a long-term commitment to the unit. This confirms EXMAR's front-runner position for cost-competitive and quick-to-market floating liquefaction solutions.

This liquefaction terminal will receive natural gas from the Vaca Muerta gas field and will produce 0.5 MTPA of LNG per annum, making Argentina the world's 21st country to export LNG.

The quick and successful startup of the ***TANGO FLNG*** has attracted market interest from several parties. EXMAR is currently actively involved at development stage on several projects with various liquefaction and storage capacities and storage sizes.

FLOATING REGASIFICATION

EXMAR continues serving its commitment to GUNVOR under the contract for its floating regasification barge ***S188***. The finance documentation for the sale and leaseback of the barge by CSSC shipping for an agreed amount of USD 155 million has been finalized and signed at the end of August. A first tranche of approximately USD 78.0 million will be drawn upon fulfilment of the conditions precedent under the lease agreement (including security documents requiring charterers' signature), which is expected in the course of September. A second tranche of USD 31.0 million will be made available upon start of the regasification operations at a location. The financing under the sale and leaseback has a duration of 10 years at an interest rate of LIBOR + 3.80% with various re-purchase options available throughout the 10 years period and a purchase obligation at year 10. The difference between the purchase price of the unit and the drawn amount is considered as a seller's credit.

EXMAR continues to pursue business opportunities for LNG import projects on a selective basis, where both the technical and economic viability provide a sound basis for long-term cooperation.

LNG SHORT-TERM FREIGHT RATES

Source: Clarkson, Fearnleys

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, US, 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 (DVO) and has business interests in an industrial supplier to the marine and offshore industry.

PROPORTIONATE CONSOLIDATION (IN MILLION USD)	Total per 30/06/2019	Total per 30/06/2018 (*)
Turnover (**)	13.1	12.2
EBITDA	2.4	-1.1
REBITDA (***)	0.8	-1.1
Operating result (EBIT)	1.0	-2.0
Consolidated result after tax	1.8	-1.5
Vessels (including vessels under construction)	8.8	10.2
Financial debts	3.3	2.0

(*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. The lease liabilities as a consequence of the implementation of IFRS 16 are included in the above reported financial debts per 30/06/2019.

(**) As a consequence of the non-application of the agent principle on revenue and costs for one of our subsidiaries in the offshore segment, the prior period financial statements have been restated. This restatement only concerns a reclassification within the condensed consolidated statement of profit or loss and does not have an impact on the bottom line result of the prior period.

(***) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations. Following items are excluded from EBITDA per June 2019: license fee (Offshore: USD 1.6 million).

The operating result (EBIT) for the first half of 2019 was USD 1.0 million (compared to USD -2.0 million in the first half of 2018). EXMAR's office in Houston, Texas, US has registered high engineering utilization levels in the first semester, dedicated to detailed engineering work and site supervision on the construction of a third OPTI®-hull design based production semisubmersible.

MARKET OVERVIEW

Geopolitical factors have had a significant influence on the world energy market in the first half of 2019 and will continue to affect the short-term outlook, and in particular, the price of oil. At the beginning of 2019, the oil prices (West Texas Intermediate) stood at USD 46.54 per barrel and, due to a favorable outlook for the world economy, climbed to a high of USD 66.30 per barrel. Tariffs imposed and threatening to be imposed on China by the US have not been cancelled, which have led to a slight fall in the oil price as forecasters now foresee lower demand growth than previously forecasted.

Sanctions against Iran and Venezuela as well as production issues due to government instability in Libya have reduced crude supply. These factors, combined with the lower production rates from OPEC, are forecasted to offset the expected gains from shale production in the US.

FLOATING PRODUCTION SYSTEMS

On 3 June 2019, Murphy Oil Corporation (Murphy) announced the closing of its acquisition of certain deepwater Gulf of Mexico assets from LLOG Exploration Offshore L.L.C. and LLOG Bluewater Holdings L.L.C. (LLOG). The acquisition includes the design and construction of a newbuild Floating Production System which will use EXMAR's proprietary OPTI® series semisubmersible hull design, thereby adding Murphy to EXMAR's client roster for engineering services in the US. Murphy Oil Corporation is one of the top five producing operators in the Gulf of Mexico.

LLOG continues to be an active Gulf of Mexico deepwater operator utilizing the OPTI® where it has achieved significant success since first acquiring the OPTI-EX® from EXMAR in 2011.

Two floating production solutions using the OPTI® hull design are currently deployed in the Gulf of Mexico with another currently under construction.

While FPSOs are by far the preferred deepwater production solution globally, the semisubmersible remains the top choice for the Gulf of Mexico and with resurgent exploration and production activity in the Gulf of Mexico, the OPTI® solution is a proven and commercially successful design.

OFFSHORE ACCOMMODATION BARGE

The signs that the offshore Oil & Gas market is picking up are well documented. There is a return in activity overall, albeit unequal, with some segments and regions moving faster than others.

The ***NUNCE*** accommodation work barge and the ***WARIBOKO*** accommodation work barge contributed positively to EXMAR Offshore's result during the first half of 2019. ***NUNCE*** remains under contract to Sonangol P&P, offshore Angola since July 2009. ***WARIBOKO*** was redelivered from Total E&P, offshore Nigeria where it had been on contract since September 2012. The barge remains in Nigeria and discussions for future employment in the near term are progressing well.

Both units have been fully employed without interruption, and have recorded 100% uptime since they entered EXMAR's portfolio ten and seven years ago, respectively. This proves the high quality and performance of EXMAR Offshore assets and high-performing technical management standards, despite a bear market.

EXMAR Offshore is currently working on other employment opportunities and development strategies in the West African floating offshore accommodation market.

ENGINEERING SERVICES

EXMAR's office in Houston, US has registered high engineering utilization levels in the first semester, dedicated to detailed engineering work and site supervision on the construction of a third OPTI®-hull design based production semi-submersible.

Whilst this detailed engineering work is expected to reach a successful conclusion in the third quarter, several proposals for additional engineering projects are due to commence in the same timeframe. A successful 2019 is therefore anticipated, which contrasts with previous years following the downturn in 2014.

BEXCO

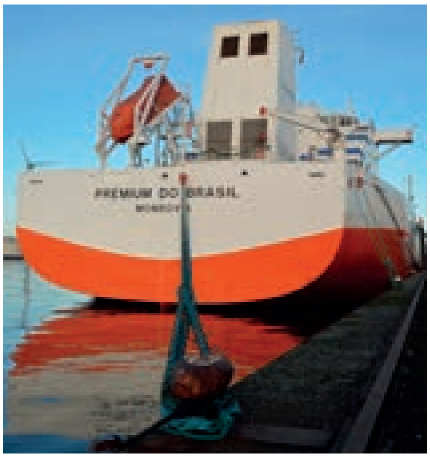
BEXCO is a leading European manufacturer of precision-engineered synthetic mooring, towing and lifting ropes for offshore, marine and industrial applications.

