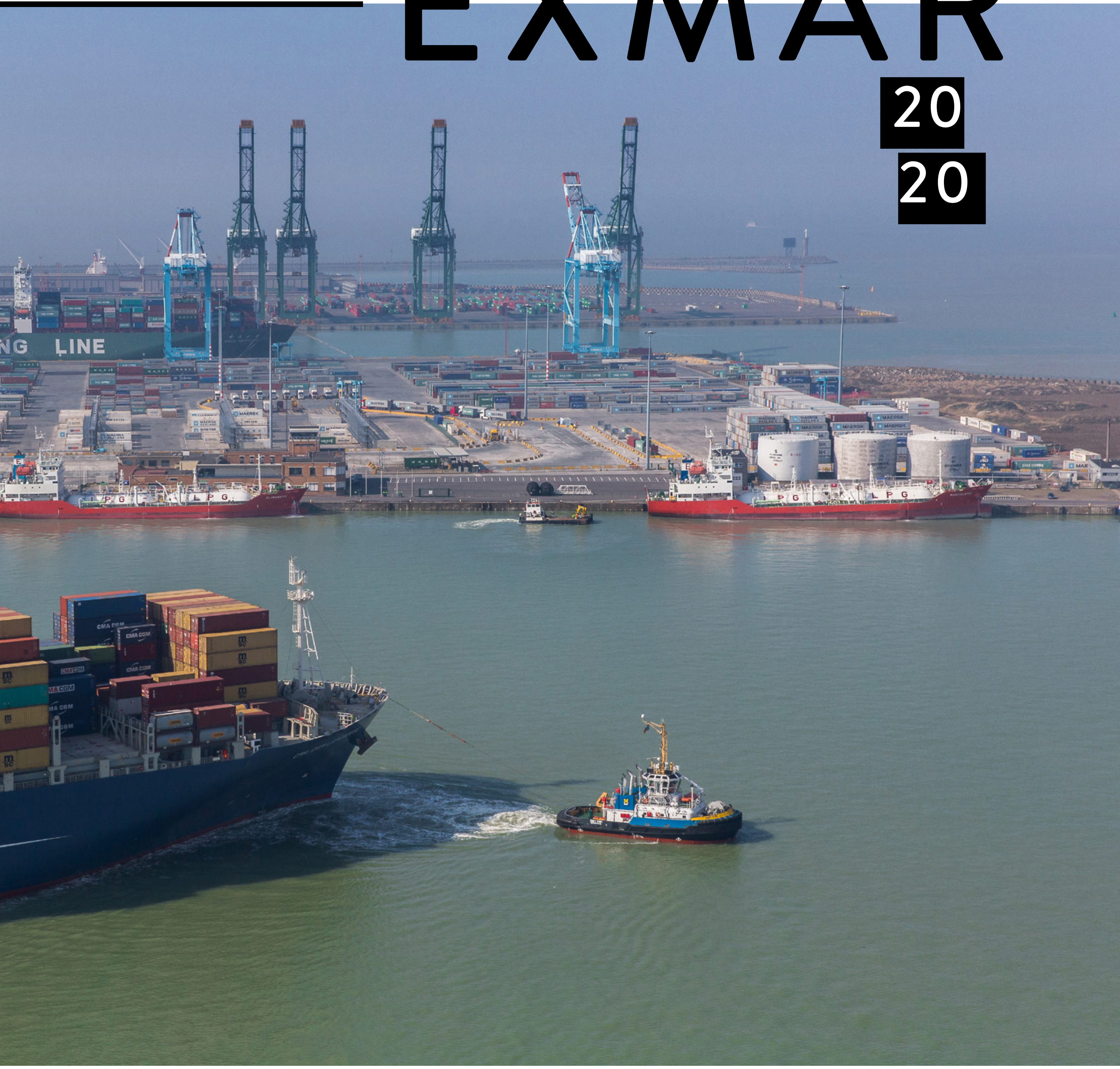
HALF YEAR REPORT EXMAR

2020



EXMAR

FINANCIAL OVER-VIEW

CONSOLIDATED KEY FIGURES

	International Financial Reporting Standards (IFRS 11) (Note 1)		Management reporting based on proportionate consolidation (Note 2)	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
CONSOLIDATED STATEMENT OF PROFIT OR LOSS (IN MILLION USD)				
Turnover	85.4	57.0	135.4	99.5
EBITDA	37.7	22.2	69.7	48.5
Depreciations and impairment losses	-33.3	-15.4	-50.5	-32.1
Operating result (EBIT)	4.5	6.8	19.2	16.4
Net finance result	-5.2	-14.5	-12.4	-23.5
Share in the result of equity accounted investees (net of income tax)	7.0	1.2	-0.5	0.7
Result before tax	6.3	-6.5	6.3	-6.4
Tax	-1.9	-1.3	-1.9	-1.4
Consolidated result after tax	4.4	-7.8	4.4	-7.8
of which group share	4.4	-7.8	4.4	-7.8
INFORMATION PER SHARE (IN USD PER SHARE)				
Weighted average number of shares of the period	57,226,737	57,226,737	57,226,737	57,226,737
EBITDA	0.66	0.39	1.22	0.85
EBIT (operating result)	0.08	0.12	0.34	0.29
Consolidated result after tax	0.08	-0.14	0.08	-0.14
INFORMATION PER SHARE (IN EUR PER SHARE)				
Exchange rate	1.1039	1.1326	1.1039	1.1326
EBITDA	0.60	0.34	1.10	0.75
EBIT (operating result)	0.07	0.10	0.30	0.25
Consolidated result after tax	0.07	-0.12	0.07	-0.12

Note1: The figures in these columns have been prepared in accordance with IFRS as adopted by the EU.

Note2: 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 2020. 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 2020.

Key ratio's

in MUSD on 30.06.2020 (based on proportionate consolidation method)

39.17% EQUITY RATIO

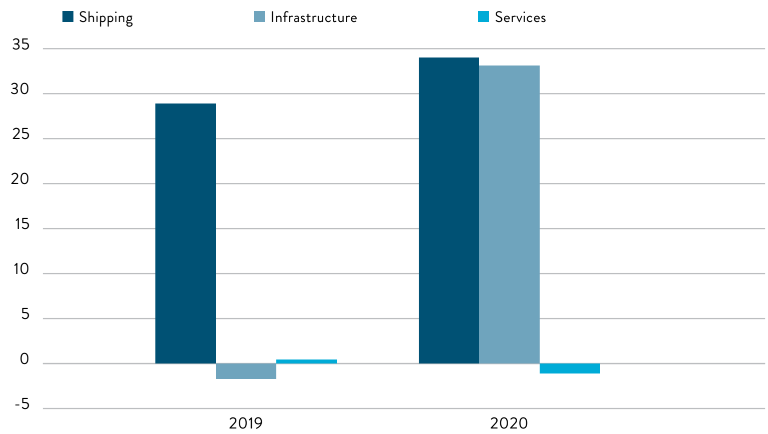
69.7 EBIDTA

1,152.1 TOTAL ASSETS

537.1 NET DEBT

66.0 REBIDTA

REBITDA CONTRIBUTION PER SEGMENT



REBITDA: recurring earnings before interests, taxes, depreciations and amortizations (including impairment). Following items are excluded from EBITDA in 2020: license fee (Infrastructure: USD 0.1 million) and cancellation fee Excelerate (Services:USD 3.6 million). Following items are excluded from EBITDA in 2019: license fee (Infrastructure: USD 1.6 million) and sale RESLEA (Services: USD 19.3 million).

#01 ACTIVITY REPORT

SHIPPING

The EBIT for the Shipping segment amounted to USD 11.3 million for the first six months of 2020 compared to USD 6.9 million for the comparative period in 2019. This increase in EBIT is mainly explained by increased timecharter rates for the midsize and VLGC fleet.

PROPORTIONATE CONSOLIDATION (IN MILLION USD)	Total per 30/06/2020	Total per 30/06/2019
Turnover	67.2	59.3
EBITDA	34.0	28.9
REBITDA (*)	34.0	28.9
Operating result (EBIT)	11.3	6.9
Consolidated result after tax	2.0	-3.6

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

EXMAR Shipping 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.

MARKET OVERVIEW

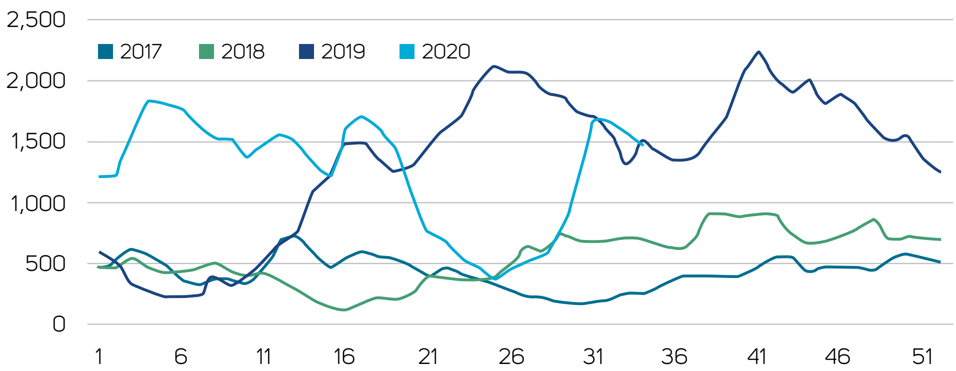
The impact of the COVID-19 global pandemic has resulted in a strong reduction of oil & gas production throughout the first half of the year. While the market looked quite grim for the remainder of the year, nevertheless a sudden strong recovery was initiated for VLGCs to the extent that the midsize segment benefited as well and experienced one of the best semesters in recent years. The usual summer lull came so to an end in the middle of July and freight rates across all fully refrigerated segments returned to profitable levels.

