



# EXMAR 2016



# TABLE OF CONTENTS

02



03



04



05





01

## PANORAMA 2016

|                                       |    |
|---------------------------------------|----|
| Word from Chairman and CEO            | 7  |
| Financial summary                     | 8  |
| Innovators of the energy supply chain | 11 |
| EXMAR in the world                    | 12 |

## ACTIVITY REPORT

|                        |    |
|------------------------|----|
| ▶ LPG/AMMONIA/PETCHEMS | 18 |
| ▶ LNG                  | 24 |
| ▶ Offshore             | 30 |
| ▶ Supporting Services  | 36 |

## CARE FOR TODAY, RESPECT FOR TOMMOROW

|                                  |    |
|----------------------------------|----|
| Environment                      | 42 |
| People - our most valuable asset | 46 |
| EXMAR in the Community           | 49 |

## FINANCIAL REPORT

|                                   |     |
|-----------------------------------|-----|
| Corporate Governance Statement    | 53  |
| Annual Report                     | 66  |
| Consolidated financial statements | 73  |
| Statutory financial statements    | 133 |

## COLOPHON, GLOSSARY

|          |     |
|----------|-----|
| Colophon | 136 |
| Glossary | 137 |



01

# PANORAMA 2016









Nicolas Saverys  
CEO, EXMAR



Philippe Bodson  
CHAIRMAN, EXMAR

## WORD FROM CHAIRMAN AND CEO

2016 has been a very challenging year for both shipping and energy markets. EXMAR has however managed to stay on course given our policy over the last decade of contracting long-term agreements with strong partners. This has proven to be the right strategy.

Hence the worst crisis in shipping has only merely affected our results. Yet we have our challenges ahead. The delay in the construction of our FLNG has led to the loss of our contract with PRE which in retrospect could be seen as a positive outcome. The tumbling energy prices resulted in PRE filing for bankruptcy protection. In the meantime we are taking delivery of one of the most competitively priced liquefaction units ever built.

At EXMAR we constantly track flows of the global energy mix. This helps us achieve our aim of unlocking value for our customers in the LNG and LPG supply chains. In the last decade we have proven to be a leading innovator and this has resulted in EXMAR becoming the largest FSRU operator worldwide. We shall continually strive for achieving excellence in storing, transporting and transforming gas in a safe and environmentally-sustainable manner.

The concept of LNG as a fuel has been gaining some momentum. The full benefits of this momentum still need to be seen. The equipment

costs and operational skills required for using LNG as a fuel remains a challenge. The competitive landscape between LNG as a fuel and renewables remains skewed in favour of renewables due to government-assisted subsidies, particularly in Europe.

On the offshore drilling and production side, continued low oil and gas prices have pushed out new field developments in deepwater. However, EXMAR's proprietary OPTI® series of floating production facilities have proven that even at today's low barrel price, our OPTI® customers are producing at profitable margins, making future projects viable and profitable in the current environment.

We thank all our colleagues worldwide - on shore and at sea - for their dedication and hard work. They are the permanent ambassadors of EXMAR, who strive to bring innovative solutions for the transportation and the transformation of gas as a safe, economical and sustainable source of energy.

# FINANCIAL SUMMARY

## CONSOLIDATED KEY FIGURES

|   | International Financial Reporting Standards (IFRS 11)<br>(Note 1) |                         | Management reporting based on proportionate consolidation<br>(Note 2) |                         |
|---|---|-------------------------|---|-------------------------|
|   | Total per<br>31/12/2016   | Total per<br>31/12/2015 | Total per<br>31/12/2016   | Total per<br>31/12/2015 |
| <b>CONSOLIDATED INCOME STATEMENT (IN MILLION USD)</b> |   |                         |   |                         |
| Turnover  | 96.0  | 112.2                   | 278.5   | 315.3                   |
| EBITDA  | 7.8   | -23.8                   | 116.5   | 99.5                    |
| Depreciations and impairment losses                   | -6.8  | -5.2                    | -46.1   | -59.3                   |
| Operating result (EBIT)                               | 1.0   | -29.0                   | 70.4  | 40.2                    |
| Net financial result                                  | -0.3  | 8.9                     | -35.8   | -24.6                   |
| Share in the result of equity accounted investees     | 34.6  | 35.2                    | 0.7   | -0.3                    |
| Result before tax                                     | 35.3  | 15.1                    | 35.3  | 15.3                    |
| Tax   | 0.5   | -3.9                    | 0.5   | -4.1                    |
| Consolidated result after tax                         | 35.8  | 11.2                    | 35.8  | 11.2                    |
| of which group share                                  | 35.8  | 11.2                    | 35.8  | 11.2                    |
| <b>INFORMATION PER SHARE (IN USD PER SHARE)</b>       |   |                         |   |                         |
| Weighted average number of shares of the period       | 56,751,292  | 56,770,261              | 56,751,292  | 56,770,261              |
| EBITDA  | 0.14  | -0.42                   | 2.05  | 1.75                    |
| EBIT (operating result)                               | 0.02  | -0.51                   | 1.24  | 0.71                    |
| Consolidated result after tax                         | 0.63  | 0.20                    | 0.63  | 0.20                    |
| <b>INFORMATION PER SHARE (IN EUR PER SHARE)</b>       |   |                         |   |                         |
| Exchange rate   | 1,1061  | 1,1150                  | 1,1061  | 1,1150                  |
| EBITDA  | 0.12  | -0.38                   | 1.86  | 1.57                    |
| EBIT (operating result)                               | 0.02  | -0.46                   | 1.12  | 0.64                    |
| Consolidated result after tax                         | 0.57  | 0.18                    | 0.57  | 0.18                    |

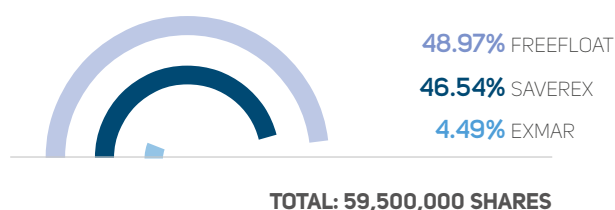
Note 1: The figures in these columns have been prepared in accordance with IFRS as adopted by the EU.