A significant increase in deepwater mooring projects being sanctioned in the global Offshore station-keeping segment has positively impacted the market. BEXCO has been successful in closing major contracts for the production and delivery of mooring rope packages in 2019 and throughout 2020.

This uptick in Oil & Gas offshore activities has also brought with it increased order intakes for BEXCO synthetic lifting slings and barge mooring ropes.

Aside from the Offshore Oil & Gas segment, BEXCO is also benefiting from continued growth in Offshore Wind, mainly for heavy lift operations of monopiles. The market outlook for mooring of Floating Wind systems also appears positive.

In the maritime segment, BEXCO continues its focus on high performance ropes for container vessels, cruise vessels, tankers and tugs. Its business in the US has seen good growth during the first half of 2019.



SUPPORTING SERVICES

EXMAR Ship Mangement provides high quality ship mangagement and related services to owners of high tech carriers and floating units (storage & accommodation). Other services offered by EXMAR include a travel agency (Travel PLUS).

PROPORTIONATE CONSOLIDATION (IN MILLION USD)	Total per 30/06/2019	Total per 30/06/2018 (*)
Turnover	21.7	20.9
EBITDA	19.4	-1.5
REBITDA (**)	0.1	-0.2
Operating result (EBIT)	18.4	-2.1
Consolidated result after tax	29.2	4.0
Vessels (including vessels under construction)	0.0	0.0
Financial debts	93.4	138.5

(*) *The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. The lease liabilities as a consequence of the implementation of IFRS 16 are included in the above reported financial debts per 30/06/2019.*

(**) *REBITDA: recurring earnings before interests, taxes, depreciations and amortizations. Following items are excluded from EBITDA per June 2019: gain on disposal sale RESLEA (Services: USD 19.3 million).*

The contribution of the supporting activities (including holding company) to the operating result (EBIT) for the first half of 2019 was USD 18.4 million including a capital gain of USD 19.3 million on the sale of RESLEA (compared to USD -2.1 in the first semester 2018).

EXMAR SHIP MANAGEMENT

EXMAR Ship Management has a varied portfolio of vessel and maritime infrastructure owners as clients. In the first six months of 2019, ESM's LPG Business Unit progressed further with the delivery of Trafigura newbuilds Matterhorn Explorer, Eiger Explorer and Jungfrau Explorer.

ESM has also further diversified its fleet. Its Indian subsidiary has bulk vessels under management. On 5 June, ESM's LNG and YPF teams successfully completed the PAT (Performance Acceptance Test) in Bahia Blanca, Argentina of ***TANGO FLNG***, resulting in the final acceptance of the unit by the customer YPF. This is only the third FLNG to enter into operation, which puts ESM in pole position for the management of further units in the market.

TRAVEL PLUS

Travel PLUS is Belgium's largest independent travel agency, offering personalized services to both business and leisure customers. Located in Antwerp, the agency distinguishes itself by providing a high level of personal care by local staff to its business and leisure travelers, combining tailor-made itineraries with exceptional after-sales service.

The company had a good first semester in 2019. The split between business and leisure travel currently stands at around 70-30.

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.

OTHERS

In the second quarter, EXMAR fully repaid the outstanding senior unsecured bond. This repayment was financed partially with the new, unsecured 650 million NOK (approximately USD 75.0 million) bond issued by EXMAR on 16 May 2019, with final maturity in May 2022 (EXMAR02), and partially with available resources.

End of June, EXMAR signed an agreement with Compagnie Maritime Belge ("CMB") for the sale of 50% of its shares in RESLEA, owner of the office buildings in Antwerp. EXMAR realized a capital gain of about USD 19.3 million.

03

FINANCIAL REPORT

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(IN THOUSANDS OF USD)

	Note	30 June 2019	31 December 2018 (*)
ASSETS			
NON-CURRENT ASSETS		752,899	720,677
Vessels		583,069	564,423
Vessels	8	567,598	564,423
Vessels under construction - advance payments	8	15,470	0
Other property, plant and equipment		1,939	2,032
Intangible assets		485	405
Right-of-use asset (*)	14	20,831	0
Investments in equity accounted investees	9	94,714	104,490
Borrowings to equity accounted investees	10	51,863	49,328
CURRENT ASSETS		166,139	183,664
Other investments	13	4,399	4,022
Trade receivables and other receivables		69,188	72,345
Current tax assets		201	190
Restricted cash	11	67,270	67,270
Cash and cash equivalents	11	25,081	39,837
TOTAL ASSETS		919,038	904,341
EQUITY AND LIABILITIES			
TOTAL EQUITY		452,450	462,763
Equity attributable to owners of the Company		452,224	462,786
Share capital		88,812	88,812
Share premium		209,902	209,902
Reserves		161,344	179,985
Result for the period		-7,834	-15,913
Non-controlling interest		226	-23
NON-CURRENT LIABILITIES		323,965	225,376
Borrowings	12	319,824	221,209
Employee benefits		4,141	4,166
CURRENT LIABILITIES		142,623	216,203
Borrowings	12	65,458	165,657
Trade debts and other payables (**)		73,593	48,183
Current tax liability		3,572	2,362
TOTAL LIABILITIES		466,588	441,578
TOTAL EQUITY AND LIABILITIES		919,038	904,341

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

(*) *The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect to Note 14.*

(**) *The increase in trade debts and other payables can amongst other be explained by increased deferred revenue (USD 5.6 million) and advance payments to be made relating to 2 VLGC Newbuildings (USD 15.5 million, see also Note 8 vessels).*

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 2019	6 months ended 30 June 2018 Restated (*)(**)	
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS				
Revenue	6	56,960	40,992	(**)
Gain on disposal	6	19,327	30,922	
Other operating income	6	2,645	416	
OPERATING INCOME		78,931	72,329	
Goods and services (***)		-39,816	-30,236	(**)
Personnel expenses		-16,427	-17,294	(**)
Depreciations, amortisations & impairment losses (****)		-15,352	-9,438	
Loss on disposal		0	-1,288	
Other operating expenses		-531	-227	
RESULT FROM OPERATING ACTIVITIES		6,806	13,846	
Interest income		2,999	1,571	
Interest expenses (*****)		-13,883	-8,752	
Other finance income		1,341	1,952	
Other finance expenses		-4,902	-4,950	
NET FINANCE RESULT		-14,445	-10,179	
RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEES		-7,640	3,667	
Share of result of equity accounted investees (net of income tax)	9	1,153	709	
RESULT BEFORE INCOME TAX		-6,487	4,376	
Income tax expense		-1,317	-887	
RESULT FOR THE PERIOD		-7,804	3,489	
ATTRIBUTABLE TO:				
Non-controlling interest		30	40	
Owners of the Company		-7,834	3,449	
RESULT FOR THE PERIOD		-7,804	3,489	
BASIC EARNINGS PER SHARE (IN USD)		-0.14	0.06	
DILUTED EARNINGS PER SHARE (IN USD)		-0.14	0.06	
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
RESULT FOR THE PERIOD		-7,804	3,489	
ITEMS THAT ARE OR MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:				
Equity accounted investees - share in other comprehensive income (******)		-2,691	1,835	
Foreign currency translation differences		-37	-602	
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD (NET OF INCOME TAX)		-2,728	1,233	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-10,532	4,722	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Non-controlling interest		30	35	
Owners of the Company		-10,562	4,687	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-10,532	4,722	

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

(*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect to Note 14.