VLGC

The VLGC spot market started off the year strong with a Baltic Exchange Assessment at USD 81/ton (abt USD 1.8 mio/month in time charter equivalent) for Ras Tanura – Chiba indicating the market highest

Baltic VLGC TCE

(USD 1,000/month)



Source: Braemar ACM, Grieg Shipbrokers

point since 2015.The sudden hit of COVID-19 had a large impact causing the same Baltic Assessment to drop to about USD 27/ton (abt USD 450k/month TCE) by the end of the second quarter. However, after bottoming out in June, VLGC freight rates did recover fast supported by increased product demand and continued output from the US underpinning long-haul shipping requirement.

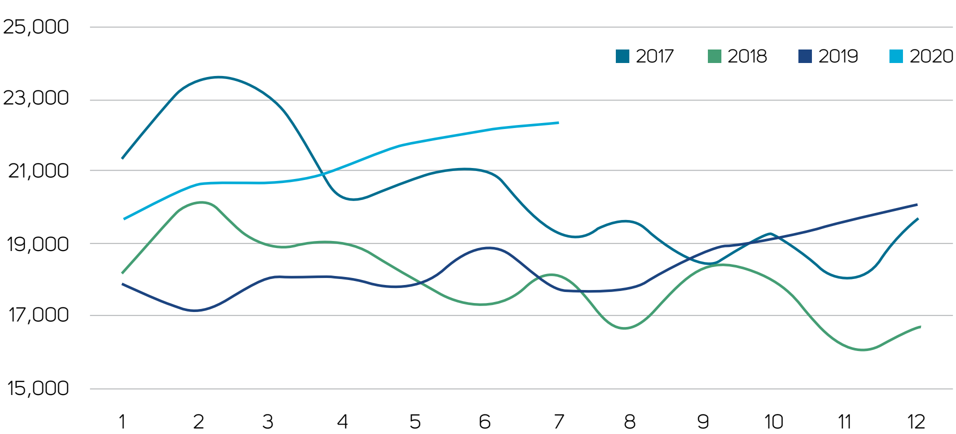
Such market prosperity bodes well for the two enlarged VLGCs of about 88,000 m³ currently being built at Jiangnan Shipyard in China for account of Equinor ASA from Norway to be delivered in 2021. Besides a larger than conventional VLGC capacity of 84,000 m³ these vessels will also be dual fuelled with LPG to meet with the highest possible emission standards going forward. Several finance structures are currently being discussed for these units.

Besides the newbuilding investment of two VLGCs, EXMAR only has the *BW TOKYO* on the water which has been secured on a time charter until year-end. There is as such no market exposure this year in this segment, and current positive freight market conditions propel the hope that the vessel can be extended at rewarding terms.

MGC

Although freight markets have proven stable during the period, charterers have been asking for lower commitment periods especially with the start of the pandemic. General midsize market sentiment conversely did remain strong with limited idle time noted thanks to a marginal fleet expansion and MGCs still taking over trades from Semi-refrigerated vessels. Together with the recovery for VLGCs, especially the LPG side of the market caused strong market momentum for medium-sized gas carriers which helped grow EXMAR's midsize cover to 94% for the balance of year as from 1 September 2020. Also for 2021 already does the midsize fleet already see a cover reached of above 50% affirming the good contract portfolio EXMAR maintains.

The ammonia market was, just like during the financial crisis hit hard through lower product prices and



TCE on *WAASMUNSTER*

(USD/day)
(38,000 m³/2014 built)

Time charter equivalent or spot earnings for the reference pool ship *WAASMUNSTER*.

lock-down measures disturbing fertilizer use worldwide. However, with the first shock digested, it was already noticeable by midyear that with again more MGCs employed in ammonia, the COVID-19 effects have started to dissipate.

For the remainder of the year, it is expected that especially the strong LPG market will set the tone for freight market conditions while the ammonia recovery may be somewhat more sluggish and take more time.

EXMAR is currently working on a refinancing of the midsize fleet at market conform conditions. It is expected to have this finalized in the fourth quarter of the year.

PRESSURIZED

The pressurized freight market was hit the hardest across the entire LPG segment. Due to the COVID-19 predicament of low energy demand, refinery utilization levels spiraled down so that pressurized markets West of Suez saw the lowest freight rates since 2003 with Tees – ARA falling below USD 20/ton, which is below OPEX levels. The stronger discount in the West than the East of Suez disturbed the usual market balance of ships active in the West operating at a premium inspired by more demanding crew operations. It is in this perspective that EXMAR, while maintaining a strategically balanced fleet in each region, has decided to reposition one vessel Eastbound in order to take advantage of the better freight market conditions over there.

It is expected that with refineries continuing to operate at low levels, the pressurized freight market will remain under pressure during 2021. However, with product demand restoring and the petrochemical sector in turn becoming more active again, market consensus is that over time the pressurized market may actually be one of the best segments in terms of freight market outlook. Not only is there basically no order book for a fleet of over 500 vessels, but so too is this sector reaching its first recycling cycle of 30 years. These both facts concerning have historically often proven to be the precursor of a positive freight cycle.

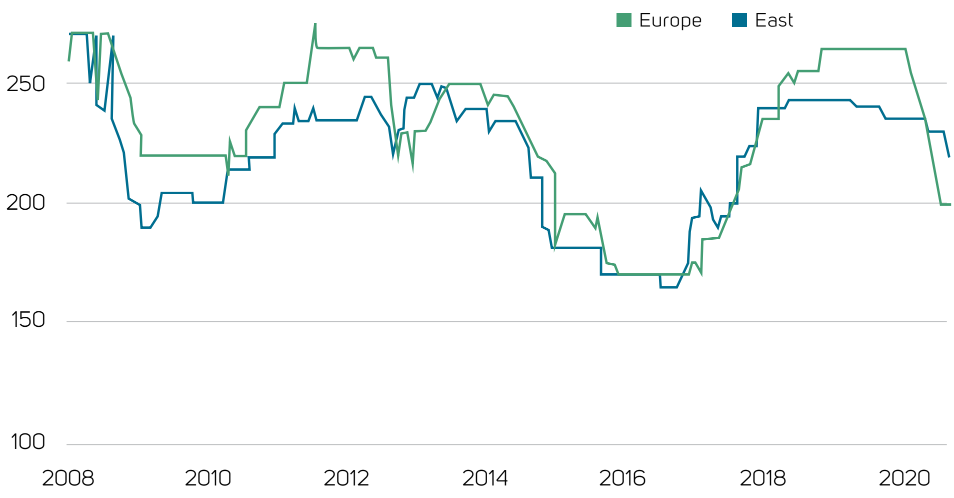
LNG

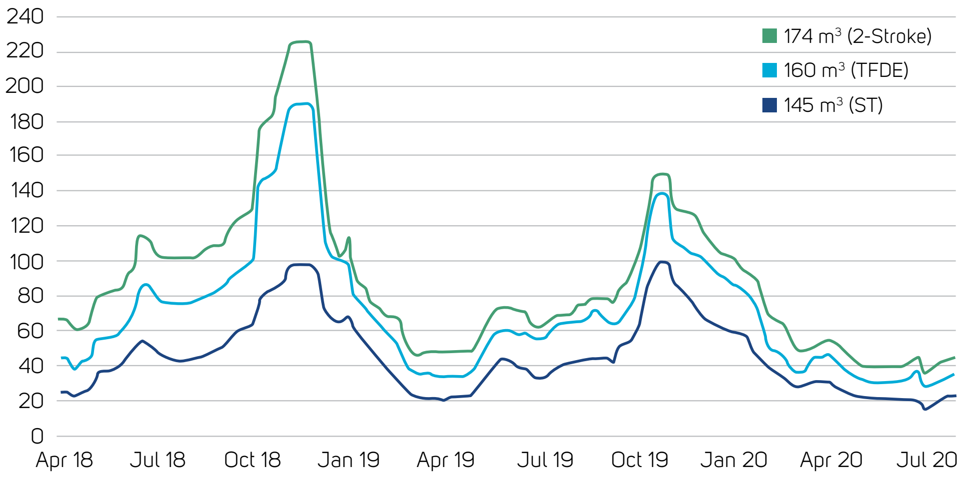
The global correction in oil & gas prices also affected the LNG freight markets accordingly. Freight earnings for both modern units (+160,000 m^3) as well as steam-turbine vessels (abt 138,000 m^3) dove below break-even levels. EXMAR has currently only *EXCALIBUR* (2002 built) in its fleet, which is on charter to Excelerate until December 2021 – March 2022 at rewarding levels. With gas prices set to increase going forward, it is expected that *EXCALIBUR* will either be employed in the LNG freight market in 2022 or be subject to a conversion project.

3.5k Pr TC rates

(USD 1,000/month)

Source: Clarkson, Grieg Shipbrokers





LNG spot earnings

(USD '000/day)

Source: Clarkson

INFRA-STRUCTURE

The EBIT of the Infrastructure segment amounted to USD 6.1 million for the first semester of 2020 (USD -9.2 million for the first semester of 2019). The main explanation for this is increased revenue as a consequence of the YPF contract for TANGO FLNG which started operations in the last quarter of 2019. EXMAR has received written notification of force majeure from YPF S.A. (the "Notice") under the Charter Agreement and Services Agreement for the TANGO FLNG.

