



## **Exmar NV/SA**

Statutory auditor's report to the shareholders' meeting for the year ended  
31 December 2017

The original text of this report is in Dutch

## Statutory auditor's report to the shareholders' meeting of Exmar NV for the year ended 31 December 2017

### (Annual accounts)

In the context of the statutory audit of the annual accounts of Exmar NV (the "company"), we hereby submit our statutory audit report. This report includes our report on the annual accounts together with our report on other legal, regulatory and professional requirements. These reports are one and indivisible.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 16 May 2017, in accordance with the proposal of the board of directors issued upon recommendation of the audit committee. Our mandate will expire on the date of the shareholders' meeting deliberating on the annual accounts for the year ending 31 December 2019. We have audited the annual accounts of Exmar NV for the first time during the financial year referred to in this report.

### Report on the audit of the financial statements

#### Unqualified opinion

We have audited the annual accounts of the company, which comprises the balance sheet as at 31 December 2017 and the income statement for the year then ended, as well as the explanatory notes. The annual accounts show total assets of 762 676 (000) USD and the income statement shows a profit for the year ended of 111 056 (000) USD.

In our opinion, the annual accounts give a true and fair view of the company's net equity and financial position as of 31 December 2017 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

#### Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the annual accounts" section of our report. We have complied with all ethical requirements relevant to the statutory audit of the annual accounts in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matters	How our audit addressed the key audit matters
<b>Going Concern</b>	
<ul style="list-style-type: none"><li>• The directors of the company and its subsidiaries, (together the "Group") are required to make a rigorous assessment of whether the Group will remain a going concern for a period of at least twelve months from the date of approval of the financial statements and assess whether there are any material uncertainties in relation to the going concern basis of preparation.</li><li>• The Group's liquidity and headroom on its financial covenants are closely linked to changes in spot and charter rates, occupation of the vessels and ongoing investment and divestment programs.</li><li>• Significant management judgement and estimate is required to forecast future cash flows and conclude on whether the Group will have sufficient liquidity and will be able to comply with its financial covenants for the period of at least 12 months from the date of authorizing the financial statements.</li><li>• We refer to the financial statements, including note C 6.19 about the going concern assumption</li></ul>	<ul style="list-style-type: none"><li>• We have assessed the design and implementation of controls related to the assessment of going concern.</li><li>• We challenged the appropriateness and consistency of the assumptions used in the going concern model, in particular the spot and charter rates, the occupation ratio of vessels which are not employed under a time charter, the cash flows from investing and divesting transactions. In challenging these assumptions we took into account actual results, negotiated contract terms, external data, independent market reports and market conditions.</li><li>• We have tested the arithmetic integrity of the calculations including those related to management's sensitivities. We also performed our own sensitivity calculations to test the adequacy of the available headroom and we considered the mitigating actions available to management under these scenarios.</li><li>• We have tested the quality of management forecasting by comparing EBITDA forecasts for prior periods to actual outcomes</li><li>• We have discussed and reviewed the financial covenants and recomputed the available headroom.</li><li>• We evaluated the adequacy of the Group's disclosures regarding the going concern assumption.</li></ul>

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**Other matters**

The annual accounts for the previous financial year were audited by another statutory auditor who has issued an unqualified opinion with an emphasis of matters paragraph.

**Responsibilities of the board of directors for the annual accounts**

The board of directors is responsible for the preparation and fair presentation of the annual accounts in accordance with the financial reporting framework applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of the annual accounts that are free from material misstatement, whether due to fraud or error.



In preparing the annual accounts, the board of directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### **Responsibilities of the statutory auditor for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes any public disclosure about the matter.

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### Report on other legal, regulatory and professional requirements

#### Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the annual accounts, for maintaining the company's accounting records in compliance with the legal and regulatory requirements applicable in Belgium, as well as for the company's compliance with the Companies Code and the company's articles of association.

#### Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary (Revised in 2018) to the International Standards on Auditing (ISA), our responsibility is to verify, in all material respects, the director's report on the annual accounts and compliance with certain obligations referred to in the Companies Code and the articles of association, as well as to report on these matters.

#### Aspects regarding the directors' report

In our opinion, after performing the specific procedures on the directors' report on the annual accounts, the directors' report on the annual accounts is consistent with the annual accounts for the same year and it has been established in accordance with the requirements of article 95 and 96 of the Companies Code.

In the context of our statutory audit of the annual accounts we are also responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the annual accounts is free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement. We do not express any kind of assurance on the directors' report.

The non-financial information as required by article 96, § 4 of the Companies Code, has been disclosed in the directors' report. This non-financial information has been established by the company in accordance with the internationally recognized framework. We do however not express any opinion on the question whether this non-financial information has been established, in all material respects, in accordance with this internationally recognized framework. Furthermore, we do not express any form of assurance conclusion on individual elements that have been disclosed in this non-financial information.

### Statement on the social balance sheet

The social balance sheet, to be filed at the National Bank of Belgium in accordance with article 100, § 1, 6°/2 of the Companies Code, includes, both in form and in substance, all of the information required by the Companies Code and is free from any material inconsistencies with the information available to us in the context of our mandate.

### Statements regarding independence


- Our audit firm and our network have not performed any prohibited services and our audit firms has remained independent from the company during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit of the annual accounts, as defined in article 134 of the Companies Code, have been properly disclosed and disaggregated in the notes to the annual accounts.

### Other statements

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with the relevant legal and regulatory requirements.
- We do not have to report any transactions undertaken or decisions taken which may be in violation of the company's articles of association or the Companies Code.
- We draw your attention to the annual report in which the board of directors, in accordance with article 523 of the Companies Code, reports a conflict of interest transaction with regard to the remuneration of two directors. The impact of the decision has not been published.
- This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) N° 537/2014.

Zaventem, 13 April 2018

**The statutory auditor**



**DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises**

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Gert Vanhees

**Deloitte.**

Deloitte Bedrijfsrevisoren / Réviseurs d'Entreprises  
Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid /  
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