(**) As a consequence of the non-application of the agent principle on revenue and costs for one of our subsidiaries in the offshore segment, the prior period financial statements have been restated. This restatement only concerns a reclassification within the condensed consolidated statement of profit or loss and does not have an impact on the bottom line result of the prior period. The affected captions in the condensed consolidated statement of profit or loss have been marked with a (**). We refer to Note 6 for more information in this respect.

(***) The increase in goods and services compared to 2018 can be amongst others explained by crewing and maintenance for the FSRU (USD 1.4 million) and the TANGO FLNG (USD 8.6 million).

(****) The increase in Depreciations, amortisations & impairment losses can be explained by increased depreciations for the FSRU (USD 2.9 million), increased depreciations as a consequence of the implementation of IFRS 16 (USD 2.0 million, see Note 14) and the registration of an impairment loss of USD 2.2 million on an aircraft (see also Note 14).

(*****) Interest expenses increased compared to June 2018, mainly as the consequence of the full impact of the interests to be paid on the TANGO FLNG facility. In 2018, part of these interest expenses were born by Wison.

(******) The movement on the equity accounted investees - share in other comprehensive income is detailed in the condensed consolidated statement of changes in equity.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(IN THOUSANDS OF USD)

	Note	6 months ended 30 June 2019	6 months ended 30 June 2018 (*)
OPERATING ACTIVITIES			
Result for the period		-7,804	3,489
Share of result of equity accounted investees (net of income tax)		-1,153	-709
Depreciations, amortisations & impairment loss		13,355	9,438
Depreciations IFRS 16		1,997	0
Profit or loss effect equity securities measured at FVTPL		-310	1,070
Net interest expenses/ (income)		10,884	7,180
Income tax expense/ (income)		1,317	887
Net gain on sale of assets		-19,327	-29,634
Exchange differences		884	2,895
Dividend income		-109	60
Equity settled share-based payment expenses (option plan)		0	347
GROSS CASH FLOW FROM OPERATING ACTIVITIES		-265	-4,975
(Increase)/decrease of trade and other receivables (**) (***)		-4,952	12,299
Increase/(decrease) of trade and other payables (***)		7,149	-7,971
Increase/(decrease) in provisions and employee benefits		0	132
CASH GENERATED FROM OPERATING ACTIVITIES		1,932	-515
Interest paid		-13,017	-6,971
Interest paid IFRS 16		-705	0
Interest received		3,016	2,929
Income taxes paid		-119	-1,438
NET CASH FROM OPERATING ACTIVITIES		-8,893	-5,995
INVESTING ACTIVITIES			
Acquisition of vessels and vessels under construction (***)	8	16,031	-22,339
Acquisition of other property plant and equipment		-199	-129
Acquisition of intangible assets		-157	-29
Proceeds from the sale of vessels and other property, plant and equipment		51	0
Disposal of an equity accounted investee	7	0	44,438
Dividends from equity accounted investees	9	5,000	2,000
Other dividends received		109	60
Borrowings to equity accounted investees	10	0	0
Repayments from equity accounted investees	10	0	2,115
NET CASH FROM INVESTING ACTIVITIES		20,835	26,116
FINANCING ACTIVITIES			
Dividends paid		0	0
Proceeds from treasury shares and share options excercised		0	120
Proceeds from new borrowings	12	132,393	0
Repayment of borrowings	12	-154,523	-12,888
Repayment of lease liabilities IFRS 16	12	-1,335	0
Payment of banking fees/ debt transaction costs	12	-2,810	0
Increase in restricted cash	11	0	0
Decrease in restricted cash	11	0	0
NET CASH FROM FINANCING ACTIVITIES		-26,275	-12,768
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		-14,333	7,353

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

(*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect to Note 14.
(**) The movement on trade and other receivables has been corrected with the sales price of Reslea which is included in trade and other receivables. This sales price has no impact on the cash flow statement. As per agreement, the sales price is payable after June 30, 2019. We refer to Note 7 for further information in this respect.
(***) The acquisition of vessels and vessels under construction has been corrected with the recovered amount from the Korean Development Bank in respect of advance payments made for 2 VLGC's (see also Note 15) and acquisitions not yet paid per June 2019.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) (IN THOUSANDS OF USD)

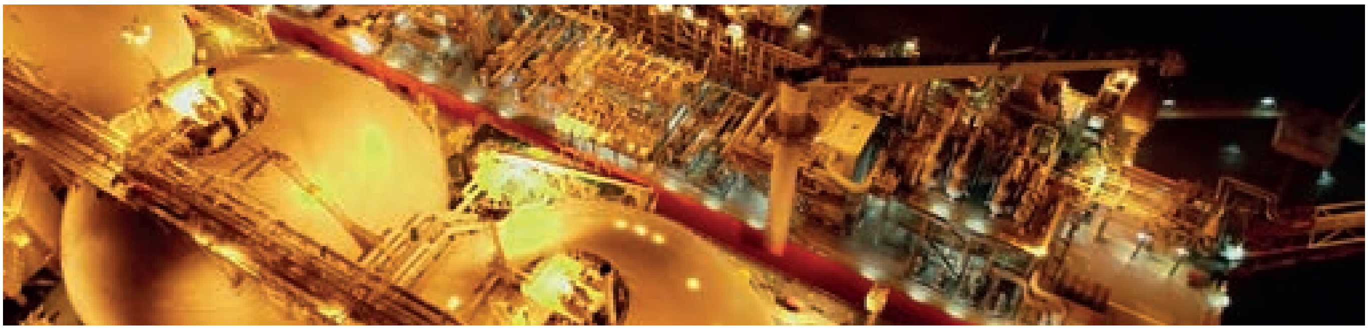
	Note	6 months ended 30 June 2019	6 months ended 30 June 2018 (*)
RECONCILIATION OF NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Net cash and cash equivalents at 1 January		39,837	41,825
Net increase/(decrease) in cash and cash equivalents		-14,333	7,353
Exchange rate fluctuations on cash and cash equivalents		-423	281
NET CASH AND CASH EQUIVALENTS AT 30 JUNE	11	25,081	49,459

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 2019		
OPENING EQUITY AS PREVIOUSLY REPORTED PER 1 JANUARY 2019	88,812	209,902
ADJUSTMENT ON INITIAL APPLICATION OF IFRS 16 (NET OF TAX)		
ADJUSTED BALANCE AT 1 JANUARY 2019	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	0	0
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	0	0
TRANSACTIONS WITH OWNERS OF THE COMPANY		
Contributions and distributions		
Dividends paid		
Share-based payments		
Changes in ownership interests		
Acquisition of NCI without a change in control		
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY	0	0
30 JUNE 2019	88,812	209,902
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	0	0
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.

