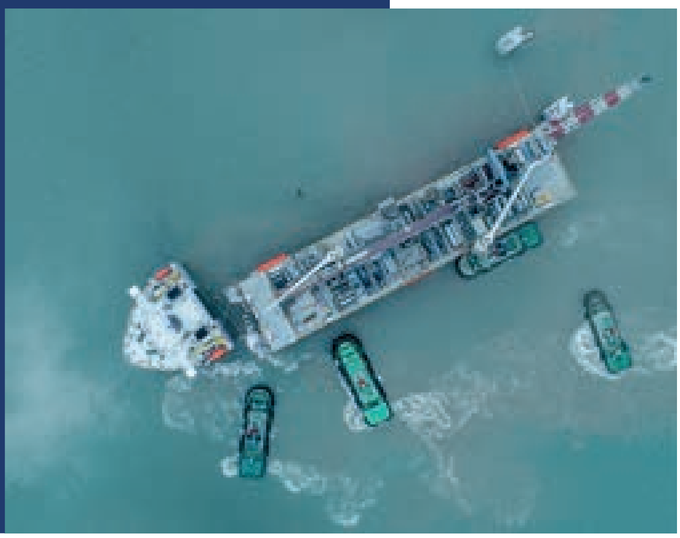
HALF YEAR REPORT EXMAR 2021



EXMAR

Financial overview

Consolidated key figures

	International Financial Reporting Standards (IFRS) (1)		Management reporting based on proportionate consolidation (2)	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
CONSOLIDATED STATEMENT OF PROFIT OR LOSS (IN MILLION USD)				
Revenue	107.9	89.0	159.1	139.0
EBITDA	61.0	37.7	93.1	69.7
Depreciations and impairment losses	-35.0	-33.3	-47.2	-50.5
Operating result (EBIT)	26.1	4.5	45.9	19.2
Net finance result	-5.3	-5.2	-11.0	-12.5
Share in the result of equity accounted investees (net of income tax)	13.1	7.0	-1.0	-0.5
Result before tax	33.9	6.3	33.9	6.3
Tax	-1.2	-1.9	-1.2	-1.9
Consolidated result after tax	32.7	4.4	32.7	4.4
of which group share	32.7	4.4	32.7	4.4
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	1.07	0.66	1.63	1.22
EBIT (operating result)	0.46	0.08	0.80	0.34
Consolidated result after tax	0.57	0.08	0.57	0.08
INFORMATION PER SHARE (IN EUR PER SHARE)				
Exchange rate	1.2089	1.1039	1.2089	1.1039
EBITDA	0.88	0.60	1.35	1.10
EBIT (operating result)	0.38	0.07	0.66	0.30
Consolidated result after tax	0.47	0.07	0.47	0.07

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

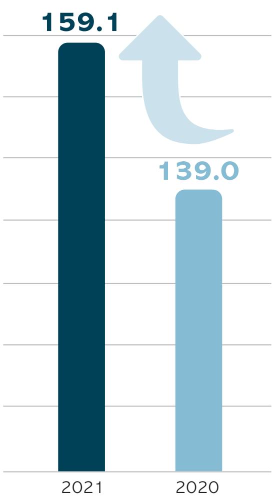
(2): The figures in these columns show joint ventures applying the proportionate consolidation method instead of applying the equity method.

These amounts agree with the 'Total' column of Note 4 'Segment reporting' in the Financial Report per 30 June 2021.
A reconciliation between the amounts applying the proportionate method and the equity method is included in Note 5 of the Financial Report per 30 June 2021.

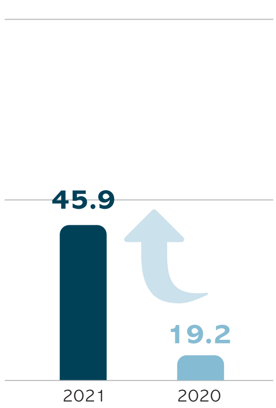
Key ratio's

in MUSD on 30 June 2021
(based on proportionate
consolidation method)

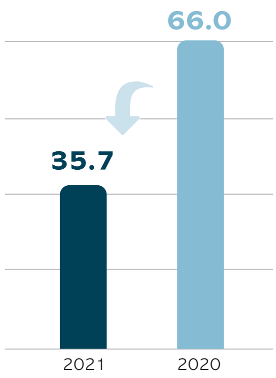
REVENUE



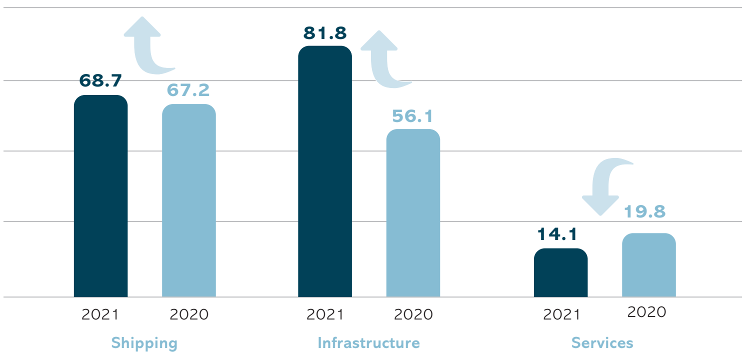
EBIT



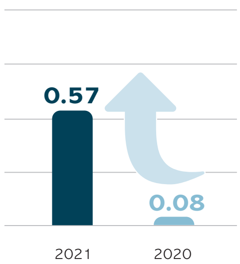
REBITDA



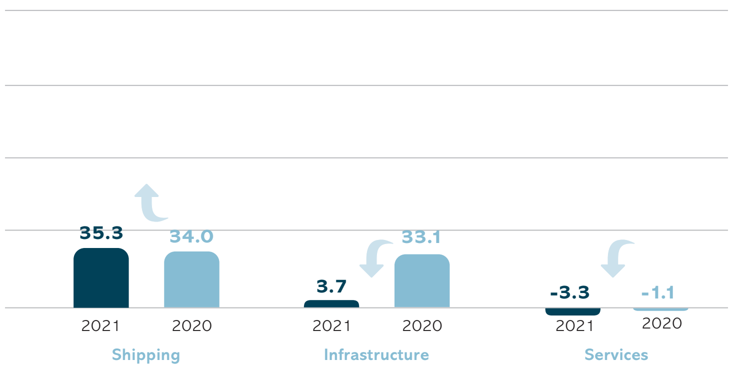
REVENUE PER SEGMENT



BASIC EARNINGS PER SHARE (IN USD/SHARE)



REBITDA PER SEGMENT



> The following non-recurring revenue items are excluded from EBITDA in 2021: early termination fee for the *FSRU S188* charter agreement by Gunvor (Infrastructure: USD 56.8 million) and other cancellation fees at Services (USD 0.5 million).

> In 2020, the non-recurring items related to license fee income (Infrastructure: USD 0.1 million) and the cancellation fee from Excelerate Energy (Services: USD 3.6 million).

> REBITDA: recurring earnings before interests, taxes, depreciations, amortizations and impairments.

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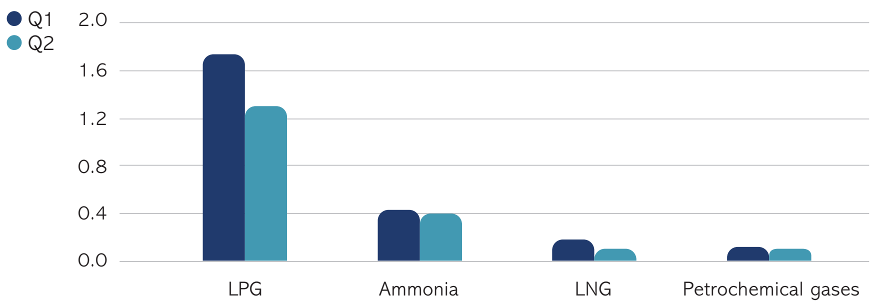
Activity report

Shipping

EXMAR Shipping is a leading shipowner and operator in the transportation of liquefied gas products such as Liquid Petroleum Gas (mainly propane, butane, or a mixture of both), anhydrous ammonia and petroleum gases. EXMAR trades worldwide serving the fertilizer, clean energy fuel and petrochemical industries. The chart shows the products carried during the first part of the year.

Products carried - first half 2021

(1,000 ton/year)



> **Source**: EXMAR

The EBIT for the Shipping segment amounted to USD 17.6 million for the first half of 2021 compared to USD 11.3 million for the same period in 2020. This increase in EBIT is mainly explained by USD 3.2 million impairment reversals on vessels (based on signed sales memoranda of agreement), increased time charter rates for the midsize fleet and lower depreciation charges resulting from the impairment recorded on several older vessels in 2020.