PROPORTIONATE CONSOLIDATION (IN MILLION USD)	Total per 30/06/2020	Total per 30/06/2019
Turnover	56.1	25.4
EBITDA	33.2	-0.1
REBITDA (*)	33.1	-1.7
Operating result (EBIT)	6.1	-9.2
Consolidated result after tax	-7.6	-34.9

(*) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations (including impairment).
Following items are excluded from EBITDA in 2020: license fee (USD 0.1 million).
Following items are excluded from EBITDA in 2019: license fee (USD 1.6 million).

The mission of EXMAR Infrastructure is to provide innovative floating infrastructure solutions to the oil & gas industry covering the complete lifecycle starting from engineering, construction supervision and moving into ownership, leasing and operations & maintenance.

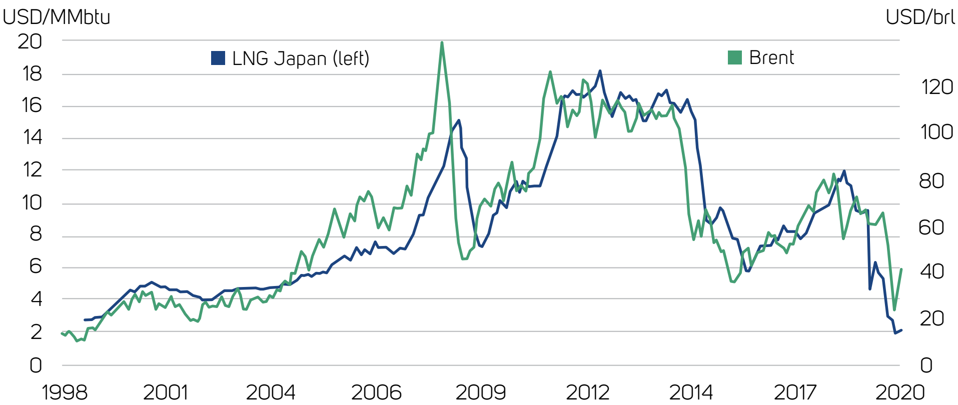
MARKET OVERVIEW

The combined impact of the COVID-19 pandemic with historically-low prices for oil, gas and LNG on the international markets have seriously affected the oil & gas industry overall. Both production levels and sales margins have suffered as a result. Hence, oil & gas companies are being forced to review their operating and investment budgets to balance short-term liquidity needs with longer-term potential to generate and sustain profitability.

This situation directly affects oil & gas infrastructure projects currently under development. For some projects, decision milestones are being frozen or postponed.

However, the view that longer-term market prospects for improved oil & gas growth and prices remains intact, and confidence in the potential of oil & gas projects supporting the energy transition remains robust. This favours oil & gas infrastructure solutions that are

Oil vs (L)NG prices



proven, flexible and cost competitive, as these will survive the current ongoing evaluation exercise.

HIGHLIGHTS & OUTLOOK

The COVID-19 pandemic has impacted operations of the Infrastructure assets. This includes restrictions in terms of relieving personnel, receiving goods and spare parts. The situation has also resulted in restricting possible interventions by service engineers. Despite the demands the current situation has placed on personnel on board and ashore as well as their families, their dedication has ensured that the availability of our barges has at all times remained intact.

In the current business environment, EXMAR's Infrastructure activities have become more challenging under the existing contracts.

TANGO FLNG has delivered five shipments or 624,000 m^3 of LNG to its customer to date with an availability of 99%. Winter regime is in place now in Argentina and liquefaction activities have been stopped as from 11 May as per our customer's instructions. In June, EXMAR has received from YPF a notice of force majeure. EXMAR considers the Notice to be unlawful, has reserved its rights and is considering its best option to defend its interests. Since the last payment received in June 2020, in respect of the production in March 2020, further payments have been suspended on the ground of the alleged force majeure. Management has registered a provision for uncollected revenues for a total of USD 17.7 million.

FSRU S188 continues serving under the charter party with Gunvor. Arbitration with respect to a dispute under the contract is ongoing.

Accommodation barge *NUNCE* contributes as anticipated under its long-term charter with Sonangol.

Following the impact of COVID-19, EXMAR and TOTAL E&P Nigeria are currently looking at how to implement a revised schedule for the accommodation barge *WARIBOKO* for its contract which was concluded earlier this year. Deployment was originally planned to commence in August 2020 for duration of 18 months.

Engineering and construction supervision of EOC's third semisubmersible floating production system, under construction for Murphy Oil, continues. Although exploration and production activities in the Gulf have substantially been reduced, the *OPTI* concept is seen as an attractive solution in the current market with its low breakeven cost and proven performance. Hence activity levels and operating result of EOC for 2020 are expected to be positive in spite of current home office working restrictions.

Activity levels and the expected operating result of DV Offshore remain in line with projections despite the current business enviroment.

SUPPORTING SERVICES

The EBIT of the Services segment amounted to USD 1.8 million for the fist half year of 2020 compared to USD 18.7 million for the first half year of 2019. In June 2019, EXMAR has sold its 50% share in Reslea to CMB (gain on disposal of USD 19.3 million).

PROPORTIONATE CONSOLIDATION (IN MILLION USD)	Total per 30/06/2020	Total per 30/06/2019
Turnover	16.2	20.5
EBITDA	2.5	19.7
REBITDA (*)	-1.1	0.4
Operating result (EBIT)	1.8	18.7
Consolidated result after tax	10.0	30.7

(*) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations (including impairment).
Following items are excluded from EBITDA in 2020: cancellation fee Excelerate (USD 3.6 million).
Following items are excluded from EBITDA in 2019: sale RESLEA (USD 19.3 million).

In addition to its core business activities, EXMAR has business interests in a variety of companies in the fields of ship management, specialized travel and supplies to the marine and offshore industry.

EXMAR SHIP MANAGEMENT
HIGHLIGHTS & OUTLOOK

In the past decade EXMAR Ship Management has matured from a pure in-house ship management services provider to a known Operations and Maintenance (O&M) services provider in niche segments in the oil and gas industry. Our expertise-based and specialised approach allows us to assist any maritime asset owner in the oil & gas industry with crew, operations, and maintenance management.

From an O&M perspective, the year 2020 has been impacted by COVID-19 pandemic. The commitment, loyalty and dedication of our crew at sea, with the support from our shore-based teams and their close collaboration with our long-term partners have ensured all assets under management have been fully operational and available. Besides a strong focus on mitigating the COVID-19 impact, the preparations for the management of the two VLGCs ordered by EXMAR at the Jiangnan shipyard in China commenced successfully.