(*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect to Note 14.



Retained earnings	Reserve for treasury shares	Translation reserve	Hedging reserve	Share-based payments reserve	Total	Non-controlling interest	Total equity
202,779	-44,349	-6,946	3,508	9,080	462,786	-23	462,763
					0		0
202,779	-44,349	-6,946	3,508	9,080	462,786	-23	462,763
-7,834					-7,834	30	-7,804
		-37			-37		-37
		436			436		436
			0		0		0
			-3,127		-3,127		-3,127
0	0	399	-3,127	0	-2,728		-2,728
-7,834	0	399	-3,127	0	-10,562	30	-10,532
					0		0
					0		0
					0	219	219
0	0	0	0	0	0	219	219
194,945	-44,349	-6,547	381	9,080	452,224	226	452,450
218,373	-48,486	-5,666	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		0
			2,083		2,083		2,083
0	0	-845	2,083	0	1,238	-5	1,233
3,449	0	-845	2,083	0	4,687	35	4,722
					0		0
-265	425			-40	119		119
				347	347		347
-265	425	0	0	307	467	0	467
221,557	-48,061	-6,511	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 2019 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

The condensed consolidated interim financial statements have been prepared in accordance with IFRS and in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. In these condensed interim financial statements, the same principles of financial information and calculation methods are used as those used for the consolidated annual accounts as at 31 December 2018 except for the changes as mentioned in Note 3 "Significant Accounting Policies".

Standards, amendments and interpretations applicable for the annual period beginning on or after 1 January 2019:

- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to IFRS 9 Prepayment features with negative compensation
- Long-term interest in Associates and Joint Ventures (Amendments to IAS 28)
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement
- Annual improvements to IFRS Standards 2015-2017 Cycle

These condensed consolidated interim financial statements were approved by the Board of Directors on 6 September 2019. The condensed consolidated interim financial information as of and for the 6-month period ended 30 June 2019 included in this document, have not been subject to an audit or a review by our statutory auditor.

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 2018, except for the effects mentioned below.

The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect to Note 14. The first time application of the other revised IFRS standards and interpretations, which are effective for annual periods beginning on or after 1 January 2019 have no or limited impact on the condensed consolidated interim financial statements.

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 2019

	LPG	LNG	Offshore	Supporting services	Eliminations	Total
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS						
Revenue third party	52,089	18,288	12,764	15,702	0	98,843
Revenue intra-segment	1,708	8	380	5,303	-7,399	0
Total revenue	53,797	18,296	13,144	21,005	-7,399	98,843
Revenue on property rental third party	0	0	0	617	0	617
Revenue on property rental intra-segment	0	0	0	79	-79	0
Total revenue on property rental	0	0	0	696	-79	617
Gain on disposal	13	0	0	19,313	0	19,327
Total other operating income	318	0	1,596	808	0	2,722
OPERATING INCOME	54,128	18,296	14,740	41,822	-7,478	121,508
OPERATING RESULT BEFORE DEPRECIATIONS, AMORTISATIONS & IMPAIRMENT LOSSES (EBITDA) (*)	24,619	2,080	2,398	19,400	0	48,497
Depreciations , amortisations and impairment losses (**)	-20,288	-9,475	-1,356	-984	0	-32,103
OPERATING RESULT (EBIT)	4,331	-7,395	1,042	18,416	0	16,394
Interest income (non-interco)	2,160	175	0	766	0	3,101
Interest income interco	313	245	239	20,868	-21,665	0
Interest expenses (non-interco)	-10,360	-5,853	-71	-6,258	0	-22,542
Interest expenses interco	-1,256	-19,122	-205	-1,082	21,665	0
Other finance income	403	35	24	952	0	1,414
Other finance expenses	-1,149	-1,211	-2	-3,114	0	-5,476
Share in the result of equity accounted investees (net of income tax)	0	0	775	-34	0	741
Income tax expense	-10	-60	-23	-1,344	0	-1,437
SEGMENT RESULT FOR THE PERIOD	-5,568	-33,186	1,779	29,170	0	-7,804
RESULT FOR THE PERIOD						-7,804
Non-controlling interest						30
ATTRIBUTABLE TO OWNERS OF THE COMPANY						-7,834

(*) EBITDA of the LPG segment increased significantly compared to 30/06/2018. This increase can be explained by the implementation of IFRS 16. As a consequence of IFRS 16, right-of-use assets and related lease liabilities have been registered for two vessels in the LPG segment. This implies that a depreciation charge for the right-of-use assets (USD 3.6 million) and interest expenses (USD 0.8 million) on the related lease liabilities are registered. Both type of expenses do not impact EBITDA. Previously, the Group recognized operating lease expenses on a straight line basis over the term of the lease which impacted EBITDA. We also refer to Note 14 in this respect. The impact of IFRS 16 on the proportionate balance sheet is also discussed in Note 14.

(**) Depreciations, amortisations and impairment losses include impairment losses for an amount of USD 2.2 million on an aircraft. Depreciations, amortisations and impairment losses also increased significantly compared to 30/6/2018 as a consequence of the implementation of IFRS 16 (USD 5.6 million). We also refer to Note 14 in this respect.

SEGMENT REPORTING 30 JUNE 2018

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (*)(**)	LPG	LNG	Offshore	Supporting services	Eliminations	Total
Revenue third party	48,240	8,805	10,406	13,679	0	81,131
Revenue intra-segment	253	0	1,781	7,194	-9,229	0
Total revenue	48,494	8,805	12,187	20,873	-9,229	81,131
Revenue on property rental third party	0	0	0	614	0	614
Revenue on property rental intra-segment	0	0	0	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	0	456
Other operating income intra-segment	0	0	0	186	-186	0
Total other operating income	123	40	24	455	-186	456
OPERATING INCOME	**49,540**	**39,752**	**12,211**	**22,039**	**-9,498**	**114,044**
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 (non-interco)	297	545	19	909	0	1,770
Interest income interco	169	163	161	14,502	-14,995	0
Interest expenses (non-interco)	-7,295	-2,480	-51	-5,589	0	-15,415
Interest expenses interco	-1,143	-12,900	-145	-807	14,995	0
Other finance income	349	45	134	1,567	0	2,095
Other finance expenses	-801	-1,619	-66	-3,411	0	-5,897
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						40
ATTRIBUTABLE TO OWNERS OF THE COMPANY						3,449