PROPORTIONATE CONSOLIDATION (IN MILLION USD)	6 months ended 30/06/2021	6 months ended 30/06/2020
Revenue	68.7	67.2
EBITDA	35.3	34.0
REBITDA (a)	35.3	34.0
Operating result (EBIT)	17.6	11.3
Consolidated result after tax	10.9	2.0

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

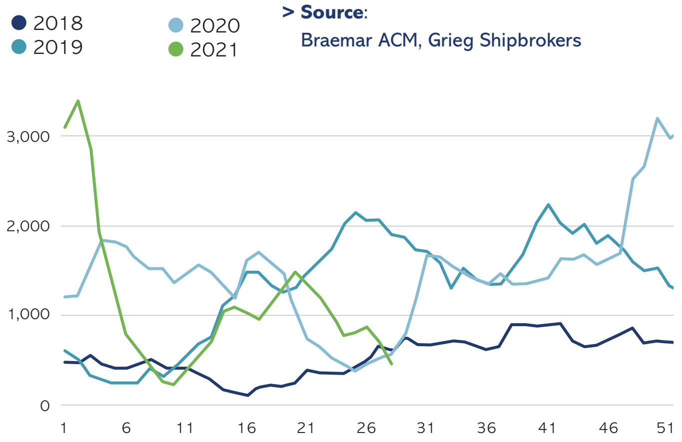
Market Overview

The LPG freight markets remained firm following on from the fourth quarter of 2020 when gas markets recovered. This was due to global economic improvements in commodity markets in the aftermath of the first waves of the COVID-19 pandemic. The largest and most volatile VLGC segment set the scene and MGC freight earnings followed suit reaching record-levels in February 2021. Seasonal shifts and changing arbitrage pricing, especially on the US-Far East leg, caused volatility in rates, with spot markets in particular yo-yo-ing erratically.

Global commodity resource scarcity during the period is worth mentioning as it caused steel plate prices to soar. According to *Fitch* (ratings and analyses), the restart of the Chinese automotive sector triggered rising values to over USD 1,000 per ton. This sudden boost in steel prices caused shipyards to quote higher newbuild price levels by up to between 10-20%. This event drove up shipping asset values in general including gas carriers.

Baltic VLGC TCE

(USD 1,000/month)



Very Large Gas Carriers (VLGC)

The VLGC spot market started off the year strongly with a Baltic Exchange Assessment peaking at USD 118 per ton (about USD 3.4 million per month in time charter equivalent) for Ras Tanura – Chiba indicating the market highest point reached since July 2015. Once winter requirements were fulfilled the Baltic Gas Index dropped heavily by the end of February to USD 28 per ton. Such a rate coincides with only about USD 225,000 per month on a Time Charter Equivalent (TCE) basis due to the high price of oil. At that time, the US-Far East product arbitrage was closed as well so less LPG was shipped on long-haul routes. Due to a cold snap in weather in Texas, US LPG production was directed more towards domestic consumption leading to a corresponding reduction in LPG exports.

Traditionally, going into March, the first stocks are gradually replenished in view of contango pricing. VLGC freight rates recovered quickly, supported by increased product demand and continued output from the US underpinning long-haul shipping requirements. Resuming US LPG exports caused the Baltic Gas Index to jump back to USD 64 per ton or about USD 1.5 million on TCE basis. By mid-year, a returning dip in summer demand combined with lower-than-usual LPG stocks in the US (and thus less LPG availability for export) led to a correction of spot rates to about USD 40 per ton, equivalent to around USD 600,000 in terms of TCE levels.

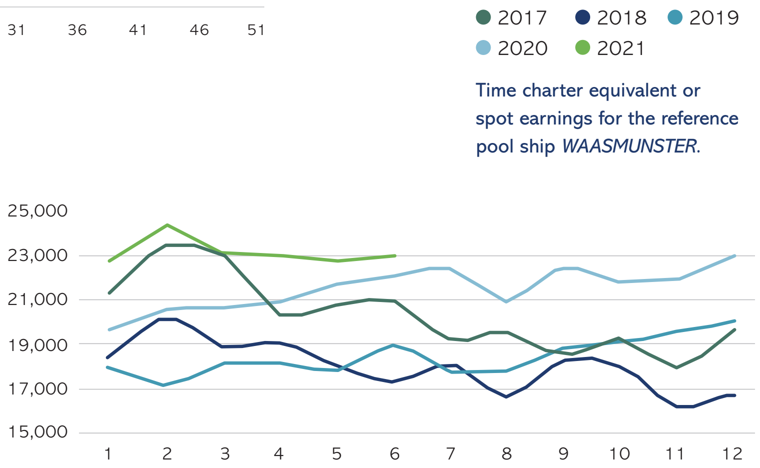
EXMAR had a single trading VLGC - *BW TOKYO* - during the period which is currently secured on a time charter for up until between the end of September and year-end 2021. There is as such limited market exposure this year, and market outlook for the next six months gives grounds for optimism that the vessel can be extended at rewarding terms for next year.

A successful delivery of the first – out of a series of two - enlarged VLGC newbuilding of 88,000 m³ *FLANDERS INNOVATION* was taken on 23 June 2021 at Jiangnan Shipyard (China).

TCE *WAASMUNSTER*

(USD/day)

(38,000 m^3/2014 built)



Besides the larger capacity compared to conventional VLGC tonnage of 84,000 m³, both VLGCs ordered are dual-fueled with LPG in order to meet with the strictest possible emission standards going forward. Her sister *FLANDERS PIONEER* is slated for delivery end of September 2021. Both vessels will enter into a five-year charter with Equinor Asa (Norway). Both VLGCs are financed under a Japanese lease with Doun Kisen.

Midsize Gas Carriers (MGC)

Combined with the surge in freight rates for VLGCs, the LPG side of the market also brought with it strong market for medium-sized gas carriers, which helped grow EXMAR's midsize cover to over 90% for the remainder of the year at rewarding terms. For 2022 the midsize fleet already has a charter cover reaching over 50% affirming the healthy contract portfolio maintained by EXMAR in this market segment.

The recovery in MGC freight rates continued their 2020 trend, culminating in record freight levels in February 2021. The gradually improving ammonia markets were responsible for this as well: a boost in product demand to pre-pandemic levels pushed ammonia prices up from USD 250-300 per ton in January to over USD 600 per ton in July 2021 for landed Northwest European rates, underpinning market strength. Correspondingly, strong vessel demand was seen in the Atlantic and India for this segment.

For the remainder of the year, the same trend is to be expected where MGCs will remain the sole modality to service ammonia shipping requirements. Add to this both the marginal fleet expansion of MGCs and the fact that they are still taking over trades served by LPG handysize vessels, and positive market sentiment looking ahead is affirmed.

Pressurized

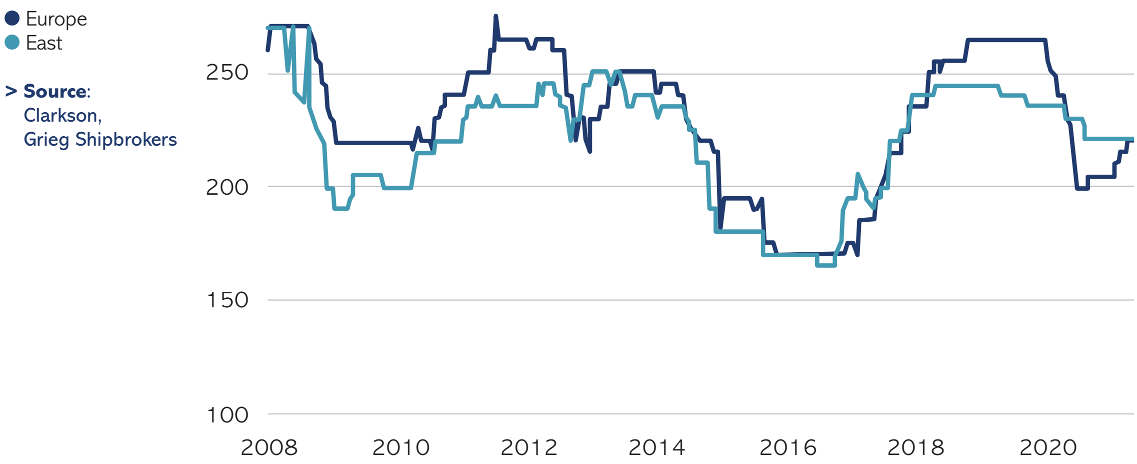
The pressurized freight market was hit the hardest across the entire LPG segment in 2020 due to low energy demand and depressed refinery utilization levels. Especially markets West of Suez were distorted and lost their premium rates that are usually in place to cover for higher crewing requirements compared to markets East of Suez. It is with this perspective in mind that EXMAR works closely together with EXMAR Shipmanagement to reduce vessels operating cost while maintaining the highest standards.

2021 saw time charter interests slowly returning with improvements seen in North-West European (NWE) rates since reaching their lowest point in the third quarter of 2020. On average, period rates, which are based on actual fixtures, increased from USD 170,000 to about USD 220,000 per month.

EXMAR maintains full charter coverage for 2021 for its pressurized tonnage fleet of 5,000 m³. For the 3,500 m³ units, the charter coverage is over 90% for the remainder of 2021.

With recovery in global economies, and refineries working at higher utilization levels again, it is expected that pressurized freight markets will gradually improve going forward. On top of this, considering there is hardly an orderbook for a sizeable fleet of over 500 vessels, there may actually develop a shortage of tonnage in this class at one moment. Many pressurized vessels will reach 30 years and may be recycled in the coming years. Especially, with increasing focus on poluting emissions this may even be accelerated.