Note 2: The figures in these columns show joint ventures applying the proportionate consolidation method instead of applying the equity method. The amounts in these columns correspond with the amounts in the 'Total' column of Note 2 Segment Reporting in the Financial Report as per 31 December 2016. A reconciliation between the amounts applying the proportionate method and the equity method is shown in Note 3 Reconciliation Segment Reporting in the Financial Report as per 31 December 2016.

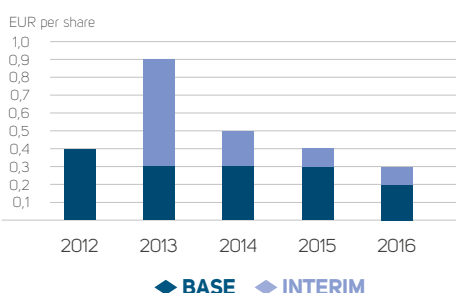
## SHARE INFORMATION

The EXMAR share is listed on Euronext Brussels and is a part of the BEL Mid Index (EXM) since 23 June 2003. Reference shareholder is SAVEREX NV.

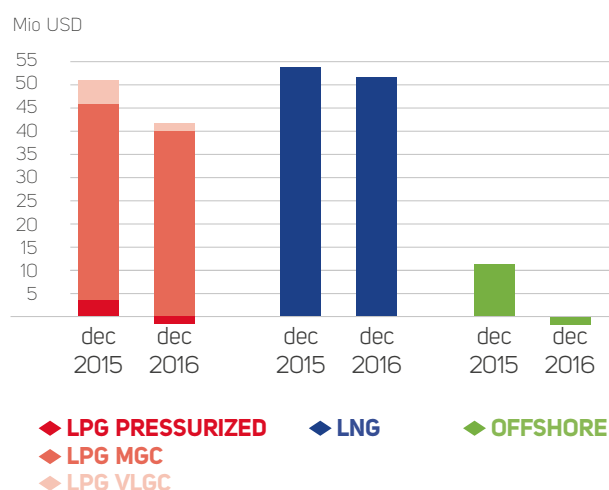
### PARTICIPATION AS PER 31 DECEMBER 2016



### DIVIDEND PER SHARE

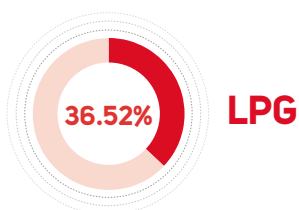


## REBITDA\* PER SEGMENT



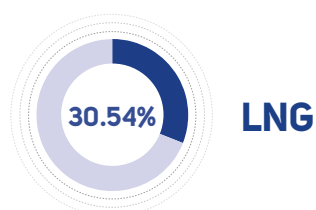


## KEY FINANCIAL AND COMMERCIAL HIGHLIGHTS 2016



|   | 31/12/2016 | 31/12/2015 |
|---|------------|------------|
| <b>PROPORTIONATE CONSOLIDATION<br/>(IN MILLION USD)</b> |            |            |
| Turnover  | 109.4      | 124.5      |
| EBITDA  | 56.0       | 51.3       |
| REBITDA (*)   | 41.7       | 51.4       |
| Operating result (EBIT)                                 | 34.2       | 17.8       |
| Consolidated result after tax                           | 19.8       | 9.4        |
| of which group share                                    | 19.8       | 9.4        |
| Vessels (including vessels under construction)          | 403.4      | 309.0      |
| Financial debts   | 275.4      | 210.4      |

EXMAR occupies a niche position in seaborne LPG/Ammonia/Petchems transportation, with a balanced portfolio between time charters and spot charters with blue-chip customers. With first class in-house technical management and crewing, EXMAR owns and operates one of the most modern, competitive, energy-efficient LPG carrier fleets in the industry.



|   | 31/12/2016 | 31/12/2015 |
|---|------------|------------|
| <b>PROPORTIONATE CONSOLIDATION<br/>(IN MILLION USD)</b> |            |            |
| Turnover  | 91.5       | 88.7       |
| EBITDA  | 59.4       | 39.4       |
| REBITDA (*)   | 50.4       | 53.1       |
| Operating result (EBIT)                                 | 41.0       | 20.9       |
| Consolidated result after tax                           | 16.4       | 5.9        |
| of which group share                                    | 16.4       | 5.9        |
| Vessels (including vessels under construction)          | 578.9      | 585.4      |
| Financial debts   | 373.4      | 391.4      |

EXMAR is active in LNG shipping, regasification and liquefaction, with its carriers and Floating Storage and Regasification units mainly committed to long-term time charters with limited OPEX exposure. A Floating Liquefaction Barge to transform Natural Gas to LNG for export purposes and an FSRU barge built to regasify LNG for import and delivery into onshore energy grids will be added to the fleet portfolio in 2017.



|   | 31/12/2016 | 31/12/2015 |
|---|------------|------------|
| <b>PROPORTIONATE CONSOLIDATION<br/>(IN MILLION USD)</b> |            |            |
| Turnover  | 52.4       | 74.5       |
| EBITDA  | -0.8       | 8.6        |
| REBITDA (*)   | -1.7       | 10.3       |
| Operating result (EBIT)                                 | -3.6       | 4.4        |
| Consolidated result after tax                           | -1.5       | 1.0        |
| of which group share                                    | -1.5       | 1.0        |
| Vessels (including vessels under construction)          | 12.5       | 31.3       |
| Financial debts   | 5.0        | 7.0        |