(*) *The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect to Note 14.*
(**) *As a consequence of the non-application of the agent principle on revenue and costs for one of our subsidiaries in the offshore segment, the prior period financial statements have been restated. This restatement only concerns a reclassification within the condensed consolidated statement of profit or loss and does not have an impact on the bottom line result of the prior period.. We refer to Note 6 for more information in this respect.*

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 2019			
Revenue	99,460	-42,500	56,960
Gain on disposal	19,327	0	19,327
Other operating income	2,722	-77	2,645
Goods and services	-55,728	15,912	-39,816
Personnel expenses	-16,467	41	-16,427
Depreciations, amortisations & impairment losses	-32,103	16,751	-15,352
Loss on disposal	0	0	0
Other operating expenses	-816	286	-531
RESULT FROM OPERATING ACTIVITIES	16,394	-9,588	6,806
Interest income	3,101	-103	2,999
Interest expenses	-22,542	8,659	-13,883
Other finance income	1,414	-74	1,341
Other finance expenses	-5,476	574	-4,902
RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEES	-7,108	-532	-7,640
Share of result of equity accounted investees (net of income tax)	741	412	1,153
Income tax expense	-1,437	119	-1,317
RESULT FOR THE PERIOD	-7,804	0	-7,804

RECONCILIATION CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND PROPORTIONATE (SEGMENT REPORTING)			
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (*)(**)			
Revenue	81,745	-40,753	40,992
Gain on disposal	31,843	-922	30,922
Other operating income	456	-40	416
Goods and services	-51,511	21,275	-30,236
Personnel expenses	-17,324	30	-17,294
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

(*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect to Note 14.

(**) As a consequence of the non-application of the agent principle on revenue and costs for one of our subsidiaries in the offshore segment, the prior period financial statements have been restated. This restatement only concerns a reclassification within the condensed consolidated statement of profit or loss and does not have an impact on the bottom line result of the prior period. We refer to Note 6 for more information in this respect.

6. OPERATING INCOME (IN THOUSANDS OF USD)

REVENUE	30 June 2019	30 June 2018
LPG segment	15,860	15,020
LNG segment	12,767	2,000
Offshore segment	11,553	9,169
Services segment	16,780	14,803
	56,960	40,992 (*)

The increase in total revenue in the LNG segment is mainly due to invoicing towards Gunvor for the FSRU which started in the last quarter of 2018. The standby revenues generated by TANGO FLNG since May 2019 will only be recognised in P&L as from start of operations in September 2019 (in accordance with IFRS 15).

The increase in total revenue in the Offshore segment can be mainly explained by increased engineering services, amongst others for the construction of a third EXMAR Opti (see also other operating income in this respect).

The increase in total revenue in the Services segment is amongst others explained by the new contract for the management of the Floating Storage and Offloading (FSO) LPG unit NKOSSA II in Congo.

Revenue which falls within the scope of IAS 17/ IFRS 16 Leasing represents 47.4% of total revenue and is mainly situated in the LNG and LPG segment. Revenue which falls within the scope of IFRS 15 Revenue from contracts with customers represents 52.6% of total revenue and is mainly situated in the Offshore and Services segment.

(*) As a consequence of the non-application of the agent principle on revenue and costs for one of our subsidiaries in the Offshore segment, the prior period financial statements have been restated. This restatement only concerns a reclassification within the condensed statement of profit or loss and does not have an impact on the bottom line result of the prior period. The table below summarizes the impact on the Group condensed consolidated financial statements.

IMPACT ON THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED 30 JUNE 2018	As previously reported	Adjustments	As restated
Revenue	47,569	-6,577	40,992
Goods & services	-32,583	2,347	-30,236
Personnel expenses	-21,524	4,230	-17,294
Others	10,027	0	10,027
RESULT FOR THE PERIOD	**3,489**	0	**3,489**
BASIC EARNINGS PER SHARE (IN USD)	0.06	0.00	0.06
DILUTED EARNINGS PER SHARE (IN USD)	0.06	0.00	0.06

GAIN ON DISPOSAL	30 June 2019	30 June 2018
Disposal equity accounted investees	19,292	30,892
Other	35	30
	19,327	30,922

On 29 June 2019, EXMAR has sold its 50% share in RESLEA to Compagnie Maritime Belge ("CMB"). We refer to Note 7 for more information in this respect. On January 31, 2018 EXMAR has sold its 50% share in Excelsior BVBA to Excelerate Energy LP.

OTHER OPERATING INCOME	30 June 2019	30 June 2018
License fee	1,590	0
Other	1,055	416
	2,645	416

A license fee has been invoiced in the second semester of 2018 which represents the right to use the EXMAR design for the construction, delivery, ownership and operation of an EXMAR OPTI -11,000 Semi-Submersible Hull as an oil & gas floating production unit. Part of this license fee in recognised in the second semester of 2018, the remaining part is recognised in the first semester of 2019.

7. DISPOSAL OF AN EQUITY ACCOUNTED INVESTEE (IN THOUSANDS OF USD)

On 29 June 2019, EXMAR signed an agreement with Compagnie Maritime Belge ("CMB") for the sale of its 50% share in RESLEA, owner of the office buildings in Antwerp. The investment in this equity accounted investee has been derecognised from the balance sheet. The sale resulted in a gain of USD 19.3 million.

	Period ended 30/06/2019
A. CONSIDERATION TO BE RECEIVED	
Net consideration to be received (*)	18,834

The sales price of RESLEA amounts to EUR 21.9 million. The sales price has been translated to USD at the closing rate of June 2019 (1 € = 1.1380 USD).
As per agreement, the price is payable as follows:
* EUR 4.3 million by 5 July 2019
* Balance (deducted with the loan granted by RESLEA to EXMAR of EUR 5.35 million) by no later than 13 December 2019.

(*) *EUR 21.9 million minus EUR 5.35 million, translated at the rate of 1.1380*

B. GAIN ON DISPOSAL OF AN EQUITY ACCOUNTED INVESTEE	
Contractual consideration	24,922
Carrying amount of the equity accounted investee disposed of	-5,630
	19,292

8. VESSELS (IN THOUSANDS OF USD)

	LPG	LNG	Offshore	Under construction - advance payments (*)	Total
COST 2019					
BALANCE AS PER 01 JANUARY 2019	118,972	472,377	0	0	591,349
Changes during the financial year					
Acquisitions (**)	1,662	12,282	0	15,470	29,414
Borrowing costs	0	0	0	0	0
Disposals	-484	0	0	0	-484
Conversion differences	0	0	0	0	0
BALANCE AS PER 30 JUNE 2019	120,150	484,659	0	15,470	620,280
DEPRECIATIONS AND IMPAIRMENT LOSSES 2019					
BALANCE AS PER 01 JANUARY 2019	14,754	12,172	0	0	26,926
Changes during the financial year					
Depreciations	3,020	7,749	0	0	10,769
Disposals	-484	0	0	0	-484
Conversion differences	0	0	0	0	0
BALANCE AS PER 30 JUNE 2019	17,290	19,921	0	0	37,211
NET BOOK VALUE					
NET BOOK VALUE AS PER 30 JUNE 2019	102,860	464,738	0	15,470	583,069