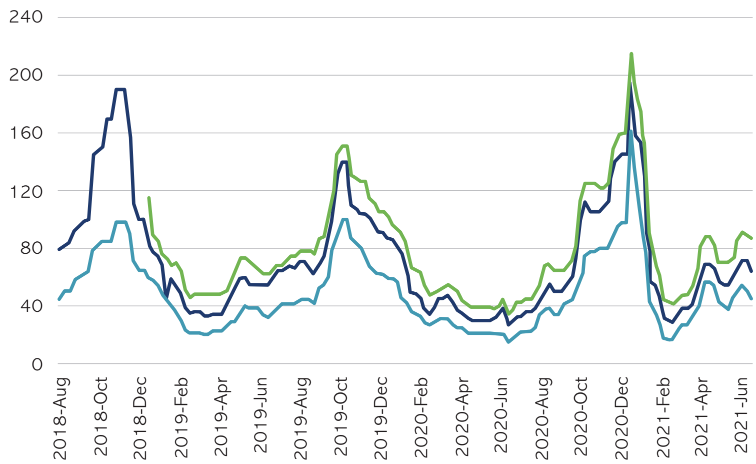
3,5k PR TC rates
(USD 1,000/month)



> **Source**: Clarkson, Grieg Shipbrokers

LNG spot earnings

(USD 1,000/day)



> **Source**: Clarkson

LNG

Following unprecedented high freight rate levels at the end of 2020, LNG freight markets spiraled down in line with a halt in winter requirements. Product pricing moved sideways so an abrupt ending to arbitrage opportunities was experienced.

This collapse was short-lived during February and rates across all sizes/types of vessels recovered unseasonly fast. The US-Far East and US-Europe product price arbitrage opened again so the market responded quickly with higher rates. The Indian lockdowns in the second quarter only caused a pause in the recovering freight market conditions and did not notably impact the strength of multiple-month freight rate levels.

The upcoming restocking in the third quarter as well as improving Chinese demand forecast positive for the remainder of 2021 due to expected rising US LNG export netbacks for Asian/European deliveries and rising queues in the Panama Canal. Further down the road, it remains to be seen how the widely discussed EU carbon price rally might pan out as this may extend competition between regions for LNG supplies and obviously impact LNG freight market conditions.

EXMAR currently only runs *EXCALIBUR* (built in 2002) in its fleet, which is on charter to Excelerate Energy until December 2021 – June 2022 at rewarding levels. With gas prices continuing their current increase, it is expected that *EXCALIBUR* will either be employed in the LNG freight market in 2022 or otherwise will be considered for a conversion project.

Infrastructure

EXMAR Infrastructure provides innovative floating infrastructure solutions to the oil & gas industry, making use of its asset portfolio *TANGO FLNG*, *FSRU S188*, *NUNCE* and *WARIBOKO*, and through developing new assets for near-shore and offshore production, processing, storage or ancillary services.
EXMAR Offshore Company, Houston (EOC), and DV Offshore, Paris (DVO) complement the Infrastructure activities with strong marine and production engineering services.

The EBIT of the Infrastructure segment amounted to USD 31.5 million for the first half of 2021 compared to USD 6.1 million for the same period in 2020. The EBIT of 2021 includes an early termination fee of USD 56.8 million for the cancellation of the *FRSU S188* charter agreement by Gunvor, which is partially compensated by a USD 19.0 million impairment on the *FSRU S188* barge.

PROPORTIONATE CONSOLIDATION (IN MILLION USD)	6 months ended 30/06/2021	6 months ended 30/06/2020
Revenue	81.8	56.1
EBITDA	60.6	33.2
REBITDA (a)	3.7	33.1
Operating result (EBIT)	31.5	6.1
Consolidated result after tax	17.2	-7.7

(a) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations (including impairment).
The non-recurring early termination fee revenue from Gunvor was excluded from EBITDA in 2021 (USD 56.8 million).
In 2020, the non-recurring item related to license fee income (USD 0.1 million).

Market Overview

After a year dominated by an unprecedented pandemic which distorted economic activities worldwide, the gas markets rebounded in the last quarter of 2020 resulting in a slight decline of just 3% year-on-year while the LNG experienced a year-on-year increase of 1% in demand.

The year 2021 started with high LNG prices mainly due to strong demand as result of a severe winter. Prices have remained healthy during the first half of 2021 and are expected to continue this way for the remainder of the year.

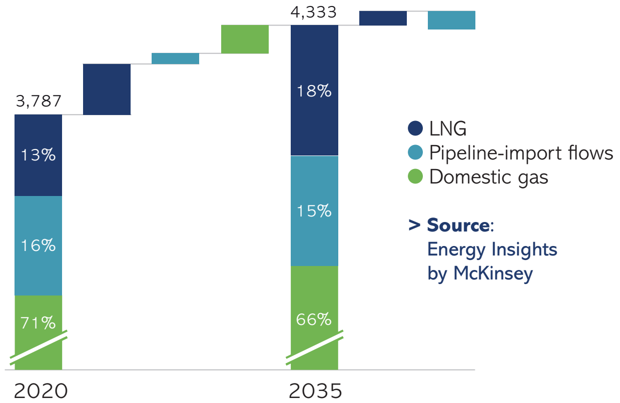
Expectations are that demand will continue to increase, leading to a progressively more globally- integrated natural gas market. The largest LNG markets – China, the European Union, Japan, and South Korea – have declared their intention to reach carbon neutral levels in the long term.

Oil prices have also reached their highest levels since October 2019 with prices around USD 75 per barrel and are forecasted to stay in that range for the remainder of the year. In the longer term oil demand levels are expected to increase slightly over time, albeit at a lower rate than gas demand as a result of the energy transition efforts.

As the longer-term market view on oil and gas prices is consistent with current market conditions, energy specialists are confident that those oil & gas projects which support the energy transition and have robust long-term economic viability, will be sanctioned.

Global consumption forecast

(piped and LNG gas and import projections), bmc



> **Source**: Energy Insights by McKinsey

Healthy LNG and oil prices directly impact oil & gas infrastructure projects, incentivizing implementation of fast track solutions that can rapidly monetize reserves, taking advantage of the prevailing market conditions. This clearly favours floating oil & gas infrastructure solutions that are proven, flexible, fast track and cost competitive. In 2021 the global upstream investment cycle has commenced to recover given the higher oil and gas prices. A few projects have already been sanctioned. Additional projects are expected to be sanctioned during the course of the year.

Floating barges

EXMAR's Infrastructure efforts during the first half of 2021 have been focused on the pursuit of employment for *TANGO FLNG*, with positive reactions to its availability given the favourable gas prices and the worldwide increasing focus on sustainability and ESG. Significant progress is expected during the second half year. For several projects technical clearance is confirming feasibility while regulatory approval discussions and commercial negotiations are ongoing in parallel. Meanwhile, EXMAR is receiving the YPF settlement fees fully in line with the agreement concluded back in 2020.

On the regasification side EXMAR has received an interim award on the arbitration commenced by Gunvor in September 2019 in relation to the charter party of the *FSRU S188* barge. The tribunal has rejected Gunvor's application for declaratory relief. Following this award EXMAR has received a notice of early termination on subject charter party. EXMAR has received a termination fee of USD 56.8 million and the unit has become commercially available by end of June. Re-marketing of the barges has commenced immediately. Meanwhile technical validation is ongoing for several opportunities identified.

The accommodation barges *NUNCE* and *WARIBOKO* have operated as per contracts during the first half of the year. *NUNCE* will continue this long-term employment for the remainder of the year. *WARIBOKO* is available for re-employment during the second half of the year following a contract with Total E&P Nigeria.

Engineering

EXMAR Offshore Company, Houston (EOC) and DV Offshore, Paris (DVO) complete and compliment the Infrastructure activities with strong marine and production engineering capabilities and experience which are provided as services to the oil & gas industry. EXMAR Offshore Company has developed a proprietary design floating production facility *OPTI®* for deep water floating oil and gas production.

EXMAR Offshore Company in Houston has successfully completed the engineering and construction supervision of Murphy Oil's King's Quay semisubmersible floating production system (FPS), based on the *OPTI®* hull design technology, at Hyundai Heavy Industries (HHI). Management is targeting high utilisation of the company's resources in the second half of 2021 and a strong operating result following the award of a fourth *OPTI®* hull design to HHI for Beacon Offshore's Shenandoah Project in the Gulf of Mexico, which will have a larger payload capacity than the King's Quay FPS.

DV Offshore has performed above expectations in the first six months through the combination of a strong contract/prospect portfolio and strict cost consciousness.

The positive outlook in terms of oil and LNG prices, coupled with demand growth and energy transition initiatives means that both economic viability and appetite for investing in the development of new offshore and nearshore turnkey solutions remains valid and robust. EXMAR and its extensive in-house expertise from engineering to operations stand to benefit from this outlook.

Supporting services

The contribution of the Supporting services activities to the operating result (EBIT) for the first half of 2021 was USD -3.3 million compared to USD 1.8 million for the same period in 2020. In 2020, EBIT was positively impacted by a USD 3.6 million compensation for the termination of the shipmanagement contracts by Excelerate Energy.

PROPORTIONATE CONSOLIDATION (IN MILLION USD)	6 months ended 30/06/2021	6 months ended 30/06/2020
Revenue	14.1	19.8
EBITDA	-2.8	2.5
REBITDA (a)	-3.3	-1.1
Operating result (EBIT)	-3.3	1.8
Consolidated result after tax	4.6	10.0

(a) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations (including impairment).
The non-recurring items relate to cancellation fee income and amounted to USD 0.5 million in 2021 and USD 3.6 million in 2020.

EXMAR Shipmanagement

The COVID-19 pandemic has illustrated the need for tailor-made solutions when managing the diverse fleet of maritime assets under EXMAR Shipmanagement's expert care.

With the logistics chain connecting the vessels to shore becoming more challenging and complex, supporting the professional, dedicated and competent crew on board with motivated shore staff to effectuate crew changes, deliver ship's supplies and spare parts and to carry out inspections and dry docks has ensured smooth operations have been maintained throughout the first half of 2021.

The newbuild, dual-fuel VLGC *FLANDERS INNOVATION* was successfully brought into management in June and the necessary preparations are well advanced for receiving her sister vessel from Jiangnan Shipyard later this year.