EXMAR Offshore designs, engineers and builds innovative solutions in the field of offshore oil and gas production, specializing in the ownership of floating assets. Its proven OPTI® Floating Production System design has led to industry-leading breakeven price per barrel levels. It also owns and operates a variety of offshore assets, including offshore accommodation barges.



|   | 31/12/2016 | 31/12/2015 |
|---|------------|------------|
| <b>PROPORTIONATE CONSOLIDATION<br/>(IN MILLION USD)</b> |            |            |
| Turnover  | 46.3       | 49.2       |
| EBITDA  | 1.9        | 0.1        |
| REBITDA (*)   | 1.1        | 0.1        |
| Operating result (EBIT)                                 | -1.2       | -3         |
| Consolidated result after tax                           | 1.1        | -5.1       |
| of which group share                                    | 1.1        | -5.1       |
| Vessels (including vessels under construction)          | 0.0        | 0.0        |
| Financial debts   | 126.3      | 119.6      |

In addition to its core business activities, EXMAR has business interests in a variety of companies in the field of crewing and maintenance, insurance, specialized travel, offshore consultancy and supplies to the marine and offshore industry.

(\*) REBITDA: recurring earnings before interests, taxes depreciation and amortization. Following items are excluded from EBITDA: goodwill pressurized fleet transaction (LPG: USD 14.3 million), termination fee PEP (LNG: USD 9 million), surplus value WARIBOKO (Offshore: USD 0.9 million) and revaluation existing participation CMC Belgiba to fair value (Services: USD 0.8 million).

### KEY RATIOS IN MU\$D

(based on proportionate consolidation method)

### MARKET CAP

461.7

### TOTAL ASSETS

1,325.9

### NET DEBT

559.1

### EQUITY RATIO

32.63%

### EBITDA (2016)

116.5



EXMAR





# EXMAR

## INNOVATORS OF THE ENERGY SUPPLY CHAIN

### MISSION STATEMENT

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

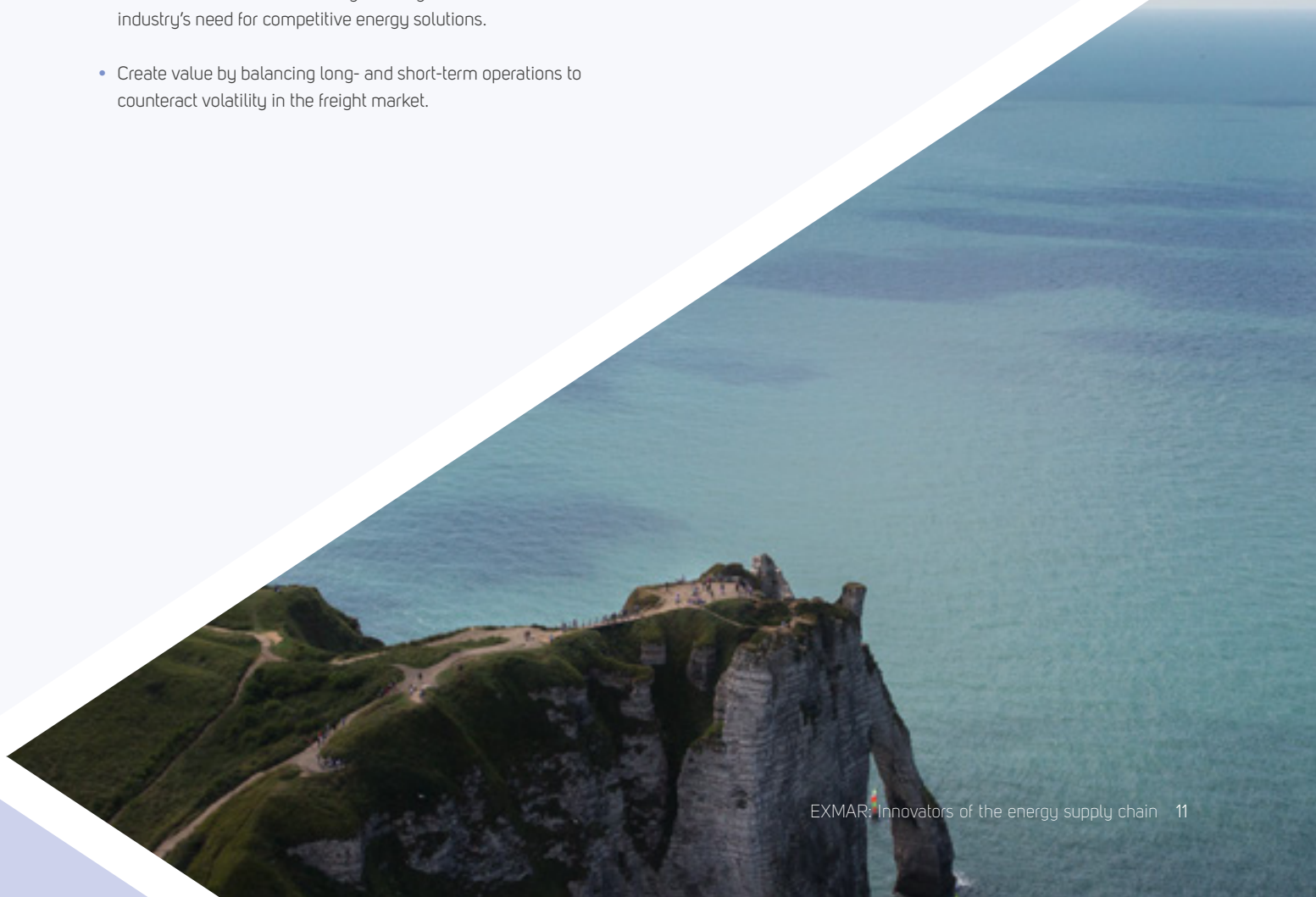
EXMAR creates economically viable and sustainable energy value chains in long-term alliances with first class business partners.