(*) *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 advance payments relate to 2 VLGC Newbuildings under construction at Jiangnan Shipyard. We also refer to Note 15 in this respect.*
(**) *During 2019, additional investments occurred for the TFLNG and the FSRU. Depreciations on both units started in the course of 2018, both barges are depreciated over a term of 30 years.*

9. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES (IN THOUSANDS OF USD)

EQUITY ACCOUNTED INVESTEES	
BALANCE AS PER 01 JANUARY 2019	104,490
CHANGES DURING THE FINANCIAL YEAR	
Share in the profit/loss(-)	1,153
Dividends	-5,000
Allocation of negative net assets (*)	2,340
Conversion differences	-26
Changes in other comprehensive income equity accounted investees	-3,127
Exit from the consolidation scope (**)	-5,117
BALANCE AS PER 30 JUNE 2019	94,714

(*) *The equity accounted investees for whom the share in the net assets is negative 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.*

(**) *The exit from the consolidation scope relates to the sale of RESLEA. We refer to Note 7 for further information in this respect. The difference between the amount mentioned above under exit from the consolidation scope and the amount mentioned under Carrying amount of the equity accounted investee disposed of in Note 7 relates to the release of the CTA to PL as a consequence of the sale.*

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, 2019, an amount of USD 577 million was outstanding under such loan agreements, of which EXMAR has guaranteed its share of USD 288.5 million.

10. BORROWINGS TO EQUITY ACCOUNTED INVESTEES (IN THOUSANDS OF USD)

BORROWINGS TO EQUITY ACCOUNTED INVESTEES	LPG	Offshore	Total
BALANCE AS PER 01 JANUARY 2019	45,363	8,840	54,203
New loans and borrowings	0	0	0
Repayments	0	0	0
Change in allocated negative net assets (*)	-2,382	42	-2,340
Capitalised interests	0	0	0
BALANCE AS PER 30 JUNE 2019	42,981	8,882	51,863
MORE THAN 1 YEAR	42,981	8,882	51,863
LESS THAN 1 YEAR	0	0	0

(*) *The equity accounted investees for whom the share in the net assets is negative 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 2019	31 December 2018
RESTRICTED CASH AND CASH AND CASH EQUIVALENTS		
RESTRICTED CASH	67,270	67,270
Bank	24,672	39,461
Cash in hand	101	118
Short-term deposits	307	258
CASH AND CASH EQUIVALENTS	25,081	39,837

The restricted cash relates mainly to the credit facility with the Bank of China for the TANGO FLNG.

Further to the successful performance acceptance tests of the TANGO FLNG on 5 June 2019, EXMAR meets all conditions for the partial release of the debt service reserve account (presented above under restricted cash) in respect of the USD 200 million loan with Bank of China and Deutsche Bank (USD 40 million in a first phase). This release is subject to the approval of SINOSURE, the latter taking more time than previously communicated. The release is expected to occur in the course of the fourth quarter of 2019 .

12. BORROWINGS (IN THOUSANDS OF USD)

	Bank loans	Other loans	Lease liabilities ROU assets (*)	Total
BORROWINGS				
BALANCE AT 01 JANUARY 2019 AS PREVIOUSLY REPORTED	244,937	141,930	0	386,867
ADJUSTMENT ON INITIAL APPLICATION OF IFRS 16 (NET OF TAX) (*)	0	0	13,026	13,026
ADJUSTED BALANCE AT 1 JANUARY 2019	244,937	141,930	13,026	399,893
New loans and borrowings	44,705	87,688	0	132,393
Scheduled repayments	-29,909	-124,614	-1,335	-155,858
Paid transaction costs	-922	-1,888	0	-2,810
Amortised transaction costs	1,231	765	0	1,996
Conversion differences	0	884	0	884
Movement accrued interest payable	-257	-1,752	0	-2,009
Early purchase option lease liability	0	0	10,793	10,793
BALANCE AT 30 JUNE 2019	259,785	103,013	22,484	385,282
MORE THAN 1 YEAR	214,442	100,957	4,424	319,824
LESS THAN 1 YEAR	45,343	2,056	18,060	65,458
LPG	74,901	27,407	16,470	118,779
LNG	169,863	0	0	169,863
Offshore	0	0	3,245	3,245
Services	15,021	75,606	2,769	93,396
BALANCE AT 30 JUNE 2019	259,785	103,013	22,484	385,282

(*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect to Note 14.

	30 June 2019	31 December 2018
SHORT TERM BORROWINGS		
Short term part of long term borrowings	50,458	165,657
Straight loans	15,000	0
	65,458	165,657

	30 June 2019	31 December 2018
UNUSED CREDIT FACILITIES		
Unused credit facilities	6,828	21,870
	6,828	21,870

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

In the last quarter of 2018, EXMAR refinanced its LPG pressurized fleet. Five vessels were refinanced under this transaction in October 2018, one vessel was refinanced in December 2018. The loans are repayable in quarterly tranches and the applicable interest percentage amounts to three-month LIBOR plus a margin of 2.4%. The remaining 4 vessels were refinanced in April 2019 at similar conditions.

The other loans relate to a NOK 650 million senior unsecured bond issue, with maturity date in May 2022. The interest percentage applicable on the new bond amounts to three-month NIBOR plus a margin of 8.75%. In June 2019, the previous bond of NOK 1 billion has been fully repaid. This repayment was financed partially with the new bond issue and partially with available resources. The NOK/USD exposure is not covered by any forward exchange contract. An increase in the NOK/USD rate of 10% would impact the statement of profit or loss with USD -7.6 million. A 10% decrease of the NOK/USD rate would impact the profit or loss statement with the same amount (opposite sign).

EXMAR's barge based FSRU was delivered end of December 2017. The unit was able to obtain a long-term contract with GUNVOR and its employment commenced in October 2018. The finance documentation for the sale and lease back of the FSRU barge by CSSC shipping for an agreed amount of USD 155 million has been finalized and signed at the end of August. A first tranche of approximately USD 78.0 million will be drawn upon fulfillment of the conditions precedent under the lease agreement (including security documents requiring charterers' signature), which is expected in the course of September. A second tranche of USD 31.0 million will be made available upon start of the regasification operations at a location. The financing under the sale and leaseback has a duration of 10 years at an interest rate of LIBOR + 3.80% with various re-purchase options available throughout the 10 years period and a purchase obligation at year 10. The difference between the purchase price of the unit and the drawn amount is considered as a seller's credit.

Different debt 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 and should therefore be accounted for as short term debt. We refer to the table below for an overview of the applicable covenants.