By operating and maintaining vessels that make use of innovative new fuels during a period of changes in regulations on exhaust restrictions provides EXMAR Shipmanagement with an extra competitive advantage.

EXMAR Shipmanagement's decade-long expertise in managing tankers and floating infrastructure in the offshore oil and gas segment offers both long-term partners and new customers the operation of their assets in the most effective way and assists them in every aspect of their operation.

BEXCO

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

The company experienced a strong order book in the first half of the year for all segments, in particular for its lifting slings for offshore wind projects and commercial marine products. A second order was received for its innovative, subsea buoyancy Manta-line solution for floating wind for delivery in the fourth quarter.

Deepwater mooring projects Shell Penguin and ENI Coral South were successfully delivered as well as completion of a mooring package for the Chevron Anchor project. BEXCO will commence production on Shell Whale in the third quarter.

A strong second half year is therefore expected, with raw material prices expected to continue to rise.

Travel PLUS

The COVID-19 pandemic has had a devastating impact on the tourism industry.

Industry projections estimate that the pandemic will cost the global tourism industry USD 1 trillion in losses and threaten more than 100 million jobs worldwide.

It is imperative that the tourism sector joins forces to rebuild so that it can regain its position as a provider of decent jobs.

Travel PLUS has made use of the numerous lockdowns to build a new website in order to install new tools, which will be launched soon.

Travel PLUS has retained all of its staff and hopes for a positive impact from a fresh start at 15 August 2021 when borders to and from Belgium and worldwide will reopen for travel.

In the meantime, Travel PLUS has continued to serve ship's crew changes and repatriations around the globe with flights when restrictions have been lifted in the relevant countries.

#02

Financial report

Consolidated interim financial statements

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

	Note	30/06/2021	31/12/2020
ASSETS			
NON-CURRENT ASSETS		716,387	669,749
Vessels		595,216	561,424
Vessels	8	578,275	528,261
Vessels under construction - advance payments	8	16,941	33,163
Other property, plant and equipment		1,314	1,680
Intangible assets		45	73
Right-of-use assets	9	2,495	3,461
Investments in equity accounted investees	10	87,961	73,298
Borrowings to equity accounted investees	11	29,357	29,813
CURRENT ASSETS		252,474	262,176
Non-current assets held for sale (a)		10,000	10,000
Other investments	14	1,755	1,354
Trade and other receivables (b)		96,627	143,580
Current tax assets		1,955	3,472
Restricted cash	12	76,597	75,575
Cash and cash equivalents	12	65,541	28,195
TOTAL ASSETS		968,862	931,924
EQUITY AND LIABILITIES			
TOTAL EQUITY		557,669	545,917
Equity attributable to owners of the Company		557,383	545,660
Share capital		88,812	88,812
Share premium		209,902	209,902
Reserves		226,004	155,012
Result for the period		32,665	91,934
Non-controlling interest		286	257
NON-CURRENT LIABILITIES		261,124	278,304
Borrowings	13	259,409	276,588
Employee benefits		1,715	1,715
CURRENT LIABILITIES		150,069	107,704
Borrowings	13	110,175	65,031
Trade and other payables		36,864	37,630
Current tax liability		3,029	5,043
TOTAL LIABILITIES		411,193	386,007
TOTAL EQUITY AND LIABILITIES		968,862	931,924

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

(a) The non-current assets held for sale relate to an aircraft.
(b) The trade and other receivables decreased at 30 June 2021 compared to year-end 2020 mainly as a result of USD 48.7 million receipt of the YPF settlement fee (in accordance with the agreed payment schedule).

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

	Note	6 months ended 30/06/2021	6 months ended 30/06/2020
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS			
Revenue	6	107,877	89,007
Gain on disposal		36	82
Other operating income		456	802
OPERATING INCOME		108,370	89,891
Vessel expenses (a)		-20,443	-22,425
General and administrative expenses	7	-12,651	-14,463
Personnel expenses (b)		-14,093	-15,264
Depreciations and amortisations		-14,803	-15,426
Impairment losses (c)		-20,165	-17,851
Loss on disposal		-100	-1
Other operating expenses		-50	0
RESULT FROM OPERATING ACTIVITIES		26,064	4,462
Interest income		732	1,339
Interest expenses (d)		-7,075	-9,640
Other finance income (e)		4,993	8,153
Other finance expenses (f)		-3,931	-5,055
NET FINANCE RESULT		-5,282	-5,203
RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEES		20,782	-741
Share of result of equity accounted investees (net of income tax)	10	13,082	7,002
RESULT BEFORE INCOME TAX		33,865	6,261
Income tax expense		-1,162	-1,865
RESULT FOR THE PERIOD		32,703	4,396
Attributable to:			
Non-controlling interest		38	-6
Owners of the Company		32,665	4,402
RESULT FOR THE PERIOD		32,703	4,396
BASIC EARNINGS PER SHARE (IN USD)		0.57	0.08
DILUTED EARNINGS PER SHARE (IN USD)		0.57	0.08
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
RESULT FOR THE PERIOD		32,703	4,396
Items that are or may be reclassified subsequently to profit or loss:			
Equity accounted investees - share in other comprehensive income		160	-2,024
Foreign currency translation differences		-322	-17
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD (NET OF INCOME TAX)		-161	-2,041
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		32,542	2,355
Total comprehensive income attributable to:			
Non-controlling interest		29	-7
Owners of the Company		32,513	2,362
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		32,542	2,355

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

Compared to the comparative period of prior year:
(a) Vessel expenses decreased due to lower maintenance and insurance charges primarily due to non-operability of the *TANGO FLNG*.
(b) Personnel expenses decreased primarily as a consequence of a lower number of employees: 238 employees at 30 June 2021 compared to 275 employees at 30 June 2020.
(c) The impairment losses in 2021 relate to a USD 19.0 million impairment on the *FSRU S188* (see note 8) and bad debt allowances, while 2020 included a specific bad debt allowance for trade receivables of YPF for a total amount of USD 17.7 million.
(d) Interest expenses decreased as the combined effect of lower loan balances and decreased reference rates (LIBOR and NIBOR).
(e) Other finance income decreased mainly as a result of lower unrealized exchange gains on the NOK bond: the translation of the NOK bond into USD resulted in an unrealized exchange gain of USD 7.3 million in the first half of 2020 versus only USD 0,2 million in 2021. The NOK/USD exchange rate amounted to 0.1168 per June 2021 which was relatively close to the rate of 0.1172 at year-end 2020 (compared to 0.102621 at 30 June 2020 versus 0.113891 per December 31, 2019).
(f) The other finance expenses decreased primarily due to the lower banking fees and no negative fair value adjustment of equity securities in the current year.

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

	Note	6 months ended 30/06/2021	6 months ended 30/06/2020
OPERATING ACTIVITIES			
Result for the period		32,703	4,396
Share of result of equity accounted investees (net of income tax)		-13,082	-7,002
Depreciations & amortisations		13,837	14,359
Depreciations IFRS 16		966	1,067
Impairment losses		20,165	17,851
Net finance result		5,282	5,203
Income tax expense/ (income)		1,162	1,865
Net gain (loss) on sale of assets		64	-81
Realized foreign currency gains (losses)		264	-704
GROSS CASH FLOW FROM OPERATING ACTIVITIES		61,361	36,955
(Increase)/decrease of trade and other receivables		36,777	-4,916
Increase/(decrease) of trade and other payables		491	-5,462
CASH GENERATED FROM OPERATING ACTIVITIES		98,629	26,577
Interest paid		-7,290	-10,402
Interest paid IFRS 16		-54	-93
Interest received		154	1,333
Income taxes paid		-2,697	-3,365
NET CASH FROM OPERATING ACTIVITIES		88,742	14,050
INVESTING ACTIVITIES			
Acquisition of vessels and vessels under construction	8	-66,259	-17,811
Acquisition of other property plant and equipment		-88	-48
Acquisition of intangible assets		0	-17
Proceeds from the sale of vessels and other property, plant and equipment		189	81
Dividends from equity accounted investees	10	102	1,098
Other dividends received		19	121
Borrowings to equity accounted investees	11	-1,090	-250
Repayments from equity accounted investees	11	10,507	0
NET CASH FROM INVESTING ACTIVITIES		-56,619	-16,827
FINANCING ACTIVITIES			
Dividend paid		-20,601	0
Proceeds from new borrowings	13	72,000	13,778
Repayment of borrowings	13	-43,736	-46,952
Repayment of lease liabilities IFRS 16	13	-1,045	-16,706
Payment of banking fees/ debt transaction costs		-82	-858
Increase in restricted cash	12	-1,022	-11,986
Release restricted cash	12	0	40,000
NET CASH FROM FINANCING ACTIVITIES		5,515	-22,724
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		37,637	-25,501
RECONCILIATION OF NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Net cash and cash equivalents at 1 January		28,195	52,626
Net increase/(decrease) in cash and cash equivalents		37,637	-25,501
Exchange rate fluctuations on cash and cash equivalents		-291	-46
NET CASH AND CASH EQUIVALENTS AT 30 JUNE	12	65,541	27,079

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

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

	Share capital	Share premium
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS PER 30 JUNE 2021		
OPENING EQUITY AS PREVIOUSLY REPORTED PER 1 JANUARY 2021	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 declared		
Share-based payments		
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY	0	0
CLOSING EQUITY PER 30 JUNE 2021	88,812	209,902
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS PER 30 JUNE 2020		
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 COMPRENSIVE RESULT	0	0
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	0	0
TRANSACTIONS WITH OWNERS OF THE COMPANY		
Contributions and distributions		
Dividends declared		
Share-based payments		
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY	0	0
CLOSING EQUITY PER 30 JUNE 2020	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
289,081	-44,349	-1,086	-298	3,598	545,660	257	545,917
32,665					32,665	38	32,703
		-313			-313	-9	-322
		-174			-174		-174
			0		0		0
			335		335		335
0	0	-487	335	0	-152	-9	-161
32,665	0	-487	335	0	32,513	29	32,542
-20,791					-20,791		-20,791
					0		0
-20,791	0	0	0	0	-20,791	0	-20,791
300,955	-44,349	-1,573	37	3,598	557,383	286	557,669
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

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 2021 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, 2020.