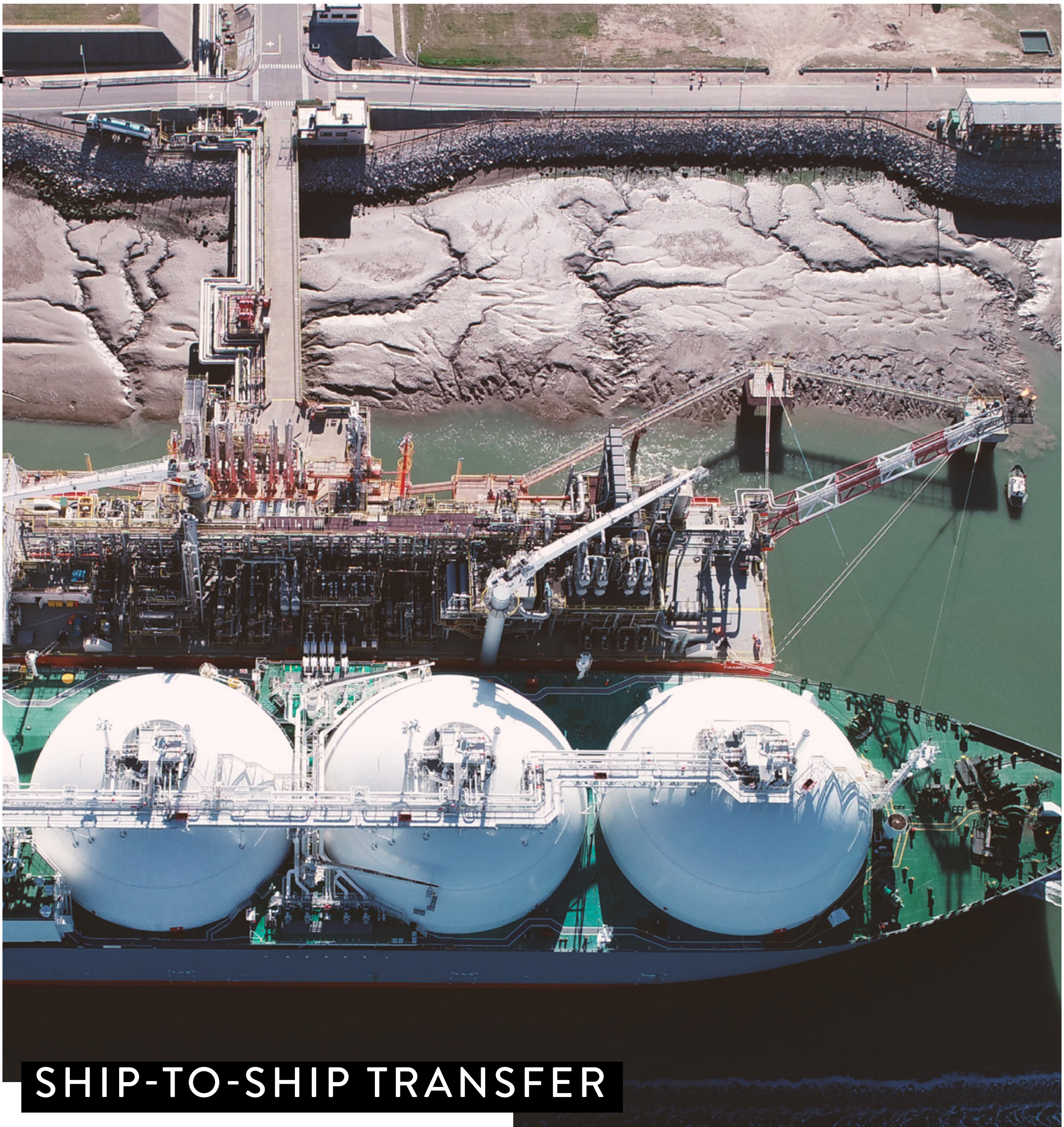
BEXCO

BEXCO is a leading European manufacturer of precision-engineered synthetic mooring, towing and lifting ropes for offshore, marine and industrial applications. In the first half of 2020 the COVID-19 crisis impacted BEXCO's manufacturing operations and deliveries. Nonetheless with creative teamwork and dedication of its workforce, the company managed to continue to process and produce clients' orders, albeit with some delay. The marine segment performed well in the container shipping sector, supplying Ultra Large Container Vessel (ULCV) newbuilds. However the cruise segment was seriously impacted by COVID-19 with most commercial decisions placed on hold. Offshore activities maintained positive, with BEXCO continuing to produce its various ultra deepwater, offshore single point mooring and heavy lift synthetic rope solutions for its loyal customer base. The rest of the year will see BEXCO continuing to produce DeepRope based on its current high order intake for 2020, and plans on making further inroads into its existing portfolio of synthetic rope solutions for the offshore wind segment.

TRAVEL PLUS

Travel PLUS is an independent travel agency, offering personalized services to both business and leisure customers.

The Covid-19 outbreak has caused many uncertainties in the travel industry. During the first six months, the temporary unemployment system was called upon for a number of employees. The financial impact of the crisis on the sector in general is unprecedented. Few new bookings were recorded mainly due to a decline in tourism and in business travel; crew changes were difficult.



SHIP-TO-SHIP TRANSFER

Despite the fact that the corona crisis is a complex challenge for the travel industry, Travel Plus managed well.

Due to the decisions of the Government to reduce the current safety measures, the market is slowly recovering. It is expected to realize 70% of the normal bookings in the third quarter.

#02 FINANCIAL REPORT


BASTOGNE
BASTOGNE

CONSOLIDATED FINANCIAL STATEMENTS

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

	Note	30/06/2020	31/12/2019
ASSETS			
NON-CURRENT ASSETS		735,771	729,745
Vessels		580,317	576,605
Vessels	7	548,253	561,135
Vessels under construction - advance payments	7	32,064	15,470
Other property, plant and equipment		1,617	1,797
Intangible assets		174	195
Right-of-use assets	8	5,447	6,111
Investments in equity accounted investees	9	101,656	95,557
Borrowings to equity accounted investees	10	46,561	49,479
CURRENT ASSETS		113,892	180,022
Non-current assets held for sale (*)		11,000	11,000
Other investments	13	2,935	4,170
Trade receivables and other receivables (**)		31,984	43,603
Current tax assets		1,638	1,353
Restricted cash	11	39,256	67,270
Cash and cash equivalents	11	27,079	52,626
TOTAL ASSETS		849,663	909,767
EQUITY AND LIABILITIES			
TOTAL EQUITY		451,296	448,940
Equity attributable to owners of the Company		451,092	448,730
Share capital		88,812	88,812
Share premium		209,902	209,902
Reserves		147,976	163,235
Result for the period		4,402	-13,219
Non-controlling interest		203	210
NON-CURRENT LIABILITIES		283,947	325,179
Borrowings	12	282,350	323,582
Employee benefits		1,597	1,597
CURRENT LIABILITIES		114,420	135,649
Borrowings	12	67,209	81,851
Trade debts and other payables		43,311	48,681
Current tax liability		3,900	5,116
TOTAL LIABILITIES		398,367	460,828
TOTAL EQUITY AND LIABILITIES		849,663	909,767

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

(*) The non-current assets held for sale relate to an aircraft. Per December 31, 2019, the aircraft has also been presented as non-current asset held for sale in the balance sheet because of EXMAR's intent to sell the aircraft.

(**) The trade and other receivable decreased compared to December 31, 2019 amongst other as a consequence of the registered provision for uncollected receivables relating to YPF (USD 17.7 million). We refer in this respect also to note 16.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
(IN THOUSANDS OF USD)

	Note	6 months ended 30/06/2020	6 months ended 30/06/2019
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS			
Revenue	6	85,440	56,960
Gain on disposal	6	82	19,327
Other operating income	6	4,369	2,645
OPERATING INCOME		89,891	78,931
Vessel expenses (a)		-22,425	-24,235
General and administrative expenses (b)		-14,463	-16,111
Personnel expenses (c)		-15,264	-16,427
Depreciations, amortisations and impairment loss (d)		-33,277	-15,352
Loss on disposal		-1	0
RESULT FROM OPERATING ACTIVITIES		4,462	6,806
Interest income (e)		1,339	2,999
Interest expenses (f)		-9,640	-13,883
Other finance income (g)		8,153	1,341
Other finance expenses		-5,055	-4,902
NET FINANCE RESULT		-5,203	-14,445
RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEES		-741	-7,640
Share of result of equity accounted investees (net of income tax) (h)	9	7,002	1,153
RESULT BEFORE INCOME TAX		6,261	-6,487
Income tax expense		-1,865	-1,317
RESULT FOR THE PERIOD		4,396	-7,804
Attributable to:			
Non-controlling interest		-6	30
Owners of the Company		4,402	-7,834
RESULT FOR THE PERIOD		4,396	-7,804
BASIC EARNINGS PER SHARE (IN USD)		0.08	-0.14
DILUTED EARNINGS PER SHARE (IN USD)		0.08	-0.14
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
RESULT FOR THE PERIOD		4,396	-7,804
Items that are or may be reclassified subsequently to profit or loss:			
Equity accounted investees - share in other comprehensive income		-2,024	-2,691
Foreign currency translation differences		-17	-37
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD (NET OF INCOME TAX)		-2,041	-2,728
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,355	-10,532
Total comprehensive income attributable to:			
Non-controlling interest		-7	30
Owners of the Company		2,362	-10,562
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,355	-10,532

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

(a) Vessel expenses decreased compared to the comparative period, mainly as a consequence of start-up expenses for TFLNG in the first semester of 2019.
(b) General and administrative expenses decreased compared to the comparative period, amongst others as a consequence of decreased travel expenses.
(c) Personnel expenses decreased compared to June 2019, mainly as a consequence of decreased number of personnel members. The effective number of personnel members in service per June 30, 2020 amounts to 275 (June 30, 2019: 304).
(d) Depreciations, amortizations & impairment loss increased compared to June 2019, mainly as a consequence of the registration of a provision for uncollected receivables relating to YPF for a total amount of USD 17.7 million and extra depreciations on the pressurized fleet as a consequence of the reassessment of the useful life of this fleet from 30 to 20 years (USD 2.6 million). We refer in this respect also to note 7 and 16.
(e) Interest income decreased compared to the comparative period, mainly as a consequence of interest received in 2019 on the cancelled shipbuilding contracts for 2 VLGC's.
(f) Interest expenses decreased compared to June 2019, this can be mainly explained by decreased loan amounts and decreased reference rates (LIBOR and NIBOR).
(g) Other finance income increased compared to the preceding period, mainly as a consequence of the unrealized exchange gain on the NOK bond (USD 7.3 million). The NOK/USD exchange rate amounted to 0.102621 per June 30, 2020 (0.113891 per December 31, 2019).
(h) The increase of the share of result of equity accounted investees is mainly explained by increased timecharter rates for the midsize and VLGC fleet.

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

	Note	6 months ended 30/06/2020	6 months ended 30/06/2019
OPERATING ACTIVITIES			
Result for the period		4,396	-7,804
Share of result of equity accounted investees (net of income tax)		-7,002	-1,153
Depreciations, amortisations & impairment loss		32,211	13,355
Depreciations IFRS 16		1,066	1,997
Profit or loss effect equity securities measured at FVTPL		1,139	-310
Net interest expenses/ (income)		8,301	10,884
Income tax expense/ (income)		1,865	1,317
Net gain on sale of assets		-81	-19,327
Exchange differences		-7,325	884
Dividend income		-121	-109
GROSS CASH FLOW FROM OPERATING ACTIVITIES		34,449	-265
(Increase)/decrease of trade and other receivables (*)		-4,916	-4,952
Increase/(decrease) of trade and other payables		-5,369	7,149
CASH GENERATED FROM OPERATING ACTIVITIES		24,164	1,932
Interest paid		-8,848	-13,017
Interest paid IFRS 16		-93	-705
Interest received		1,333	3,016
Income taxes paid		-3,365	-119
NET CASH FROM OPERATING ACTIVITIES		13,191	-8,893
INVESTING ACTIVITIES			
Acquisition of vessels and vessels under construction (**)	7	-17,810	16,031
Acquisition of other property plant and equipment		-48	-199
Acquisition of intangible assets		-17	-157
Proceeds from the sale of vessels and other property, plant and equipment		81	51
Dividends from equity accounted investees	9	1,098	5,000
Other dividends received		121	109
Borrowings to equity accounted investees	10	-250	0
Repayments from equity accounted investees	10	0	0
NET CASH FROM INVESTING ACTIVITIES		-16,826	20,835
FINANCING ACTIVITIES			
Proceeds from new borrowings	12	13,778	132,393
Repayment of borrowings	12	-46,952	-154,523
Repayment of lease liabilities IFRS 16	12	-16,706	-1,335
Payment of banking fees/ debt transaction costs	12	0	-2,810
Increase in restricted cash	11	-11,986	0
Decrease in restricted cash	11	40,000	0
NET CASH FROM FINANCING ACTIVITIES		-21,866	-26,275
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		-25,501	-14,333
RECONCILIATION OF NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Net cash and cash equivalents at 1 January		52,626	39,837
Net increase/(decrease) in cash and cash equivalents		-25,501	-14,333
Exchange rate fluctuations on cash and cash equivalents		-46	-423
NET CASH AND CASH EQUIVALENTS AT 30 JUNE	11	27,079	25,081

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

(*) The movement in trade and other receivables is corrected for the registered provision for uncollected receivables relating to YPF (USD 17.7 million) as this movement is a non-cash movement. We refer in this respect also to note 16.