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

### STRATEGY

- Provider of industrial marine and energy logistics solutions for transport, regasification and liquefaction within the oil and gas industry.
- Transitioning from pure shipping to a provider of a full value chain of infrastructure and integrated logistics to address the industry's need for competitive energy solutions.
- Create value by balancing long- and short-term operations to counteract volatility in the freight market.

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



# EXMAR IN THE WORLD

## EXMAR CREW AT SEA

### EXMAR LPG SEAFARERS

Belgian, Bulgarian, Ukrainian, Latvian, Croatian, Indian, Dutch, Filipino, Polish, Russian, Jamaican, Trinidadian, German

### EXMAR LNG SEAFARERS

American, Argentinian, Belgian, Canadian, Croatian, Dutch, Filipino, Indian, Italian, Jamaican, Moroccan, Polish, Senegalese, Tunisian, Ukrainian

### OFFSHORE EXPATRIATES & CREW

Belgian, Bulgarian, Croatian, Columbian, Dutch, French, Indian, Italian, Jamaican, Latvian, Lebanese, Polish, Romanian, Spanish, Ukranian



Houston

USA



990

572

66

## EXMAR OWNED FLEET LIST

### LNG

4



**FSRU**  
(ship-based)

2



**LNG Carrier**

1



**FSRU**  
(barge-based)

1



**FLNG**  
(barge-based)

### LPG

20



**Midsize LPG Carrier**

10



**Fully Pressurized LPG Carrier**

1



**VLGC**

1



**Semi-ref.**

### OFFSHORE

3



**Acc. barge**

FSRU: Floating Storage and Regasification Unit  
FLNG: Floating Liquefaction Unit  
VLGC: Very Large Gas Carrier

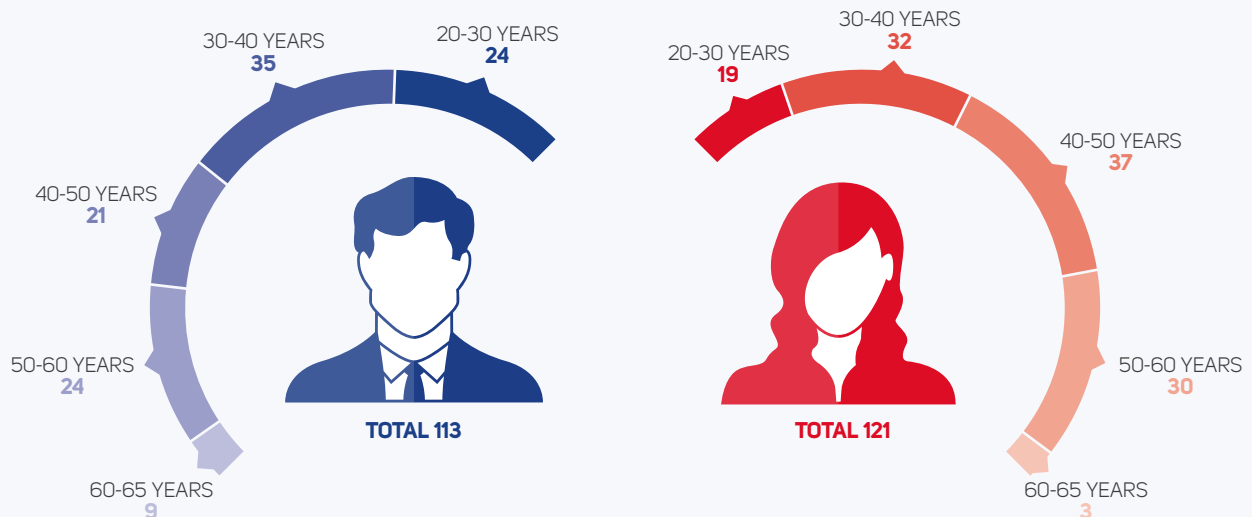
Semi-ref: Semi-refrigerated LPG carrier  
Acc. Barge: Accommodation barge

Note: List includes fully-owned vessels, vessels in joint venture and vessels chartered in as of 30 March 2017