These condensed consolidated interim financial statements were approved by the Board of Directors on September 9, 2021. The condensed consolidated interim financial information as of and for the six month period ended 30 June 2021 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, 2020.

A number of new standards are effective from January 1, 2021 but they have limited to no impact on the Group's 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 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS	Shipping	Infrastructure	Supporting Services	Eliminations	Total
Revenue third party (a)	67,091	81,692	10,298	0	159,082
Revenue intra-segment	1,655	135	3,838	-5,629	0
Total revenue	68,747	81,828	14,136	-5,629	159,082
Gain on disposal	65	0	21	0	86
Other operating income	412	0	44	0	456
OPERATING INCOME	69,223	81,828	14,202	-5,629	159,624
OPERATING RESULT BEFORE DEPRECIATIONS, AMORTISATIONS & IMPAIRMENT LOSSES (EBITDA)	35,307	60,574	-2,773	0	93,109
Depreciations and amortisations	-20,905	-8,874	-478	0	-30,257
Impairment losses (b)	3,200	-20,165	0	0	-16,965
Operating result (EBIT)	17,602	31,535	-3,251	0	45,886
Interest income (non-interco)	0	575	14	0	589
Interest income interco	1	1	6,591	-6,593	0
Interest expenses (non-interco)	-6,616	-5,988	-282	0	-12,886
Interest expenses interco	-160	-6,363	-69	6,593	0
Other finance income (c)	357	601	4,101	0	5,059
Other finance expenses	-258	-1,884	-1,621	0	-3,763
Share in the result of equity accounted investees (net of income tax)	0	-1,044	38	0	-1,006
Income tax expense	-20	-218	-937	0	-1,175
SEGMENT RESULT FOR THE PERIOD	10,904	17,215	4,584	0	32,703
RESULT FOR THE PERIOD					32,703
Non-controlling interest					38
ATTRIBUTABLE TO OWNERS OF THE COMPANY					32,665

(a) The increase in third party revenue of the Infrastructure segment during the first half of 2021 compared to the same period in 2020 is primarily the combined effect of the termination fee income on the *FSRU S188* (USD 56.8 million), partially offset by no revenue from the *TANGO FLNG* vessel in 2021 yet (due to the termination by YPF end June 2020). The revenue at Supporting Services decreased due to lower management income and the one-time cancellation income in 2020 from Excelerate Energy.
(b) The impairment losses in 2021 in the Shipping segment (positive balance) relate to reversals of impairments of three vessels based on signed memoranda of understanding (see note 10). In the Infrastucture segment the impairment losses relate in 2021 to a USD 19.0 million impairment on the *FSRU S188* (see note 8) and bad debt allowances while 2020 included a specific bad debt allowance for trade receivables of YPF for a total amount of USD 17.7 million.
(c) In the Infrastructure segment the other finance income decreased as a result of lower unrealized foreign exchange gains on the NOK bond, while in the Services segment the other finance income increased by USD 3.6 million because of higher unrealized foreign exchange gains on the EUR.

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	16,583	0	138,955
Revenue intra-segment	853	45	3,188	-4,086	0
Total revenue	67,162	56,108	19,771	-4,086	138,955
Gain on disposal	48	0	34	0	82
Other operating income	171	101	550	0	822
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	69,679
Depreciations and amortisations	-22,080	-9,279	-613	0	-31,972
Impairment losses	-660	-17,785	-66	0	-18,511
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

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 June 30 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 2021

RECONCILIATION CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND PROPORTIONATE CONSOLIDATION (SEGMENT REPORTING)	Proportionate consolidation	Difference	Equity Consolidation
Revenue	159,082	-51,205	107,877
Gain on disposal	86	-50	36
Other operating income	456	0	456
Vessel expenses	-39,344	18,901	-20,443
General and administrative expenses	-12,922	271	-12,651
Personnel expenses	-14,099	6	-14,093
Depreciations and amortisations	-30,257	15,454	-14,803
Impairment losses	-16,965	-3,200	-20,165
Loss on disposal	-100	0	-100
Other operating expenses	-50	0	-50
RESULT FROM OPERATING ACTIVITIES	45,886	-19,822	26,064
Interest income	589	143	732
Interest expenses	-12,886	5,811	-7,075
Other finance income	5,059	-66	4,993
Other finance expenses	-3,763	-168	-3,931
RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEES	34,884	-14,102	20,782
Share of result of equity accounted investees (net of income tax)	-1,006	14,088	13,082
Income tax expense	-1,175	13	-1,162
RESULT FOR THE PERIOD	32,703	0	32,703

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	138,955	-49,949	89,007
Gain on disposal	82	0	82
Other operating income	822	-19	802
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 and amortisations	-31,972	16,546	-15,426
Impairment losses	-18,511	660	-17,851
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

6. Operating income

(IN THOUSANDS OF USD)

REVENUE	6 months ended 30 June 2021	6 months ended 30 June 2020
Shipping segment	15,316	16,091
Infrastructure segment - ordinary activities	23,756	54,885
Infrastructure segment - termination fees	56,840	0
Services segment - ordinary activities	11,304	14,463
Services segment - cancellation fees	661	3,567
	107,877	89,007

The increase in revenue of the Infrastructure segment during the first half of 2021 compared to the same period in 2020 is primarily due to the combined effect of the termination fee income on the *FSRU S188*, partially offset by no income from the *TANGO FLNG* vessel in 2021 yet (due to the contract termination by YPF end June 2020).

At the end of April 2021, the *FSRU S188* charterer Gunvor early terminated the contract and paid a termination fee of USD 56.8 million.

The decrease in total revenue in the Services segment is mainly caused by lower management revenue and cancellation fees due to the termination of the ship management agreements with Excelerate Energy in 2020.

Revenue which falls within the scope of IFRS 16 *Leasing* represents 44% (full year 2020: 40%) of total revenue and is situated in the Shipping segment and the Infrastructure segment. Revenue which falls within the scope of IFRS 15 *Revenue from contracts with customers* represents 56% (full year 2020: 60%) of total revenue and is mainly situated in the Infrastructure and the Services segment. The percentages mentioned are calculated without termination and cancellation fees.

The Group's operations are not subject to seasonality.

7. General and administrative expenses

(IN THOUSANDS OF USD)

GENERAL AND ADMINISTRATIVE EXPENSES	6 months ended 30 June 2021	6 months ended 30 June 2020
Administrative expenses	-11,726	-13,105
Office expenses	-1,630	-1,244
Travel expenses	-747	-1,242
IT & Communication expenses	-1,077	-1,014
Fees	-3,283	-4,844
Other employee benefits	-4,661	-4,423
Insurance	-328	-337
Non-income based taxes	-629	-826
Other expenses	-296	-533
	-12,651	-14,463

8. Vessels

(IN THOUSANDS OF USD)

	Shipping	Infrastructure	Under construction - advance payments	Total
COST 2021				
BALANCE AS PER 1 JANUARY 2021	122,350	487,173	33,163	642,684
Changes during the period				
Acquisitions	1,006	27	64,506	65,539
Borrowing costs	0	0	720	720
Disposals	0	0	0	0
Transfers	81,615	0	-81,447	168
Conversion differences	0	0	0	0
BALANCE AS PER 30 JUNE 2021	204,972	487,199	16,941	709,111
DEPRECIATIONS AND IMPAIRMENT LOSSES 2021				
BALANCE AS PER 1 JANUARY 2021	29,723	51,539	0	81,261
Changes during the period				
Depreciations	5,722	7,912	0	13,634
Impairments	0	19,000	0	19,000
Disposals	0	0	0	0
Conversion differences	0	0	0	0
BALANCE AS PER 30 JUNE 2021	35,446	78,451	0	113,895
NET BOOK VALUE				
NET BOOK VALUE AS PER 30 JUNE 2021	169,526	408,749	16,941	595,216

The acquisitions mainly relate to the VLGC *FLANDERS INNOVATION*, which was put in operations at the end of June 2021 and thus transferred to the Shipping segment for USD 81.6 million.

The remaining amount under 'Advance payments' relates to the second VLGC under construction, the *FLANDERS PIONEER*, at Jiangnan Shipyard. The ownership of this vessel will only be transferred to EXMAR upon final delivery, expected at the end of the third quarter of 2021.

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 impairment. 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 employment termination of the *FSRU S188* charter agreement in April 2021 has triggered an impairment test at 30 June 2021. An impairment charge of USD 19.0 million was recorded based on the fair value less cost to sell as determined by two independent brokers, taking into account the wide variety of terms and parties under negotiations.

Management also updated the impairment testing of the *TANGO FLNG* (unemployed at 30 June 2021) and the fair value less cost to sell as well as the value in use exceed the carrying value. The sensitivity analysis to simulate changes in the WACC (+1%) and future hire income (-10%) shows sufficient headroom and management concluded that there is no need for impairment.