RATIO	Pressurized facility	TANGO FLNG facility	Bond (*)	Other (**)	Actual 30/06/2019 (***)
APPLICABLE COVENANTS					
Minimum/ Book equity ratio	≥ USD 300 million	≥ USD 300 million	≥ USD 300 million	≥ USD 300 million + 50% of net positive income	USD 452.5 million
Minimum free cash	≥ USD 25 million	≥ USD 25 million	≥ USD 20 million	≥ USD 40 million	USD 56.1 million
Equity ratio (Equity/ Total Assets)	≥ 25%	≥ 25%	NA	NA	36.10%
Net Interest Bearing Debt or NIBD/equity	NA	NA	Maximum 2.5	NA	1.37
Interest Coverage ratio (EBITDA/ Net Interest Expenses)	NA	min 2:1	min 2:1	NA	2.20
Working capital ratio	min positive	min positive	min positive	min positive	44.38
Outstanding loan amount	102,308	169,863	75,606	30,648	

(*) *The interest coverage ratio shall be tested for the first time on December 31, 2019.*
(**) *The other covenants partly relate to loan amounts which are registered in our proportionate consolidation but not in our equity consolidation. The outstanding loan amount for this covenant is not included in the outstanding loan amount in the table above. The outstanding loan amount for this covenant in our proportionate consolidation amounts to USD 24.6 million.*
(***) *The actual amounts presented are based on the most restrictive definitions.*

As of 30 June 2019 EXMAR was compliant with all covenants.

EXMAR believes that as per December 2019, all covenants will be met. The interest coverage ratio has limited headroom. TANGO FLNG will start production as of September 2019, this will positively influence the interest coverage ratio. EXMAR is continuously monitoring compliance with all applicable covenants.

If a breach of covenants would occur, the Company will request and believes it will be able to obtain a waiver from the relevant lenders. Following steps are to be taken in accordance with applicable agreements if a breach of covenants would occur:

* Each borrower shall notify the Facility Agent of any Defaults (and the steps, if any, taken to remedy it) promptly upon becoming aware of its occurrence.
* Promptly, upon the request by the Facility Agent, the Borrower shall supply a certificate signed by two of its directors certifying that no Default is continuing, specifying the Default and the steps, if any, being taken to remedy it.

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 2019				
Equity securities - measured at FVTPL	3,306	1,093		4,399
TOTAL FINANCIAL ASSETS CARRIED AT FAIR VALUE	3,306	1,093	0	4,399
TOTAL FINANCIAL LIABILITIES CARRIED AT FAIR VALUE	0	0	0	0

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

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 31 December 2018. Therefore, we refer to the Annual Report 2018, disclosure Note 29 'Financial risks and financial instruments'.

The fair value of financial assets and liabilities not measured at fair value has not been updated per 30 June 2019 as no significant changes occurred that would impact the fair value determination. Therefore, we refer to the Annual Report 2018, 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

The Group has initially applied IFRS 16 Leases at 1 January 2019. IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. The impact on retained earnings is determined as zero (see below). Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

DEFINITION OF A LEASE

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 determining whether an arrangement contains a lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

LEASES AS A LESSEE

The Group leases many assets, including properties, motor vehicles and IT equipment. As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The carrying amounts of right-of-use assets are as below.

	Property	Motor vehicles (including aircraft)	IT equipment	Total
RIGHT-OF-USE ASSETS				
BALANCE AT 1 JANUARY 2019	5,529	6,901	596	13,026
BALANCE AT 30 JUNE 2019	4,680	15,644	507	20,831

The increase in the right-of-use assets presented above can be explained by the registration of an early purchase option for an aircraft. As a consequence of this registration, an impairment loss of USD 2.2 million has been registered to reflect current market value of the asset.

The right-of-use assets presented above are the right-of-used assets registered on the balance sheet (equity consolidation). For segment reporting purposes, the company continues to manage its operations based on internal management reports applying the principles of the proportionate consolidation method. Additional right-of-use assets for two vessels have been registered in the proportionate consolidation for an amount of USD 35 million per 1 January 2019. The book value per 30 June 2019 in respect of these vessels amounted to USD 31.4 million.

SIGNIFICANT ACCOUNTING POLICIES

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

TRANSITION

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019.

Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

LEASES AS A LESSOR

The Group leases out a significant part of its vessels. The Group has classified these leases as operating leases.The accounting policies applicable to the Group as a lessor are not different from those under IAS 17.

IMPACTS ON FINANCIAL STATEMENTS

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on retained earnings is determined as zero. The impact on transition is summarised below.

IMPACT ON TRANSITION

IMPACT ON FINANCIAL STATEMENTS	1 January 2019
Right-of-use assets	13,026
Lease liabilities	13,026

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 3.85%.

OPERATING LEASE COMMITMENTS	1 January 2019
Operating lease commitments as disclosed in annual report 31/12/2018	14,340
Discounted using the incremental borrowing rate at January 2019	13,029
Recognition exemption for leases of low value assets	-3
Lease liabilities recognised at 1 January 2019	13,026

IMPACT FOR THE PERIOD

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognised USD 20.8 million of right-of-use assets and USD 22.5 million of lease liabilities as at 30 June 2019.

Also in relation to those leases under IFRS 16, the Group has recognised depreciation and interest costs, instead of operating lease expenses. During the six months ended 30 June 2019, the Group recognised USD 2.0 million of depreciation charges and USD 0.7 million of interest costs from these leases. EBIT is positively impacted as a consequence of the implementation of IFRS 16 by USD 0.3 million. EBITDA is positively impacted as a consequence of the implementation of IFRS 16 by USD 2.3 million.

MATURITY ANALYSIS OF LEASE LIABILITIES (IFRS 16) PER 30 JUNE 2019

			Contractual cash flows			
CONTRACT CURRENCY	Carrying amount	Total	0-12 months	1-2 years	2-5 years	> 5 years
USD	18,735	19,163	16,763	1,062	1,339	0
EUR	3,479	3,631	1,497	1,270	706	158
SGD	78	81	71	1	9	0
CNY	31	31	31	0	0	0
INR	162	196	46	47	102	0
	22,484	23,103	18,408	2,380	2,156	158

15. CAPITAL COMMITMENTS (IN THOUSANDS OF USD)

As per 30 June 2019 the capital commitments are as follows:

CAPITAL COMMITMENTS	Subsidiaries (*)	Equity accounted investees
LPG segment	139,516	0
	139,516	0

In March 2018 EXMAR announced it had contracted 2 VLGC Newbuildings with LPG as a fuel for the main engine at Hanjin Heavy Industries & Construction at Subic Bay (Philippines) to serve long-term commitments with Equinor ASA of Norway for worldwide LPG transportation.

In January 2019 Hanjin Heavy Industries & Construction at Subic Bay (Philippines) filed for rehabilitation due to financial difficulties. The construction disruptions caused thereby obliged EXMAR to cancel both Shipbuilding Contracts and invoke the Refund Guarantee from Korean Development Bank

(South Korea) to recover each of the Instalments already paid. These instalments (USD 27.2 million) have been repaid during the first semester of 2019 together with an interest of 6%.