(**) The acquisition of vessels and vessels under construction has been corrected per 30/06/2019 with the recovered amount from the Korean Development Bank in respect of advance payments made for 2 VLGC's and acquisitions not yet paid.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(IN THOUSANDS OF USD)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS PER 30 JUNE 2020	Share capital	Share premium
OPENING EQUITY AS PREVIOUSLY REPORTED PER 1 JANUARY 2020	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 COMPREHENSIVE 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		
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY	0	0
30 JUNE 2020	88,812	209,902

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS PER 30 JUNE 2019	Share capital	Share premium
OPENING EQUITY AS PREVIOUSLY REPORTED PER 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 COMPREHENSIVE 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

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

Retained earnings	Reserve for treasury shares	Translation reserve	Hedging reserve	Share-based payments reserve	Total	Non-controlling interest	Total equity
195,808	-44,349	-6,603	22	5,138	448,730	210	448,940
4,402					4,402	-6	4,396
		-16			-16	-1	-17
		-6			-6		-6
			0		0		0
			-2,018		-2,018		-2,018
0	0	-22	-2,018	0	-2,040	-1	-2,041
4,402	0	-22	-2,018	0	2,362	-7	2,355
					0		0
					0		0
0	0	0	0	0	0	0	0
200,210	-44,349	-6,625	-1,996	5,138	451,092	203	451,296
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

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 June 30, 2020 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 December 31, 2019.

These condensed consolidated interim financial statements were approved by the Board of Directors on September 11, 2020. The condensed consolidated interim financial information as of and for the 6-month period ended June 30, 2020 included in this document, has 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 December 31, 2019 except for the estimated useful life of the pressurized fleet. The current market conditions have led management to reassess the useful life of this fleet and reduce it from 30 years to 20 years as of 2020 onwards. This change has an impact of USD 2.6 million extra depreciations for the six months included in the condensed consolidated interim financial statements.

A number of new standards are effective from January 1, 2020 but they do not have a material effect on the Group's financial statements.

4. SEGMENT REPORTING

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 2020

	Shipping	Infrastructure	Supporting Services	Eliminations	Total
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS					
Revenue third party	66,309	56,063	13,016	0	135,388
Revenue intra-segment	853	45	3,188	-4,086	0
Total revenue	67,162	56,108	16,204	-4,086	135,388
Gain on disposal	48	0	34	0	82
Other operating income	171	101	4,117	0	4,389
OPERATING INCOME	67,381	56,209	20,355	-4,086	139,860
OPERATING RESULT BEFORE DEPRECIATIONS, AMORTISATIONS & IMPAIRMENT LOSSES (EBITDA)	34,017	33,151	2,510	0	69,678
Depreciations , amortisations and impairment losses	-22,740	-27,064	-679	0	-50,483
OPERATING RESULT (EBIT) (*)	11,277	6,087	1,831	0	19,195
Interest income (non-interco)	144	550	207	0	901
Interest income interco	192	189	10,936	-11,317	0
Interest expenses (non-interco)	-8,084	-7,665	-365	0	-16,114
Interest expenses interco	-591	-10,521	-205	11,317	0
Other finance income	129	7,624	479	0	8,232
Other finance expenses	-1,016	-2,681	-1,785	0	-5,482
Share in the result of equity accounted investees (net of income tax)	0	-948	476	0	-472
Income tax expense	-41	-289	-1,535	0	-1,865
SEGMENT RESULT FOR THE PERIOD	2,010	-7,654	10,039	0	4,396
RESULT FOR THE PERIOD					4,396
Non-controlling interest					-6
ATTRIBUTABLE TO OWNERS OF THE COMPANY					4,402

(*) The EBIT of the Shipping segment increased compared to June 2019, mainly is as a consequence of increased timecharter rates for the midsize and VLGC fleet.

The EBIT of the Infrastructure segment increased in comparison with the first semester of 2019. The main explanation for this is increased revenue as a consequence of the YPF contract for TANGO FLNG. See also note 16 in this respect.

The EBIT of the Services segment decreased compared to the comparative period in 2019. In June 2019, EXMAR has sold its 50% share in Reslea to CMB. We also refer to note 16 in this respect.

SEGMENT REPORTING 30 JUNE 2019

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS	Shipping	Infrastructure	Supporting Services	Eliminations	Total
Revenue third party	57,610	25,110	16,123	0	98,843
Revenue intra-segment	1,701	246	4,331	-6,278	0
Total revenue	59,311	25,356	20,454	-6,278	98,843
Revenue on property rental third party	0	0	617	0	617
Revenue on property rental intra-segment	0	0	63	-63	0
Total revenue on property rental	0	0	680	-63	617
Gain on disposal	13	0	19,314	0	19,327
Other operating income	318	1,597	807	0	2,722
OPERATING INCOME	59,642	26,953	41,255	-6,341	121,508
OPERATING RESULT BEFORE DEPRECIATIONS, AMORTISATIONS & IMPAIRMENT LOSSES (EBITDA)	28,893	-55	19,659	0	48,497
Depreciations, amortisations and impairment losses	-22,015	-9,098	-990	0	-32,103
OPERATING RESULT (EBIT)	6,878	-9,153	18,670	0	16,394
Interest income (non-interco)	2,334	635	132	0	3,101
Interest income interco	465	280	13,341	-14,086	0
Interest expenses (non-interco)	-11,075	-11,250	-217	0	-22,542
Interest expenses interco	-1,202	-12,382	-502	14,086	0
Other finance income	408	54	952	0	1,414
Other finance expenses	-1,306	-3,870	-300	0	-5,476
Share in the result of equity accounted investees (net of income tax)	0	775	-34	0	741
Income tax expense	-70	0	-1,367	0	-1,437
SEGMENT RESULT FOR THE PERIOD	-3,568	-34,911	30,675	0	-7,804
RESULT FOR THE PERIOD					-7,804
Non-controlling interest					30
ATTRIBUTABLE TO OWNERS OF THE COMPANY					-7,834

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).

FOR THE SIX MONTHS ENDED 30 JUNE 2020

RECONCILIATION CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND PROPORTIONATE CONSOLIDATION (SEGMENT REPORTING)	Proportionate consolidation	Difference	Equity Consolidation
Revenue	135,388	-49,949	85,440
Gain on disposal	82	0	82
Other operating income	4,389	-19	4,369
Vessel expenses	-39,999	17,575	-22,425
General and administrative expenses	-14,840	377	-14,463
Personnel expenses	-15,341	77	-15,264
Depreciations, amortisations & impairment losses	-50,483	17,206	-33,277
Loss on disposal	-1	0	-1
RESULT FROM OPERATING ACTIVITIES	19,195	-14,733	4,462
Interest income	901	438	1,339
Interest expenses	-16,114	6,474	-9,640
Other finance income	8,232	-79	8,153
Other finance expenses	-5,482	427	-5,055
RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEES	6,733	-7,474	-741
Share of result of equity accounted investees (net of income tax)	-472	7,474	7,002
Income tax expense	-1,865	0	-1,865
RESULT FOR THE PERIOD	4,396	0	4,396

FOR THE SIX MONTHS ENDED 30 JUNE 2019

RECONCILIATION CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND PROPORTIONATE CONSOLIDATION (SEGMENT REPORTING)	Proportionate consolidation	Difference	Equity Consolidation
Revenue	99,460	-42,500	56,960
Gain on disposal	19,327	0	19,327
Other operating income	2,722	-77	2,645
Vessel expenses	-39,754	15,519	-24,235
General and administrative expenses	-16,790	678	-16,111
Personnel expenses	-16,467	41	-16,427
Depreciations, amortisations & impairment losses	-32,103	16,751	-15,352
Loss on disposal	0	0	0
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

6. OPERATING INCOME (IN THOUSANDS OF USD)

REVENUE	30 June 2020	30 June 2019
Shipping segment	16,091	15,860
Infrastructure segment	54,885	23,900
Services segment	14,464	17,200
	85,440	56,960

The increase in total revenue in the Infrastructure segment is mainly due to invoicing towards YPF for TANGO FLNG. The standby revenues generated by TANGO FLNG since May 2019 are only recognised in P&L as from start of operations in September 2019 (in accordance with IFRS 15).

On 25 June 2020 EXMAR announced having received written notification of force majeure from YPF under the Charter Agreement and Services Agreement for the TANGO FLNG between YPF and EXMAR. We refer in this respect to note 16 of this report.

The decrease in total revenue in the Services segment is amongst others explained by decreased revenue for Travel Plus (travel agency) as a consequence of decreased activity as a direct result of the COVID-19 pandemic. Another explanation is decreased revenue for Exmar Shipmanagement mainly as a consequence of decreased project income.