For the jointly-owned fleet, impairment triggers are evaluated in the same way as for the wholly-owned fleet. We refer to note 10 in this respect.

9. Right-of-use assets

(IN THOUSANDS OF USD)

	Property	Motor vehicles	IT equipment	Total
COST 2021				
BALANCE AS PER 1 JANUARY 2021	6,586	1	625	7,212
Changes during the period				
Acquisitions	0	0	0	0
Disposals	-71	0	0	-71
BALANCE AS PER 30 JUNE 2021	6,515	1	625	7,141
DEPRECIATIONS AND IMPAIRMENT LOSSES 2021				
BALANCE AS PER 1 JANUARY 2021	3,386	1	364	3,751
Changes during the period				
Depreciations	895	0	71	966
Disposals	-71	0	0	-71
BALANCE AS PER 30 JUNE 2021	4,209	1	435	4,646
NET BOOK VALUE				
NET BOOK VALUE AS PER 30 JUNE 2021	2,306	0	189	2,495

The Group has initially applied IFRS 16 from January 1, 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 13 in respect of right-of-use lease liabilities).

10. Investments in equity accounted investees

(IN THOUSANDS OF USD)

EQUITY ACCOUNTED INVESTEES	
BALANCE AS PER 1 JANUARY 2021	73,298
Changes during the period	
Share in the profit/(loss)	13,082
Entry in consolidation scope	0
Dividends	-102
Allocation of negative net assets (a)	1,540
Conversion differences	-174
Changes in other comprehensive income equity accounted investees	335
Other	-17
BALANCE AS PER 30 JUNE 2021	87,961

(a) 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 12.1 million has been netted in respect of negative net assets as per 30 June 2021.

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 30 June 2021, an amount of USD 504 million (USD 511 million per December 31, 2020) was outstanding under such loan agreements, of which EXMAR has guaranteed its share of USD 252 million (USD 255.5 million per December 31, 2020).

End 2019, the *TEMSE* vessel was classified as held for sale and a memorandum of agreement was signed end June 2021. Also for the *TOURAINE* and *BRUSSELS*, memoranda of agreement were signed and based on the agreed sales prices, a total of USD 3.2 million previously recorded impairment losses were reversed.

11. Borrowings to equity accounted investees

(IN THOUSANDS OF USD)

	Shipping	Infrastructure	Services	Total
BORROWINGS TO EQUITY ACCOUNTED INVESTEES				
BALANCE AS PER 1 JANUARY 2021	33,285	7,876	152	41,313
New loans and borrowings	0	1,090	0	1,090
Repayments	-10,007	-500	0	-10,507
Change in allocated negative net assets (a)	-1,826	330	-44	-1,540
Capitalised interests	0	0	0	0
BALANCE AS PER 30 JUNE 2021	21,452	8,796	109	30,357
MORE THAN 1 YEAR	21,452	7,796	109	29,357
LESS THAN 1 YEAR	0	1,000	0	1,000

(a) 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 12.1 million has been netted in respect of negative net assets as per 30 June 2021.

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 LP) and the borrowings granted to Electra Offshore Ltd. HK (owner of the accommodation barge *WARIBOKO*).

12. Restricted cash and cash and cash equivalents

(IN THOUSANDS OF USD)

	30 June 2021	31 December 2020
RESTRICTED CASH AND CASH AND CASH EQUIVALENTS		
RESTRICTED CASH	76,597	75,575
Bank	65,329	27,967
Cash in hand	31	47
Short-term deposits	181	180
CASH AND CASH EQUIVALENTS	65,541	28,195

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

13. Borrowings
(IN THOUSANDS OF USD)

BORROWINGS	Bank loans	Other loans	Lease liabilities ROU assets	Total
BALANCE AT 1 JANUARY 2021	214,304	123,642	3,673	341,619
New loans and borrowings (a)	72,000	0	0	72,000
Scheduled repayments (a)	-20,936	-22,800	-1,045	-44,781
Amortised transaction costs	1,021	344	0	1,365
Conversion differences	-55	-194	-103	-352
Movement accrued interest payable	-234	-35	0	-269
BALANCE AT 30 JUNE 2021	266,101	100,956	2,526	369,584
More than 1 year	230,566	27,600	1,242	259,409
Less than 1 year	35,534	73,356	1,284	110,175
Shipping	128,629	26,379	97	155,105
Infrastructure	137,469	74,578	1,788	213,834
Supporting services	3	0	642	645
BALANCE AT 30 JUNE 2021	266,101	100,956	2,526	369,584

CREDIT LINES	30 June 2021	31 December 2020
Total credit lines	21,391	22,088
Drawn credit lines	0	-3,681
Available credit lines	21,391	18,407

(a) 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.

Bank loans

The bank loans mainly relate to the the financing for the new VLGC, *FLANDERS INNOVATION* (USD 72.0 million), the LPG pressurized facilities (USD 50.7 million), the *TANGO FLNG* facility (USD 137.5 million) and an extended term loan for the financing of the aircraft held for sale.
As per 30 June 2021, EXMAR did not draw on its available revolving credit facility.

The VLGC *FLANDERS INNOVATION* was delivered at the end of June 2021 for which the Group has entered into a sale and lease back financing of USD 72.0 million. The financing started in June 2021 and matures in fifteen years. The weighted average interest rate implicit in the lease amounts to 5.62%. A similar sale and lease back agreement was agreed upon for the VLGC, *FLANDERS PIONEER*, which is expected to be delivered at the end of the third quarter of 2021.

Other loans

The other loans mainly relate to a NOK 650 million senior unsecured bond (USD 73.4 million) allocated to the Infrastructure segment, with maturity date in May 2022 and other loans related to the pressurized fleet of USD 26.4 million. During 2021, EXMAR has repuchased USD 2.8 million of the NOK bond.

During 2021, EXMAR repaid its pre-delivery financing for the two VLGC's under construction of USD 20.0 million to Maritime Asset Partners.

Other information

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.

Covenants

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.

	Pressurized facility	TANGO FLNG facility	Bond	Other (a)	Actual 30/06/2021 (b)	Actual 31/12/2020 (b)
APPLICABLE COVENANTS						
Minimum/Book equity ratio	≥ USD 300 million	≥ USD 300 million	≥ USD 300 million	≥ USD 300 million + 50% of net positive income	USD 557.6 million	USD 545.9 million
Minimum free cash	≥ USD 25 million	≥ USD 25 million	≥ USD 20 million	≥ USD 40 million	USD 94.6 million	USD 53.7 million
Equity ratio (Equity/Total Assets)	≥ 25%	≥ 25%	NA	NA (c)	47.86%	44.43%
Net Interest Bearing Debt or NIBD/equity	NA	NA	Maximum 2.5	NA	0.89	0.95
Interest Coverage ratio (EBITDA/Net Interest Expenses)	NA	min 2:1	min 2:1	NA	6.45	7.24
Working capital ratio	min positive	min positive	min positive	min positive	USD 165.9 million	USD 155.4 million
Net financial indebtedness/equity ratio	NA	NA	NA	<70%	47.47%	48.93%
Outstanding loan amount (In KUSD)	148,586	137,469	73,357	0		

(a) The other covenants relate per 30 June 2021 to the revolving credit facility (in 2020 also including the pre-delivery financing obtained from Maritime Asset Partners (see above)) and to loan amounts included in the proportionate consolidation but not in the equity consolidation and consequently the outstanding loan balance for this covenant is not included in the outstanding loan amount above. The outstanding loan amount for this covenant in our proportionate consolidation amounts to USD 13.0 million.
(b) The actual amounts presented are based on the most restrictive definitions.
(c) No longer applicable per 30 June 2021 as this covenant was related to the pre-delivery financing obtained from Maritime Asset Partners.

As of 30 June 2021 EXMAR was compliant with all covenants.

EXMAR is continuously monitoring compliance with all applicable covenants in order to meet all covenants per December 31, 2021.

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.

14. 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 2021				
Equity securities - measured at FVTPL	719	1,036		1,755
TOTAL FINANCIAL ASSETS CARRIED AT FAIR VALUE	719	1,036	0	1,755
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, 2020. Therefore, we refer to the Annual Report 2020, 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 2021 as no significant changes occurred that would impact the fair value determination. Therefore, we refer to the Annual Report 2020, disclosure note 29 'Financial risks and financial instruments'.

15. Capital commitments

(IN THOUSANDS OF USD)

As per 30 June 2021 the capital commitments are as follows:

	Subsidiaries	Equity accounted investees
CAPITAL COMMITMENTS		
Shipping segment	62,653	0
	62,653	0

EXMAR entered into shipbuilding contracts with Jiangnan Shipyard for two VLGC's with LPG as fuel in order to fulfil its long-term commitments towards Equinor ASA of Norway. One vessel (*FLANDERS INNOVATION*) was delivered end June 2021 and currently EXMAR still has a capital commitment of USD 62.7 million for the *FLANDERS PIONEER*, for which EXMAR made pre-delivery payments of USD 15.5 million in prior years (see also note 8 'Vessels'). The *FLANDERS PIONEER* is expected to be delivered at the end of the third quarter of 2021.

Per December 31, 2020 the capital commitments amounted to USD 125.3 million, excluding pre-delivery payments of USD 30.9 million.

The pre-delivery payments are covered by a Refund Guarantee.

16. 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.

	30 June 2021	December 31, 2020
OPERATING LEASES UNDER IFRS 16		
Less than one year	34,129	44,363
One to two years	23,430	44,135
Two to three years	21,036	44,135
Three to four years	21,036	44,135
Four to five years	21,036	44,135
More than five years	5,259	91,896
TOTAL	125,926	312,799

The 2020 information included the lease payments from the *FSRU S188*, which was terminated in April 2021.