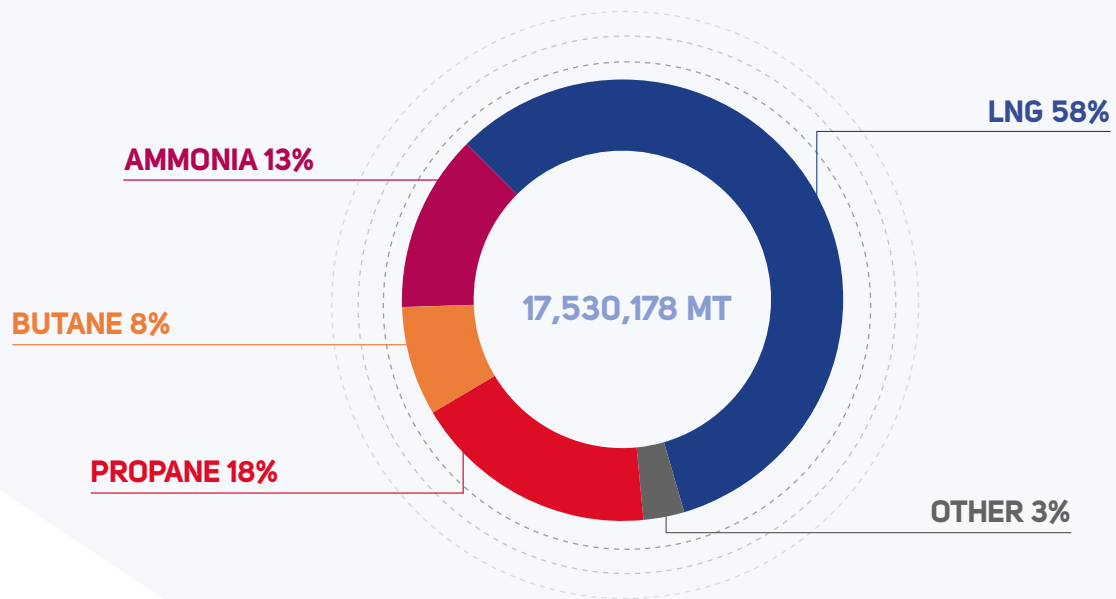


## EXMAR HEADQUARTERS PERSONNEL BY GENDER AND AGE



# EXMAR IN THE WORLD

EXMAR TOTAL CARGO TRANSPORTED IN 2016



## EXMAR OWNED FLEET (AS OF 30 MARCH 2017)

|                    | Capacity (m³)  | Year Built | Status    |
|--------------------|----------------|------------|-----------|
| <b>LPG MIDSIZE</b> |                |            |           |
| TOURAINÉ           | 39,270         | 1996       | j.v.      |
| EUPEN              | 38,961         | 1996       | j.v.      |
| LIBRAMONT          | 38,455         | 2006       | j.v.      |
| SOMBEKE            | 38,447         | 2006       | j.v.      |
| WAASMUNSTER        | 38,245         | 2014       | j.v.      |
| WARISOULX          | 38,227         | 2015       | j.v.      |
| WARINSART          | 38,213         | 2014       | j.v.      |
| WAREGEM            | 38,189         | 2014       | j.v.      |
| KAPRIJKE           | 38,405         | 2015       | j.v.      |
| KNOKKE             | 38,405         | 2016       | j.v.      |
| KONTICH            | 38,405         | 2016       | j.v.      |
| KORTRIJK           | 38,405         | 2016       | j.v.      |
| KALLO              | 38,405         | 2017       | j.v.      |
| BRUSSELS           | 35,454         | 1997       | j.v.      |
| BASTOGNE           | 35,229         | 2002       | j.v.      |
| ANTWERPEN          | 35,223         | 2005       | t.c./j.v. |
| COURCHEVILLE       | 28,006         | 1989       | j.v.      |
| <b>TOTAL</b>       | <b>633,944</b> |            |           |

|                        |               |      |       |
|------------------------|---------------|------|-------|
| <b>LPG PRESSURIZED</b> |               |      |       |
| SABRINA                | 5,019         | 2009 | owned |
| HELANE                 | 5,018         | 2009 | owned |
| FATIME                 | 5,018         | 2010 | owned |
| ELISABETH              | 3,542         | 2009 | owned |
| MAGDALENA              | 3,541         | 2008 | owned |
| ANNE                   | 3,541         | 2010 | owned |
| ANGELA                 | 3,540         | 2010 | owned |
| JOAN                   | 3,540         | 2009 | owned |
| MARIANNE               | 3,539         | 2009 | owned |
| DEBBIE                 | 3,518         | 2009 | owned |
| <b>TOTAL</b>           | <b>39,816</b> |      |       |

|                              | Capacity (m³)  | Year Built    | Status |
|------------------------------|----------------|---------------|--------|
| <b>LPG MIDSIZE NEWBUILDS</b> |                |               |        |
| HANJIN P127                  | 38,405         | july 2017     | j.v.   |
| HANJIN P135                  | 38,405         | october 2017  | j.v.   |
| HANJIN P136                  | 38,405         | february 2018 | j.v.   |
| <b>TOTAL</b>                 | <b>115,215</b> |               |        |

|                              |               |      |             |
|------------------------------|---------------|------|-------------|
| <b>LPG SEMI-REFRIGERATED</b> |               |      |             |
| TEMSE                        | 12,030        | 1995 | bareboat-in |
| <b>TOTAL</b>                 | <b>12,030</b> |      |             |

|                 |               |      |           |
|-----------------|---------------|------|-----------|
| <b>LPG VLGC</b> |               |      |           |
| BW TOKYO        | 83,270        | 2009 | t.c./j.v. |
| <b>TOTAL</b>    | <b>83,270</b> |      |           |

|                    | Type     | Capacity (m³)  | Production Capacity | Year Built | Status |
|--------------------|----------|----------------|---------------------|------------|--------|
| <b>LNG CARRIER</b> |          |                |                     |            |        |
| EXCEL              | Ing      | 138,107        | n.a.                | 2003       | j.v.   |
| EXCALIBUR          | Ing      | 138,034        | n.a.                | 2002       | j.v.   |
| <b>TOTAL</b>       | <b>2</b> | <b>276,141</b> |                     |            |        |