Revenue which falls within the scope of IFRS 16 Leasing represents 29% of total revenue and is mainly situated in the Shipping segment. Revenue which falls within the scope of IFRS 15 Revenue from contracts with customers represents 71% of total revenue and is mainly situated in the Infrastructure and Services segment.

GAIN ON DISPOSAL	30 June 2020	30 June 2019
Disposal equity accounted investees	0	19,292
Other	82	35
	82	19,327

On 29 June 2019, EXMAR has sold its 50% share in RESLEA to Compagnie Maritime Belge (“CMB”).

OTHER OPERATING INCOME	30 June 2020	30 June 2019
License fee	92	1,590
Cancellation fee Excelerate	3,567	0
Other	710	1,055
	4,369	2,645

A license 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 is recognised in the second semester of 2018, another part is recognised in 2019 and the last part is recognised in the first semester of 2020.

In February 2019, Excelerate Energy, through the respective owning companies of each vessel, elected to terminate the ship management agreements for their 7 vessels managed by EXMAR Shipmanagement NV. In accordance with the contractually agreed termination clauses a notice period up to 2 years is to be considered and a cancellation fee is payable to EXMAR Shipmanagement. A transition schedule, subject to the operations of each vessel, and a payment schedule for the cancellation fee has been agreed between both parties end 2019. The first two prepayments of the cancellation fee amounting to USD 6.6 million have been received by EXMAR Shipmanagement per June 30, 2020. As these prepayments are non-refundable, part of the received cancellation fee is recognised in PL in accordance with IFRS 15. The remaining part of the cancellation fee will be recognised in PL in the second semester of 2020 (USD 9.4 million).

7. VESSELS (IN THOUSANDS OF USD)

	Shipping	Infrastructure	Under construction - advance payments (*)	Total
COST 2020				
BALANCE AS PER 01 JANUARY 2020	121,947	486,113	15,470	623,530
Changes during the financial year				
Acquisitions	171	1,046	15,470	16,687
Borrowing costs	0	0	1,123	1,123
Disposals	0	0	0	0
Conversion differences	0	0	0	0
BALANCE AS PER 30 JUNE 2020	122,118	487,159	32,063	641,340
DEPRECIATIONS AND IMPAIRMENT LOSSES 2020				
BALANCE AS PER 01 JANUARY 2020	18,576	28,349	0	46,925
Changes during the financial year				
Depreciations	5,774	8,325	0	14,099
Disposals	0	0	0	0
Conversion differences	0	0	0	0
BALANCE AS PER 30 JUNE 2020	24,349	36,674	0	61,024
NET BOOK VALUE				
NET BOOK VALUE AS PER 30 JUNE 2020	97,769	450,485	32,063	580,317

(*) 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 14 in this respect.

For the pressurized fleet the current market conditions have led management to reassess the useful life of this fleet and reduce it from 30 years to 20 years as of 2020 onwards. This change has an impact of USD 2.6 million extra depreciation for the six months included in the condensed consolidated interim financial statements.

Impairment

For the wholly-owned fleet, internal and external triggers are evaluated which indicate that the carrying value of this fleet should be tested for im-pairment. The carrying amount of the fleet is compared to the recoverable amount, which is the higher of the fair value less cost to sell and the value in use.

The fair value less costs to sell is based upon the average fair market value as determined by two independent ship brokers. This market value is corrected with an average brokerage commission to be paid when a vessel is sold. The value in use is based upon the estimated future cash flows discounted to their present value and reflecting current market assessments relating to freight rate estimates, employment and operating expenses. The operating cash flows are based on internal information and a sensitivity analysis is performed on each assumption. The discounted cash flow model used by management includes cash flows for the remaining lifetime of the wholly-owned fleet. Three year cash flow forecasts are estimated by management based upon the past experience as well as current market expectations regarding volumes and freight rates going forward. Freight rates as well as operating expenses subsequent to this three year period are expected to change in line with estimated inflation afterwards. The discount rate used is a weighted average cost of capital of 5.76% for the Shipping segment and 3.93% for the Infrastructure segment.

For the jointly-owned fleet, impairment triggers are evaluated in the same way as for the wholly-owned fleet.

We refer to note 16 in respect of impairment conclusions.

8. RIGHT-OF-USE ASSETS (IN THOUSANDS OF USD)

	Property	Motor vehicles	IT equipment	Total
COST 2020				
BALANCE AS PER 01 JANUARY 2020	5,702	2,030	625	8,357
Changes during the financial year				
Acquisitions	0	567	0	567
Disposals	-103	-215	0	-318
BALANCE AS PER 30 JUNE 2020	5,599	2,383	625	8,606
DEPRECIATIONS AND IMPAIRMENT LOSSES 2020				
BALANCE AS PER 01 JANUARY 2020	1,721	310	215	2,246
Changes during the financial year				
Depreciations	843	162	61	1,067
Disposals	-103	-52	0	-155
BALANCE AS PER 30 JUNE 2020	2,461	421	277	3,158
NET BOOK VALUE				
NET BOOK VALUE AS PER 30 JUNE 2020	3,137	1,962	348	5,447

The Group has initially applied IFRS 16 from 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 (we refer to note 12 in respect of right-of-use lease liabilities).

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

EQUITY ACCOUNTED INVESTEES	
BALANCE AS PER 01 JANUARY 2020	95,557
CHANGES DURING THE FINANCIAL YEAR	
Share in the profit/loss(-)	7,002
Entry in consolidation scope	50
Dividends	-1,098
Allocation of negative net assets (*)	2,169
Conversion differences	-6
Changes in other comprehensive income equity accounted investees	-2,018
BALANCE AS PER 30 JUNE 2020	101,656

(*) 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. In total, an amount of USD 13.5 million has been netted in respect of negative net assets.

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, 2020, an amount of USD 507.3 million (USD 543.4 million per December 31, 2019) was outstanding under such loan agreements, of which EXMAR has guaranteed its share of USD 253.7 million (USD 271.7 million per December 31, 2019).

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

	Shipping	Infrastructure	Services	Total
BORROWINGS TO EQUITY ACCOUNTED INVESTEES				
BALANCE AS PER 01 JANUARY 2020	42,067	7,912	0	49,979
New loans and borrowings	0	0	250	250
Repayments	0	0	0	0
Change in allocated negative net assets (*)	-2,006	-72	-91	-2,169
Capitalised interests	0	0	0	0
BALANCE AS PER 30 JUNE 2020	40,061	7,840	159	48,060
MORE THAN 1 YEAR	40,061	6,340	159	46,560
LESS THAN 1 YEAR	0	1,500	0	1,500

(*) 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. In total, an amount of USD 13.5 million has been netted in respect of negative net assets.

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.) and the borrowings granted to Electra (owner of the accommodation barge WARIBOKO).

11. RESTRICTED CASH AND CASH AND CASH EQUIVALENTS
(IN THOUSANDS OF USD)

	30 June 2020	31 December 2019
RESTRICTED CASH AND CASH AND CASH EQUIVALENTS		
RESTRICTED CASH	39,256	67,270
Bank	26,739	52,145
Cash in hand	39	83
Short-term deposits	301	398
CASH AND CASH EQUIVALENTS	27,079	52,626

The restricted cash relates mainly to the credit facility with the Bank of China for the TANGO FLNG. On February 26, 2020 the Bank of China released USD 40 million of the restricted cash or debt service reserve account (DSRA). The remaining movement on the restricted cash balance can be explained by the debt service account with Bank of China. Considerations received from YPF with respect to the TFLNG are paid on the this account which is used to service the debt repayment.

12. BORROWINGS (IN THOUSANDS OF USD)

BORROWINGS	Bank loans	Other loans	Lease liabilities ROU assets	Total
BALANCE AT 01 JANUARY 2020	264,102	119,666	21,665	405,433
New loans and borrowings (*)	12,559	1,219	567	14,345
Scheduled repayments (*)	-46,952	0	-16,706	-63,658
Paid transaction costs	0	0	0	0
Amortised transaction costs	1,190	345	0	1,535
Conversion differences	0	-7,325	-9	-7,334
Movement accrued interest payable	-650	-112	0	-762
BALANCE AT 30 JUNE 2020	230,249	113,793	5,517	349,559
More than 1 year	186,206	93,142	3,002	282,350
Less than 1 year	44,043	20,651	2,515	67,209
BALANCE AT 30 JUNE 2020	230,249	113,793	5,517	349,559
Shipping	73,114	46,203	822	120,139
Infrastructure	153,758	67,590	2,235	223,583
Services	3,377	0	2,460	5,838
BALANCE AT 30 JUNE 2020	230,249	113,793	5,517	349,559

(*) The sum of the new bank and other loans is reflected under "proceeds from new borrowings" in the condensed cash flow statement. The sum of the scheduled repayments for bank and other loans is reflected under "repayments of borrowings" in the condensed cash flow statement.

CREDIT LINES	30 June 2020	31 December 2019
Total credit lines	20,156	36,740
Drawn credit lines	-3,359	-32,000
Available credit lines (*)	16,797	4,740

(*) Further drawdown of the available amount is suspended until the positive outcome of the YPF arbitration. We further refer to note 16 in this report.

The bank loans mainly relate to the LPG pressurized facilities (USD 63.9 million), the TANGO FLNG facility (USD 153.8 million), a new short term loan for the financing of the aircraft held for sale (USD 9.2 million) and straight loans on which was drawn per June 30, 2020 (USD 3.4 million).