Both years include the operating lease income from the two new VLGC's *FLANDERS INNOVATION* and *FLANDERS PIONEER* as from their expected charter start date.

17. 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:

Update liquidity position

During the first months of the year, EXMAR's liquidity position evolved positively amongst other because of the receipt of an early termination fee for the cancellation of the *FSRU S188* charter from Gunvor (USD 56.8 million) and the contractual monthly termination fee payments of YPF (USD 48.7 million).

The Group expects a further strengthening of its liquidity position in the next months thanks to:

- End of June 2021, one of the two new VLGCs, i.e. the *FLANDERS INNOVATION*, was put into operation and the *FLANDERS PIONEER* is expected to be delivered at the end of the third quarter of 2021. The lease financing for both vessels has been arranged and for both a minimum five-year charter with Equinor ASA (Norway) has been signed.
- YPF continues to pay the monthly termination instalments with a remaining receivable balance of USD 61.1 million to be received by April 2022. This receivable is secured by a financial security issued by an investment grade counterparty.
- The Group has signed memoranda of agreement for the sale of the *TEMSE*, *TOURAINE* and *BRUSSELS* vessels (all held by our equity accounted investees). Two of these vessels are debt free.
- EXMAR is currently actively pursuing various employment opportunities in the market for the *TANGO FLNG* and the *FSRU S188* and expects both barges to be under contract in the next twelve months.

The Company is of the opinion that, taking into account its available cash and cash equivalents, its undrawn credit facilities available on the date of preparing these condensed consolidated interim financial statements and its projected cash flow based on approved budgets, it has sufficient liquidity to meet its present obligations and cover its working capital needs for a period of at least twelve months from the authorization date of these interim financials.

Going concern

The condensed consolidated financial statements for the period ended 30 June 2021 have been prepared on a going concern basis. The main assumptions and uncertainties for EXMAR underpinning the going concern assessment relates to:

- The unsecured NOK 650 million bond, which will expire in May 2022 but management is currently assessing and discussing several potential scenarios to partially or fully refinance or repay the outstanding debt and is confident about a positive outcome.
- The covenant compliance after 2021 depending on when the *FSRU S188* and *TANGO FLNG* will start operating.

The uncertainty, mentioned in our 2020 annual report, related to the arbitration initiated by Gunvor has been resolved as a favourable outcome was received end of April 2021 (see below 'Contingencies').

Considering the elements 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 fulfil its obligations of at least twelve months from the date of authorising these interim financial statements.

Covenants

The Company has met all its financial covenants as at 30 June 2021 and the next testing date with respect to the financial position as at the end of December 2021 is in March 2022. EXMAR is continuously monitoring compliance with all applicable covenants and believes that based on forecasts for the remaining of the year, all covenants will be met as per December 2021. See also note 13 of this report.

Impairment

Management assessed the impairment indicators of its fleet at 30 June 2021 and specifically performed a detailed impairment analysis for the two barges that are currently unemployed, i.e. the *TANGO FLNG* and *FSRU S188*. Based on this analysis, management decided to record an impairment loss of USD 19.0 million for the *FSRU S188* (see note 8 for additional explanations).

For the *TANGO FLNG* and all other vessels, the fair value less cost to sell exceeded their respective carrying amount at 30 June 2021.

18. Contingencies

Compared to the risks ad uncertainties described in the annual consolidated financial statements for the year ended December 31, 2020 (note 32), the following occurred in 2021:

- As part of the ongoing arbitration commenced by the charterer Gunvor in relation to the *FSRU S188* barge, EXMAR received an interim award. The tribunal has issued a partial final award on two preliminary issues rejecting Gunvor's application for declaratory relief. A few days after this judgment, EXMAR received a notice of early termination from Gunvor, who paid a termination fee of USD 56.8 million.
- The tax dispute at EXMAR NV related to the tax treatment of remunerations paid and amounting to USD 2.0 million has been concluded in favor of EXMAR. As management expected this tax claim to be invalid, this has no impact on the profit or loss but EXMAR received a tax refund of approximately USD 1.1 million in July 2021.

19. Subsequent events

In August 2021 a memorandum of agreement for the sale of the *BRUSSELS* vessel, held by one of our equity accounted investees, was signed. As the sales price exceeds the carrying amount, a previously recorded impairment charge was reversed (see note 10).


NO SMOKING

Half year report Board of Directors

Significant events during first six months and commentary on condensed consolidated interim financial statements

Below commentary is based on the IFRS condensed consolidated interim financial statements (i.e. Joint-ventures accounted for under the equity method).

EXMAR Group achieved a consolidated result of USD 32.7 million for the first half-year of 2021 compared to USD 4.4 million for the comparable period in 2020.

Revenue amounted to USD 107.9 million and increased by 21% in comparison with the first half of 2020 (+USD 18.9 million), mainly as a consequence of the combined effect of the early termination fee income on the *FSRU S188* paid by Gunvor upon early termination of the *FSRU S188* charter in April 2021 (USD 56.8 million), partially offset by no revenue from the *TANGO FLNG* barge in 2021 yet (due to the early termination by YPF in 2020).

The employment termination of the *FSRU S188* charter agreement triggered an impairment test and at 30 June 2021 an **impairment loss** of USD 19.0 million was recorded to bring the carrying value of the *FSRU S188* barge to its fair value. In 2020, the Group recorded an impairment loss of USD 17.7 million for potential uncollectible receivables with YPF resulting from a dispute around the termination of the *TANGO FLNG* charter agreement, which was reversed by year-end 2020.

Although the **net finance result** for the first half year of 2021 of USD -5.3 million is comparable with 2020, the interest expenses decreased by USD 2.6 million due to lower outstanding loan balances and decreased reference rates (LIBOR and NIBOR), but this was offset by lower unrealized exchange gains (mainly on the NOK bond).

The **share of result of equity accounted investees** amounted to USD 13.1 million per 30 June 2021 (USD 7.0 million per 30 June 2020). This increase of USD 6.1 million is the consequence of USD 3.2 million impairment reversals on vessels (based on signed sales memoranda of agreement), increased time charter rates for the midsize fleet and lower depreciation charges resulting from the impairment recorded on several older vessels in 2020.

The **vessels** amounted to USD 595.2 million and comprise the LPG pressurized fleet, the *TANGO FLNG*, the *FSRU S188*, the new VLGC *FLANDERS INNOVATION* and an advance payment for the second VLGC under construction. Vessels increased by USD 33.8 million compared to year-end 2020 as a result of the acquisition of the new VLGC, *FLANDERS INNOVATION*, for an additional USD 64.5 million in 2021 and put in use at the end of June, partially offset by a USD 19.0 million impairment loss on the *FSRU S188* and USD 13.6 million depreciation expenses.

The **investments in equity accounted investees** amounted to USD 88.0 million per 30 June 2021 (USD 73.3 million per December 31, 2020) 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 (see above).

Borrowings to equity accounted investees amounted to USD 29.4 million per 30 June 2021 (USD 29.8 million per December 31, 2020) and comprise the shareholder loans granted to our equity accounted investees.

The **non-current asset held for sale** amounted to USD 10.0 million and relate to an aircraft that EXMAR intends to sell.

Trade and other receivables amounted to USD 96.6 million per 30 June 2021 and decreased by USD 47.0 million compared to December 31, 2020, primarily as a result of USD 48.7 million receipt of the YPF settlement fee (in accordance with the agreed payment schedule).

The **cash** position at 30 June 2021 amounted to USD 142.1 million, an increase of USD 38.4 million versus year-end 2020 (USD 103.8 million). The restricted cash relates to credit facilities with Bank of China for the *TANGO FLNG* and amounted to USD 76.6 million per 30 June 2021 (USD 75.6 million per December 31, 2020).

On 30 June 2021, total **equity** amounted to USD 557.7 million and increased by USD 11.8 million compared to year-end 2020 (USD 545.9 million) thanks to the profit of the period of USD 32.7 million, partially offset by the paid dividend of USD 20.8 million.

The **borrowings** amounted to USD 369.6 million on 30 June 2021 and increased by USD 28.0 million compared to December 31, 2020, mainly due to the new lease financing for the VLGC, *FLANDERS INNOVATION* (USD 72.0 million), partially offset by USD 44.8 million contractual repayments of different loans.

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, 2020.

The continued COVID-19 pandemic during 2021 had no further impact on the financial performance of the Group, except for those described in the 2020 annual report.

Related parties

Controlling shareholder

Saverex NV, the major Belgian shareholder of EXMAR NV prepares IFRS consolidated financial statements which are publicly available. 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 361 to the Group for the first six months of 2021 (same period 2020: KEUR 114) for general administration and consultancy services provided. The outstanding amount in respect of these services amounts to KEUR 95 (2020: KEUR 20). Since March 2021, EXMAR entered into a consultancy agreement with Saverex NV for which a monthly fee of KEUR 75 is charged to EXMAR.

EXMAR Shipmanagement charged KEUR 15 to Saverex for shipmanagement services in respect of the yacht "Douce France" for the first six months of 2021 (2020: KEUR 10), for which KEUR 0.8 is outstanding (2020: KEUR 2).

Travel PLUS invoiced KEUR 13 to Saverex in respect of travel services provided for the first six months of 2021 (2020: KEUR 28). There are no outstanding amounts at 30 June 2021 (2020: KEUR 14).

During the first six months of 2021, an amount of KEUR 23 (2020: KEUR 60) was invoiced to Mr Nicolas Saverys as a recharge of private expenses.