In order to fulfil its long-term commitments towards Equinor ASA of Norway, EXMAR entered into shipbuilding contracts with Jiangnan Shipyard for 2 VLGCs with LPG as fuel. These contracts are also covered by a Refund Guarantee. The delivery of these vessels is expected in the second and third quarter of 2021.

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

Timing	In thousands of USD
Second semester 2019 (**)	7,735
First semester 2020	7,735
2021 at delivery	124,046
TOTAL	139,516

(**) USD 15.5 million has been recorded as advance payments in the first semester of 2019 and has been paid in July 2019.

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 relate to:

GOING CONCERN

The Company is of the opinion that, taking into account its available cash and cash equivalents, its undrawn committed facilities available on the date of establishing the condensed consolidated financial statements, its projected cash flows based on approved budgets and forecasts and the liquidity impact of the management measures listed below, 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 authorization date of this half year report.

The condensed consolidated financial statements for the period ended 30 June 2019 have been prepared on a going concern basis. In making this assessment, the Board of Directors assumed that the following management measures be timely and successfully completed to provide sufficient liquidity for the Company:

* Further to the successful performance acceptance tests of the TANGO FLNG on 5 June 2019, EXMAR meets all conditions for the partial release of the debt service reserve account (currently amounts to USD 67,3 million) in respect of the USD 200 million loan with Bank of China and Deutsche Bank (USD 40 million in a first phase). This release is subject to the approval of SINOSURE, the latter taking more time than previously communicated. The release is expected to occur in the course of the fourth quarter of 2019.

* The finance documentation for the sale and lease back of the FSRU barge by CSSC shipping for an agreed amount of USD 155 million has been finalized and signed at the end of August. A first tranche of approximately USD 78.0 million will be drawn upon fulfillment of the conditions precedent under the lease agreement (including security documents requiring charterers' signature), which is expected in the course of September. A second tranche of USD 31.0 million will be made available upon start of the regasification operations at a location. The financing under the sale and leaseback has a duration of 10 years at an interest rate of LIBOR + 3.80% with various re-purchase options available throughout the 10 years period and a purchase obligation at year 10. The difference between the purchase price of the unit and the drawn amount is considered as a seller's credit.

Pending the settlement of both above mentioned credit files, EXMAR closed a bridge loan in the amount of USD 30 million to temporarily increase its liquidity. The final maturity date of the bridge loan is the earlier of the final drawdown on the CSSC facility, the release of the debt service reserve account or 30 September 2019.

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 30 June 2019 and the next testing date with respect to the financial position as at the end of December 2019 is in March 2020. EXMAR believes that based on forecasts for the remaining of the year, all covenants will be met as per December 2019. The interest coverage ratio has limited headroom. TANGO FLNG will start production as of September 2019, this will positively influence the interest coverage ratio. EXMAR is continuously monitoring compliance with all applicable covenants. If a breach of covenants would occur, the Company will request and believes it will be able to obtain a waiver from the relevant lenders. See also Note 12 of this report.

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 condensed consolidated interim financial statements.

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 2018.

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 are included as a special covenant in the terms of the bond.

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.

18. RELATED PARTIES

CONTROLLING SHAREHOLDER

Saverex NV, the major shareholder of EXMAR NV prepares consolidated financial statements available in Belgium. Saverex NV is controlled by Mr. Nicolas Saverys (CEO of EXMAR).

TRANSACTIONS WITH CONTROLLING SHAREHOLDER AND WITH CONTROLLING SHAREHOLDER RELATED PARTIES

Saverbel NV and Saverex NV, both controlled by Mr. Nicolas Saverys, charged KEUR 35 to the Group during the first half year of 2019 for general administration services provided during 2019. The outstanding amount per 30 June 2019 in respect of these services amounts to KEUR 5 (2018: KEUR 72).

EXMAR Ship Management charged KEUR 395 during the first half year of 2019 to Saverex for Ship Management services in respect of the yacht "Douce France". The outstanding amount per 30 June 2019 in respect of these services amounts to KEUR 569 (2018: KEUR 174).

Per 30/06/2019, a provision of KEUR 116 was accounted for towards Mr Nicolas Saverys as a consequence of private expenses to be recharged. The outstanding amount including this provision per 30 June 2019 in respect of these services amounts to KEUR 513 (2018: KEUR 397).

The Company has also related party relationship 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 2018. 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 2018.

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 Nicolas Saverys, 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 AND GLOSSARY

COLOPHON

BOARD OF DIRECTORS

Baron Philippe Bodson – Chairman
Nicolas Saverys – CEO
Jalcos NV – represented by Ludwig Criel
Michel Delbaere
Jens Ismar
Ariane Saverys
Barbara Saverys
Pauline Saverys
Baron Philippe Vlerick
Isabelle Vleurinck

AUDITOR

Deloitte Auditors
Represented by
Mr. Gert Vanhees

FINANCIAL CALENDAR

Results 3rd quarter 2019 – 25 October 2019
Annual shareholders meeting – 19 May 2020
Final results 1st semester 2020 – 4 September 2020

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RPR Antwerp
Website: www.exmar.com
E-mail: corporate@exmar.be

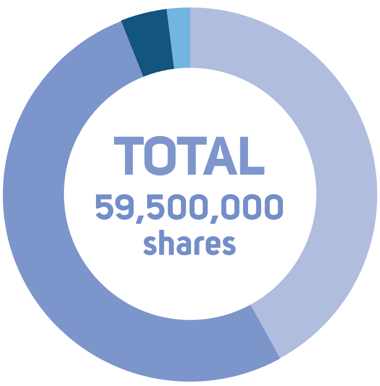
CONTACT

- 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 financial report must be considered to be the official version.

PARTICIPATION AS PER 6 SEPTEMBER 2019

The EXMAR share is listed on Euronext Brussels and is a part of the BEL Mid Index (EXM). Reference shareholder is Saverex NV.



46.06%
Saverex

5.004%
Cobas Asset Management S.G.I.I.C. SA

45.29%
Freefloat

3.65%
EXMAR

GLOSSARY

cbm	Cubic meters (m^3)
DVO	DV Offshore
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, and amortization
ESM	EXMAR Ship Management
FLNG	Floating Liquefaction of Natural Gas
FPS	Floating Production System
FPSO	Floating Production Storage and Offloading-unit
FSU	Floating Storage Unit
FSRU	Floating Storage and Regasification Unit
IFRS	International Financial Reporting Standards
IMO	International Maritime Organization
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
OB	Order book
PAT	Performance acceptance test
Petchems	Petrochemicals
REBITDA	Recurring earnings before interests, taxes, depreciations and amortizations
Semi-ref.	Semi-refrigerated LPG carrier
US	United States
USA	United States of America
USD	United States Dollar
VLGC	Very Large Gas Carrier

NOTES

EXMAR