The other loans relate mainly to a NOK 650 million senior unsecured bond issue allocated to the Infrastructure segment, with maturity date in May 2022. In June 2019, the previous bond of NOK 1 billion has been fully repaid. 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 -6.7 million. A 10% decrease of the NOK/USD rate would impact the profit or loss statement with the same amount (opposite sign). Per June 30, 2020 an unrealized exchange gain on the NOK bond of USD 7.3 million has been registered in the statement of profit or loss. The NOK/USD exchange rate amounted to 0.102621 per June 30, 2020 (0.113891 per December 31, 2019).

Another part of the other loans is a pre-delivery financing of USD 20 million with Maritime Asset Partners. EXMAR has two Very Large Gas Carriers under construction at Jiangnan, due for delivery in Q2 and Q3 of 2021. The pre-delivery financing partially covers the instalments during the construction of the vessels. The repayment date of this pre-delivery financing is the earlier of the delivery date or the maturity date (June 2021).

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.

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). We refer to the table below for an overview of the applicable covenants.

RATIO	Pressurized facility	TANGO FLNG facility	Bond	Other (*)	Actual 30/06/2020 (**)	Actual 31/12/2019 (**)
APPLICABLE COVENANTS						
Minimum/ Book equity ratio	≥ USD 300 million	≥ USD 300 million	≥ USD 300 million	≥ USD 300 million + 50% of net positive income	USD 451.3 million	USD 448.94 million
Minimum free cash	≥ USD 25 million	≥ USD 25 million	≥ USD 20 million	≥ USD 40 million	USD 49.3 million	USD 81.98 million
Equity ratio (Equity/ Total Assets)	≥ 25%	≥ 25%	NA	≥ 25%	39.35%	40.12%
Net Interest Bearing Debt or NIBD/equity	NA	NA	Maximum 2.5	NA	1.22	1.28
Interest Coverage ratio (EBITDA/ Net Interest Expenses)	NA	min 2:1	min 2:1	NA	3.61	2.30
Working capital ratio	min positive	min positive	min positive	min positive	USD 44.2 million	USD 82.8 million
Net financial indebtedness ratio	NA	NA	NA	<70%	53.74%	58.52%
Outstanding loan amount	USD 90,117	USD 153,758	USD 66,369	USD 23,359		

(*) 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 18.8 million.

(**) The actual amounts presented are based on the most restrictive definitions.

As of June 30, 2020 EXMAR was compliant with all covenants.

EXMAR is continuously monitoring compliance with all applicable covenants in order to meet all covenants per December 31, 2020.

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.

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

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 2020				
Equity securities - measured at FVTPL	2,017	918		2,935
TOTAL FINANCIAL ASSETS CARRIED AT FAIR VALUE	2,017	918	0	2,935
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 December 31, 2019. Therefore, we refer to the Annual Report 2019, disclosure note 30 'Financial risks and financial instruments'.

The fair value of financial assets and liabilities not measured at fair value has not been updated per June 30, 2020 as no significant changes occurred that would impact the fair value determination. Therefore, we refer to the Annual Report 2019, disclosure note 30 Financial risks and financial instruments.

In respect of liquidity risk, we refer to note 14 Capital commitments.

14. CAPITAL COMMITMENTS (IN THOUSANDS OF USD)

As per June 30, 2020 the capital commitments are as follows:

	Subsidiaries	Equity accounted investees
CAPITAL COMMITMENTS		
Shipping segment	124,046	0
	124,046	0

EXMAR entered into shipbuilding contracts with Jiangnan Shipyard for 2 VLGC's with LPG as fuel in order to fulfil its long-term commitments towards Equinor ASA of Norway.

Per December 31, 2019 the capital commitments amounted to KUSD 139,516. A pre-delivery payment of KUSD 15,470 occurred in Janaury 2020.

EXMAR has made pre-delivery payments of KUSD 30,940 in total. These payments are covered by a Refund Guarantee. The delivery of these vessels is expected in the second and third quarter of 2021 at which the balance of KUSD 124,046 is due for payment.

15. LEASES AS LESSOR (IN THOUSANDS OF USD)

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 following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date. No variable lease payments are included.

	June 30, 2020	December 31, 2019
OPERATING LEASES UNDER IFRS 16		
Less than one year	81,133	76,636
One to two years	68,783	68,783
Two to three years	68,783	68,783
Three to four years	68,783	68,783
Four to five years	68,783	68,783
More than five years	275,722	310,114
TOTAL	631,987	661,882

The above shown maturity analysis of lease payments includes the current YPF and the current Gunvor contract. We refer in this respect also to note 16 and 17.

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
During the first months of the year EXMAR's liquidity position evolved positively amongst other because of the release on February 26, 2020 by the Bank of China of USD 40 million from the debt service reserve account in respect of the financing of TANGO FLNG. The amount of USD 40 million has been partially allocated to the repayment of bridge loans and to cover EXMAR's capital commitments.

However, on 25 June 2020 EXMAR announced receipt of written notification of force majeure from YPF under the Charter Agreement and Services Agreement for the TANGO FLNG between YPF and EXMAR. As of the date of this report the amounts outstanding amount to USD 30.3 million of which USD 24.1 million are overdue.

As a consequence of the YPF situation part of the Revolving Credit Facility of EUR 18 million granted by KBC, BNPP Fortis and Belfius (and guaranteed by GIGARANT for 50%) has been temporally suspended.

The condensed consolidated financial statements for the period ended June 30, 2020 have been prepared on a going concern basis. The main assumptions and uncertainties for EXMAR underpinning the going concern assessment are concentrated around following matters:

- In September 2019, GUNVOR gave notice of a dispute under the Charter and has commenced arbitration. Meanwhile the hire continues to be paid by GUNVOR and management assumes that the charter remains in full force and effect and is of the opinion that the hire paid is effectively earned and no amounts should be repaid.

- EXMAR has reached an agreement in principle from a Japanese Leasing company for post-delivery financing of the first VLGC under construction and is progressing well for a similar structure for the second vessel. These financings will cover the payments in April and July 2021 of the last installment due at delivery of the 2 Very Large Gas Carriers under construction at Jiangnan, amounting to USD 62 million per vessel, as well as the repayment of the USD 20 million pre-delivery financing at that date. Finalisation of these financings is expected in the fourth quarter 2020.

- Positive outcome of the dispute with YPF leading to future income generation on the Tango FLNG barge and successful collection of related receivable positions.

- Subject to a positive outcome of the YPF dispute, the management expects that the EUR 18 million Revolving Credit Facility granted by KBC, BNPP Fortis and BELFIUS will be released and fully available.

- EXMAR LPG (the Joint Venture with Teekay LNG) has received commitment from a syndicate of banks led by NORDEA for a USD 280 to USD 310 million refinancing of the current facility expiring in June 2021. Finalisation of this refinancing is expected in the fourth quarter 2020.

Considering the assumptions and uncertainties described above, the Board is confident that management will be able to maintain sufficient liquidities to meet its commitments 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 fulfill its obligations of at least 12 months from the date of authorising these financial statements.

Covenants

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 30, 2020 and the next testing date with respect to the financial position as at the end of December 2020 is in March 2021. EXMAR is continuously monitoring compliance with all applicable covenants and believes that based on forecasts for the remaining of the year, and irrespective of the payments due by YPF on TFLNG, all covenants will be met as per December 2020. See also note 12 of this report.

YPF revenue recognition

In view of the YPF dispute and the potential impact on the recognised revenue in the condensed consolidated interim financial statements, a provision of USD 17.7 million has been registered for the uncollected part of the receivables.

Impairment

Management performs an impairment analysis for its fleet. We also refer to note 7 as disclosed in this half year report.

Based on this analysis no impairments have been identified and recorded with the exception of vessel TEMSE (USD 0.6 million for EXMAR's share). The vessel TEMSE is situated within one of our equity accounted investees.

For the FSRU and the TANGO FLNG, a fair value calculation was obtained based on a valuation report of two independent ship brokers. Based on these valuation reports and expected earnings under their respective current employment, management has concluded that no impairment correction is required for the FSRU barge and the TANGO FLNG barge. However, depending on the outcome of the ongoing disputes, management is closely monitoring any indicators of impairment. The necessity of impairment will be reassessed by management depending on the evolution of the disputes.

17. CONTINGENCIES

There were no significant changes compared to the risks and uncertainties described in the annual consolidated financial statements for the year ended December 31, 2019 (note 32) except for the YPF dispute.

Arbitration with respect to the dispute under the FSRU contract is ongoing.

18. SUBSEQUENT EVENTS

No subsequent events.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INTERIM ANNUAL REPORT BOARD OF DIRECTORS

SIGNIFICANT EVENTS DURING FIRST SIX MONTHS AND COMMENTARY ON CONDENSED INTERIM FINANCIAL STATEMENTS

Below commentary is based on the condensed consolidated interim financial statements using the equity method.

In 2020, EXMAR Group achieved a consolidated result of USD 4.4 million (USD -7.8 million in June 2019).

Revenue increased in comparison with 2019 (USD 28.5 million), mainly as a consequence of invoicing towards YPF for TANGO FLNG. The capital gain on the sales of assets amounted to USD 0.1 million (USD 19.3 million in June 2019). The capital gain in 2019 mainly related to the sale of joint-venture Reslea end of June 2019 to Compagnie Maritime Belge ("CMB"). The other operating income increased compared to June 2019 with USD 1.7 million. This increase can be mainly explained by the received cancellation fee from Excelerate Energy. In February 2019, Excelerate Energy, through the respective owning companies of each vessel, elected to terminate the ship management agreements for their 7 vessels managed by EXMAR Shipmanagement NV. Part of the received cancellation fee (USD 3.6 million) is recognised in PL in accordance with IFRS 15. The remaining part of the cancellation fee (USD 9.4 million) will be recognised in PL in the second semester of 2020.