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, 2020. There were no significant changes in these related party transactions.

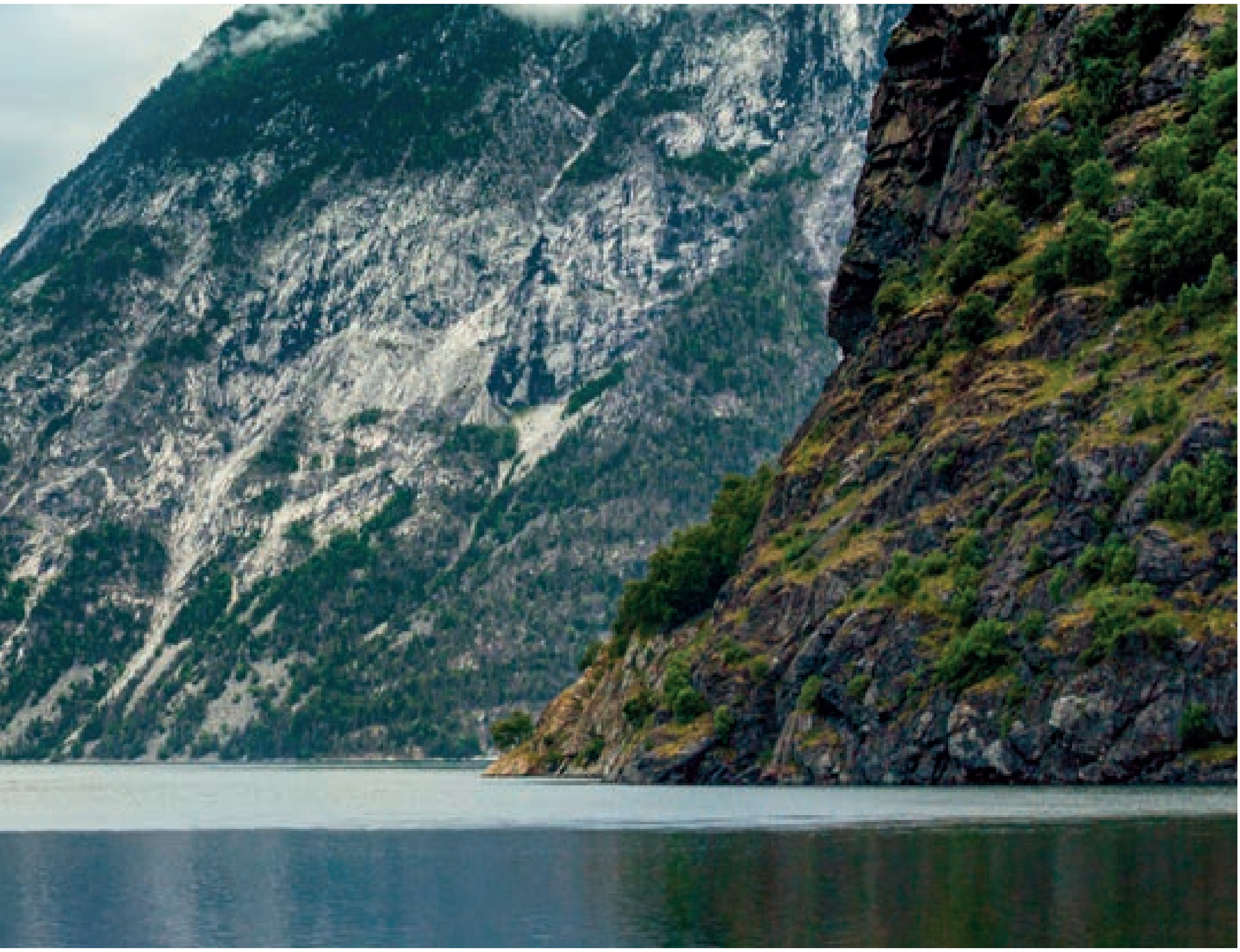
Statement true and fair view

The Board of Directors, represented by Nicolas Saverys and Carl-Antoine Saverys, and the executive committee, represented by Francis Mottrie, CEO (representing FMO BV) and Christine Verhaert, CFO (representing Finmore BV), hereby certifies, on behalf and for the account of the company, that, to their knowledge,

- the condensed consolidated interim financial information as of 30 June 2021 and for the six months then ended, 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.

Information in respect of external control

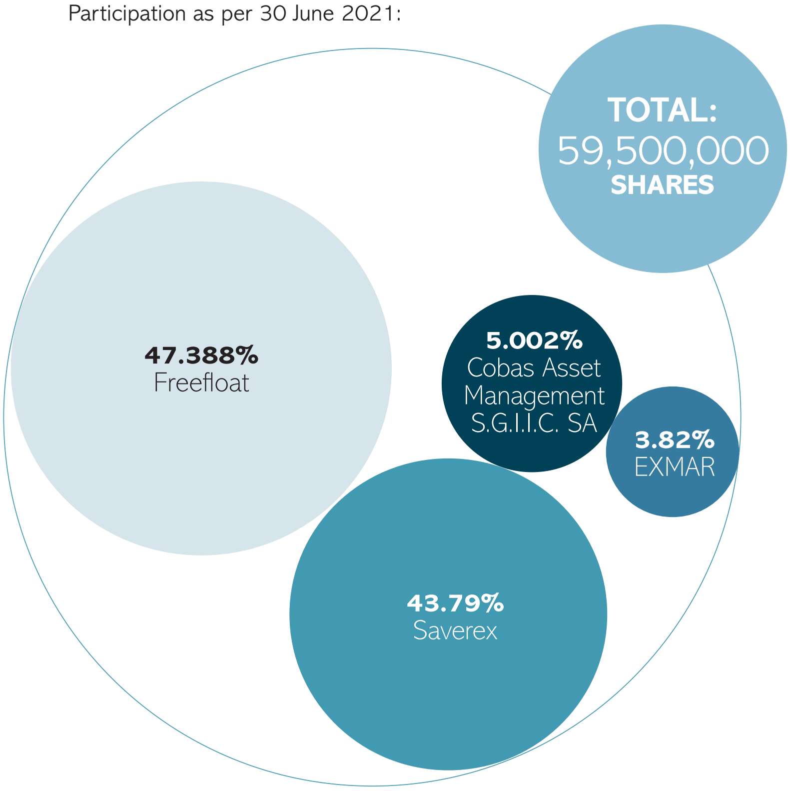
The condensed consolidated interim financial information as of and for the six-months period ended 30 June 2021 has not been subject to an audit or a review by our statutory auditor.



#03 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 2021:



Financial calendar

Results 3rd quarter 2021
28 October 2021

Results 4th quarter 2021
18 March 2021

Annual report 2021
14 April 2021

Annual shareholders meeting
17 May 2022

Results 1st semester 2022
8 September 2022

Colophon

Board of Directors

Nicolas Saverys – Executive Chairman	18 May 2021 – 21 May 2024
FMO BV represented by Francis Mottrie – CEO	14 April 2020 – 17 May 2022
JALCOS NV represented by Ludwig Criel	19 May 2020 – 1 July 2021
Wouter De Geest	29 January 2020 – 17 May 2022
Michel Delbaere	21 May 2019 – 17 May 2022
Stephanie Saverys	18 May 2021 – 21 May 2024
Barbara Saverys	18 May 2021 – 27 July 2021
Carl-Antoine Saverys	18 May 2021 – 21 May 2024
Baron Philippe Vlerick	19 May 2020 – 16 May 2023
Isabelle Vleurinck	21 May 2019 – 17 May 2022
ACACIA I BV represented by Els Verbraecken	Co-optation per 9 September 2021
Maryam Ayati	Co-optation per 9 September 2021

Executive Committee

FMO BV represented by Francis Mottrie – Chief Executive Officer
Finmore BV represented by Christine Verhaert – Chief Financial Officer
FLX Consultancy BV represented by Jonathan Raes – Executive Director Infrastructure
Lisann AS represented by Jens Ismar – Executive Director Shipping

Auditor

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

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

EXMAR NV

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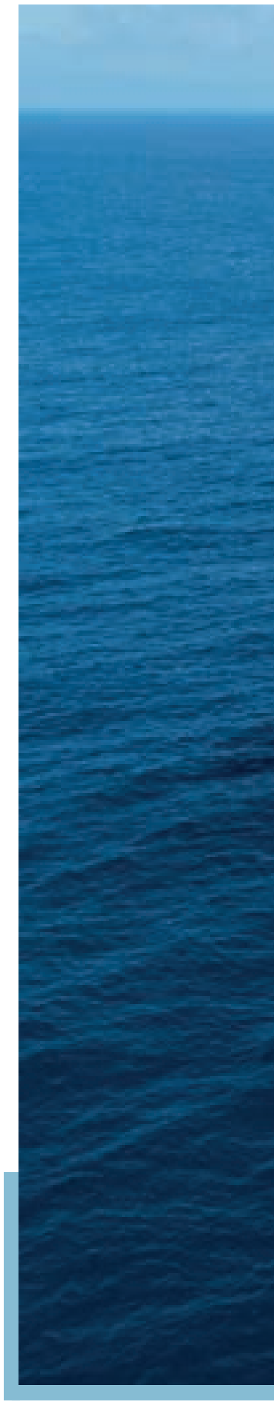
> Contact

- 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 Finmore BV represented by Christine Verhaert (CFO) or Mathieu Verly (secretary).
- In case you wish to receive our printed half year report please mail: annualreport@exmar.be



EXMAR