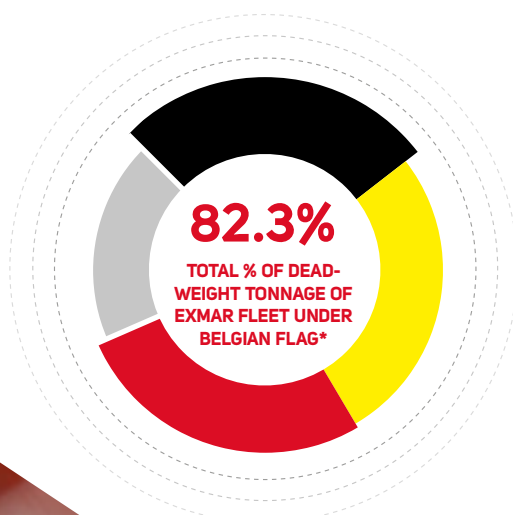
|                 |          |                |             |      |       |
|-----------------|----------|----------------|-------------|------|-------|
| <b>LNG FSRU</b> |          |                |             |      |       |
| EXPRESS         | fsru     | 151,116        | 600 mm ft³  | 2009 | j.v.  |
| EXPLORER        | fsru     | 150,981        | 1200 mm ft³ | 2008 | j.v.  |
| EXCELSIOR       | fsru     | 138,087        | 600 mm ft³  | 2005 | j.v.  |
| EXCELERATE      | fsru     | 138,074        | 600 mm ft³  | 2006 | j.v.  |
| FSRU BARGE      | Ing      | 25,000         | 600 mm ft³  | 2017 | owned |
| <b>TOTAL</b>    | <b>5</b> | <b>603,258</b> |             |      |       |

|                |          |               |          |      |       |
|----------------|----------|---------------|----------|------|-------|
| <b>FLNG</b>    |          |               |          |      |       |
| CARIBBEAN FLNG | flng     | 16,100        | 0,5 mtpa | 2017 | owned |
| <b>TOTAL</b>   | <b>1</b> | <b>16,100</b> |          |      |       |

|                                | Type                     | Persons on board (POB) | Year Built | Status |
|--------------------------------|--------------------------|------------------------|------------|--------|
| <b>OFFSHORE INFRASTRUCTURE</b> |                          |                        |            |        |
| KISSAMA                        | Accommodation Work Barge | 300                    | 1995       | owned  |
| NUNCE                          | Accommodation Work Barge | 350                    | 2010       | j.v.   |
| WARIBOKO                       | Accommodation Work Barge | 300                    | 2009       | j.v.   |

j.v.: joint venture  
t.c.: time charter

## EXMAR FLEET TONNAGE REGISTERED UNDER THE BELGIAN FLAG



**FLEET TOTAL**  
**1,076,043 DWT**

\* Includes all vessels above except for Midsized LPG newbuilds and FSRU barge which are under construction



# ACTIVITY REPORT

- ▶ LPG/AMMONIA/PETCHEMS
- ▶ LNG
- ▶ OFFSHORE
- ▶ SUPPORTING SERVICES





# LPG/AMMONIA/ PETCHEMS



EXMAR LPG is a leading shipowner and operator in the transportation of liquefied gas products such as Liquid Petroleum Gas (butane, propane and a mixture of both), anhydrous ammonia and petrochemical gases. With its fleet of over 30 specialized LPG tankers, EXMAR trades worldwide for the fertilizer, clean energy fuel and petrochemical industry. As a prominent Midsize LPG owner-operator, EXMAR benefits from long-term contracts with first class customers.

## MARKET OVERVIEW

After two years of healthy freight levels, earnings across all segments have come down significantly as a result of a substantial number of vessel deliveries, a lack of long-haul arbitrage opportunities and flattening US LPG export volumes.

Although at historically high volumes, US LPG exports did not expand at the same pace due to the comparatively high level of its product prices and slower production growth.

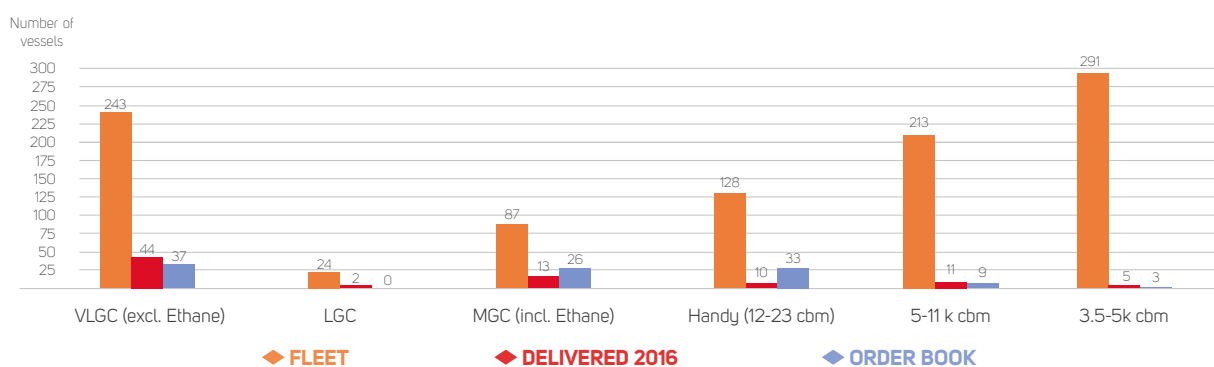
Throughout the year, Saudi Arabian exports were significantly higher compared to previous years – totaling over 10 million tons or approximately three million tons more than 2014 and 2015 - in their effort to protect market share. Saudi Arabia and the USA are amongst the largest exporters of LPG.

China and India remain the main import drivers with Japan seeing yearly decreases. China imported 16 million tons in 2016, an increase of 34% compared to 2015. In addition, congestion in Indian ports which impacted vessel availability has substantially decreased.