As a consequence of the dispute with YPF, a provision for the uncollected receivables for a total amount of USD 17.7 million has been registered in the accounts.

The net finance result for June 2020 amounted to USD -5.2 million (USD -14.5 million per June 30, 2019). The movement can be mainly explained by decreased interest expenses (USD -4.2 million, mainly the result of decreased loan amounts) and increased other financial income (USD 6.8 million, mainly as a consequence of USD 7.3 million unrealized exchange gain on the NOK bond).

The share of result of equity accounted investees amounted to USD 7 million per June 30, 2020 (USD 1.2 million per June 30, 2019). The increase is mainly explained by increased timecharter rates for the midsize and VLGC fleet.

The vessels amounted to USD 580.3 million and comprise the LPG pressurized fleet, the TFLNG, the FSRU and advance payments made relating to two VLGCs under construction. Vessels increased compared to December 31, 2019 with USD 3.7 million mainly as a consequence of additional advance payments for the two VLGC newbuilds. These advance payments are counterbalanced with registered depreciations on the rest of the fleet.

Right-of-use assets have been registered for the first time per January 1, 2019 in accordance with IFRS 16. A decrease of USD 0.7 million occurred compared to December 31, 2019 mainly as a consequence of registered depreciations.

The investment in equity accounted investees amounted to USD 101.7 million per June 30, 2020 (USD 95.6 million per December 31, 2019) and consists of our share in the different joint ventures and associates. The increase can for the major part be explained by the increased result in respect of these equity accounted investees. Borrowings to equity accounted investees amounted to USD 46.6 million per June 30, 2020 (USD 49.5 million per December 31, 2019) and comprise the shareholder loans granted to our equity accounted investees.

The non-current asset held for sale amounted to USD 11 million and relate to an aircraft that EXMAR intends to sell.

The other investments amounted to USD 2.9 million per June 30, 2020 and relate to equity securities (Teekay shares, Frontera shares and Sibelco shares) which decreased with USD 1.2 million compared to December 31, 2019 mainly as a consequence of decreased stock prices.

Trade receivables and other receivables amounted to USD 32 million per June 30, 2020 and decreased with USD 11.6 million compared to December 31, 2019, mainly as a result of a provision for uncollected revenues from YPF (USD 17.7 million).

The cash position on June 30, 2020 amounted to USD 66.3 million (USD 119.9 million per December 31, 2019). The restricted cash relates to credit facilities and amounted to USD 39.3 million per June 30, 2020 (USD 67.3 million per December 31, 2019). On February 26, 2020 the Bank of China released USD 40 million of the debt service reserve account (DSRA). The remaining movement on the restricted cash balance can be explained by the debt service account with Bank of China to service the debt repayment.

Total equity amounted to USD 451.3 million on June 30, 2020 (USD 448.9 million per December 31, 2019). This increase in 2020 is mainly caused by the profit reported per June 30, 2020 (USD 4.4 million).

The financial debt amounted to USD 349.6 million on June 30, 2020 and decreased by USD 55.9 million compared to December 31, 2019, mainly as a consequence of repayments made on the different borrowings.

Trade and other payables amounted to USD 43.3 million per June 30, 2020 and decreased with USD 5.4 million compared to December 31, 2019 amongst others as a consequence of decreased deferred revenue for TANGO FLNG.

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 December 31, 2019 except for credit risks.

CREDIT RISKS

We refer to disclosure 16 in this respect. In view of the YPF dispute and the potential impact on the recognised revenue in the condensed consolidated interim financial statements, a provision of USD 17.7 million has been registered for the uncollected part of the receivables.

COVID 19

IMPACT ON INTERIM FINANCIAL STATEMENTS AND ON LIQUIDITY POSITION

The COVID-19 virus and the subsequent energy demand destruction together with the volatility of oil price add more uncertainty in the world. Several operational measures on-shore and on-board have been taken by EXMAR to ensure the safety and wellbeing of our personnel and the continuity of our business operations. The majority of our ships are currently operating under medium to long-term contracts. The effect of the COVID-19 pandemic on the interim financial statements is therefore limited with exception of the YPF dispute. We refer in this respect to above mentioned credit risk and to disclosure 16.

EXMAR's Services segment reported decreased revenue compared to the comparative period in 2019. This decrease can amongst others be explained by decreased revenue for Travel Plus (travel agency). This decreased revenue (USD -0.9 million) is the direct result of decreased activity as a consequence of the COVID-19 pandemic.

OUTLOOK FOR 2020

The further effect of the COVID-19 pandemic is foreseen to be limited for EXMAR's results for the remainder of the year 2020 but the situation is closely monitored.

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 (Executive chairman of the Board of Directors of EXMAR).

TRANSACTIONS WITH CONTROLLING SHAREHOLDER AND WITH CONTROLLING SHAREHOLDER RELATED PARTIES

Saverbel NV and Saverex NV, both controlled by Mr. Nicolas Saverys, invoiced in total KEUR 114 to the Group for the first six months of 2020 (2019: KEUR 453 for full year) for general administration services provided. The outstanding amount in respect of these services amounts to KEUR 20 (2019: KEUR 20). In addition, a credit note of KEUR 171 has been made up in 2020 by Saverex to EXMAR as a consequence of a cancellation of an invoiced commitment fee in 2019. This amount has not yet been repaid by Saverex to EXMAR.

EXMAR Shipmanagement charged KEUR 10 to Saverex for shipmanagement services in respect of the yacht "Douce France" for the first six months of 2020 (2019: KEUR 669 for full year). The difference is explained by the fact that as of 2020, only the management fee is charged from EXMAR Shipmanagement to Saverex, the opex expenses are directly charged from the supplier to Saverex. The outstanding amount in respect of these services amounts to KEUR 2 including VAT (2019: KEUR 0).

Travel Plus invoiced KEUR 28 to Saverex in respect of travel services provided for the first six months of 2020 (2019: KEUR 74 for full year). The outstanding amount is respect of these services amounts to KEUR 14 (2019: KEUR 0).

During the first six months of 2020, an amount of KEUR 60 (2019: KEUR 122 for full year) was invoiced to Mr Nicolas Saverys as a consequence of private expenses to be recharged. The related outstanding amount per June 30, 2020 in respect of these services amounts to KEUR 60 (2019: KEUR 5.5).

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 December 31, 2019. There were no significant changes in these related party transactions.

STATEMENT TRUE AND FAIR VIEW

The board of directors, represented by Nicolas Saverys and Jalcos NV represented by Ludwig Criel, and the executive committee, represented by Patrick De Brabandere (CFO) and Francis Mottrie (CEO), 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.

EXTERNAL CONTROL

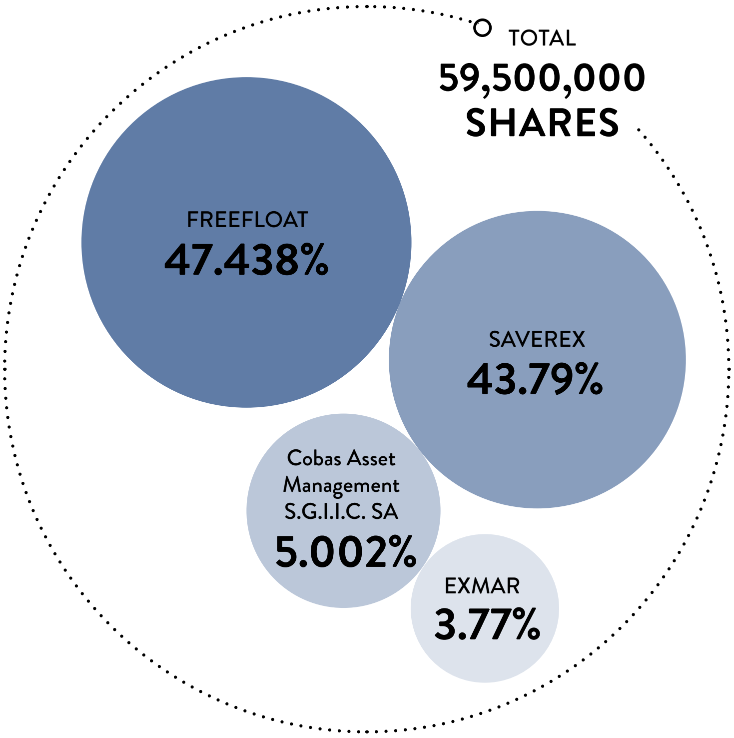
The condensed consolidated interim financial information as of and for the 6-month period ended June 30, 2020 has not been subject to an audit or a review by our statutory auditor.

#03 COLOPHON


COLOPHON

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

Participation as per 30 June 2020:



FINANCIAL CALENDAR
Results 3rd quarter 2020
29 October 2020

Annual shareholders meeting
18 May 2021

Final results 1st semester 2021
9 September 2021

Board of directors
Nicolas Saverys – Executive Chairman
Jalcos NV – represented by Ludwig Criel – Non-executive director
Michel Delbaere – Independent director
Wouter De Geest – Independent director
Francis Mottrie – Executive director
Ariane Saverys – Non-executive director
Barbara Saverys – Non-executive director
Pauline Saverys – Non-executive director
Baron Philippe Vlerick – Non-executive director
Isabelle Vleurinck – Independent director

Executive committee
Francis Mottrie – Chief Executive Officer
Patrick De Brabandere – Chief Financial Officer
Jens Ismar – Executive director Shipping
Jonathan Raes – Executive director Infrastructure

Auditor
Deloitte Auditors
Represented by Mr. Rik Neckebroeck
and mr. Ben Vandeweyer

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Website: www.exmar.be
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 Patrick De Brabandere (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.

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EXMAR