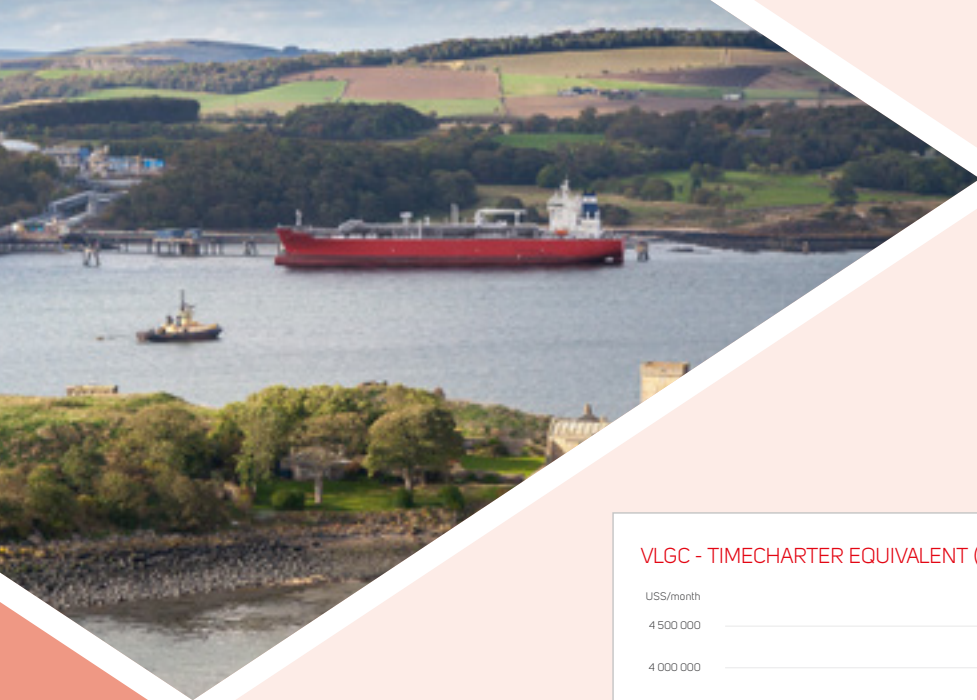
Exports out of the US Gulf increased in the fourth quarter due to the seasonal demand for LPG in the Far East, the new LPG terminal of P66 in Freeport (Texas) commencing operations and OPEC's decision to cut oil production output having a positive effect on LPG prices.

The **Very Large Gas Carrier (VLGC)** segment has seen an upturn in spot activity and further market consolidation took place. The year started with the Baltic Freight Index at 57 dollars per metric ton – returning USD 1.6 million per month on a modern 84,000 m<sup>3</sup> carrier – and ended just under USD 33 per metric ton, reflecting earnings of USD 560,000 per month. The index recorded a year low of USD 18.4 per metric ton in September equaling USD 175,000 per month.

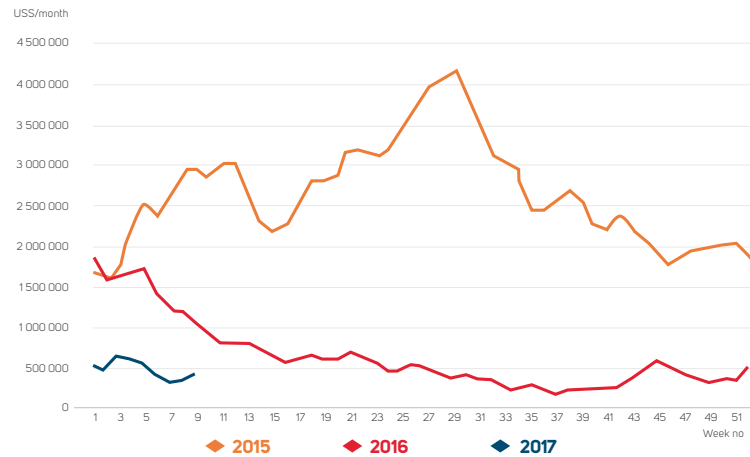
### 2016 LPG FLEET AND ORDERBOOK



Source: Clarkson

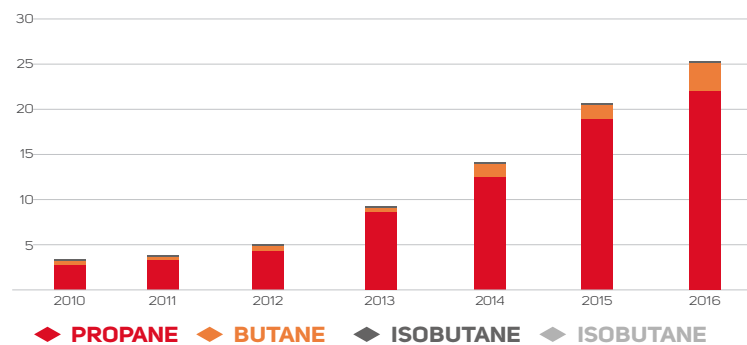


### VLGC - TIMECHARTER EQUIVALENT (TCE)



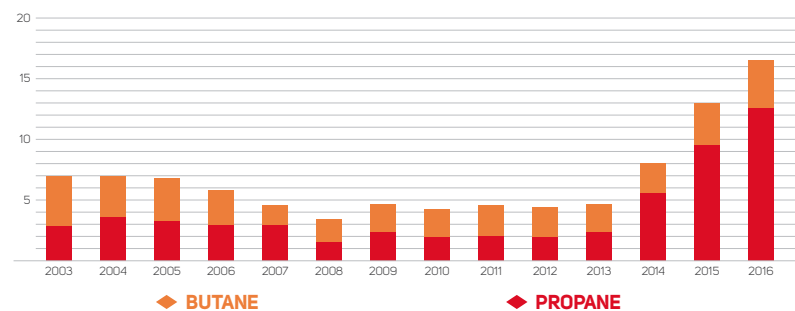
Source: Lorentzen & Stemoco

### US LPG EXPORTS (METRIC TONS)



Source: Waterborne

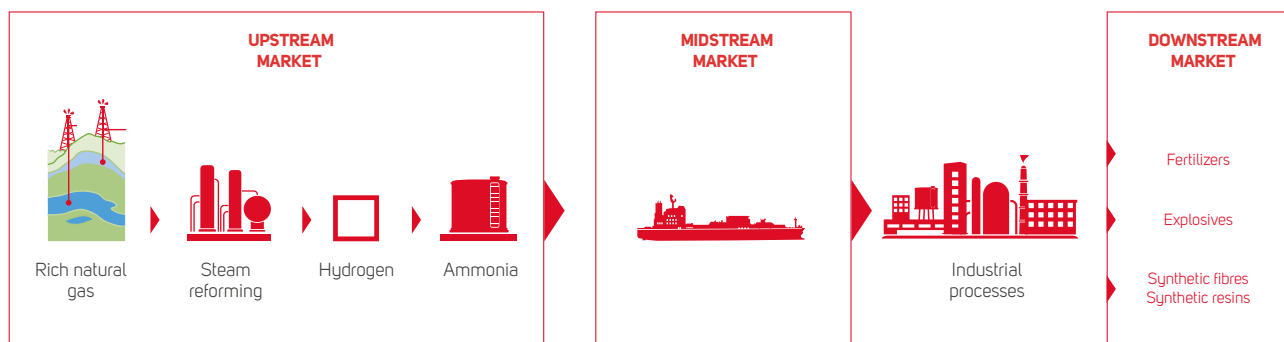
### CHINA LPG IMPORTS (MILLIONS OF TONS)



Source: EXMAR

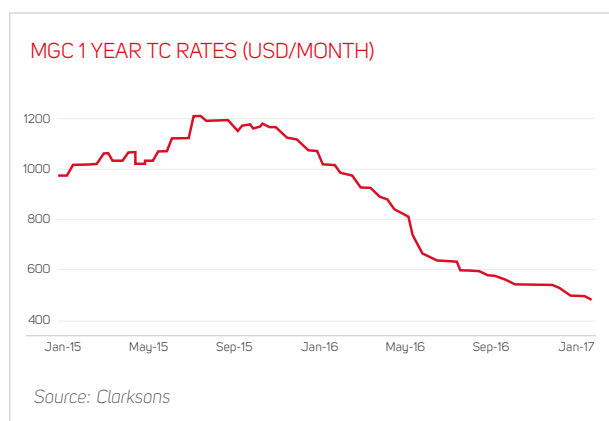


## AMMONIA VALUE CHAIN



The large vessels segment has seen a total of 43 deliveries throughout the year (excluding Very Large Ethane Carriers which are designated to a specific trade) with another 31 expected to be delivered in 2017. Despite the large number of newbuilds delivered over recent years, 15% of the VLGC fleet is still on order.

In spite of the **Midsized Gas Carrier (MGC)** segment being able to maintain stronger rates compared to the larger segments throughout



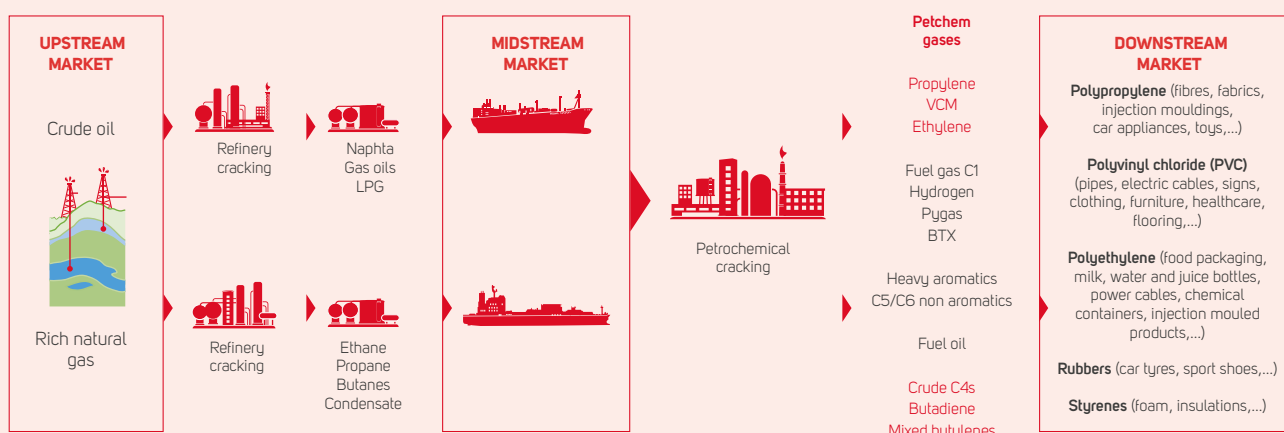
most of the year, the downward pressure from the weakening VLGC and LGC markets has eventually caused substantial corrections in both the MGC and Handysize segments as well.

Reduced long-haul arbitrage opportunities in the LPG trade and fleet expansion have also plagued vessels in this segment. Whilst the ammonia market used to offer designated trade opportunities for Midsized, reduced imports into the US, limited supply out of the politically unstable Black Sea area and weakening product prices caused changes in the classic trading patterns. This has meant that previously- expected tonne-mile growth has yet to materialise.

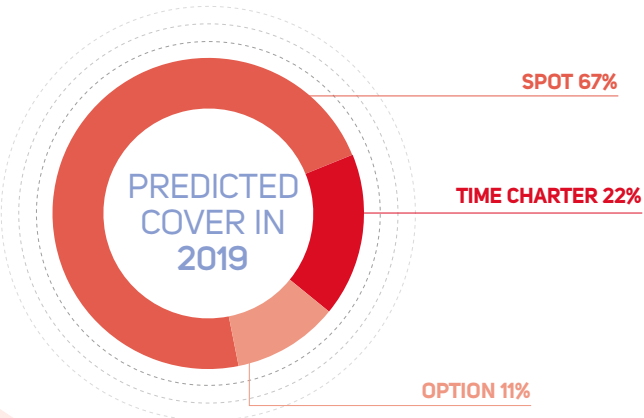
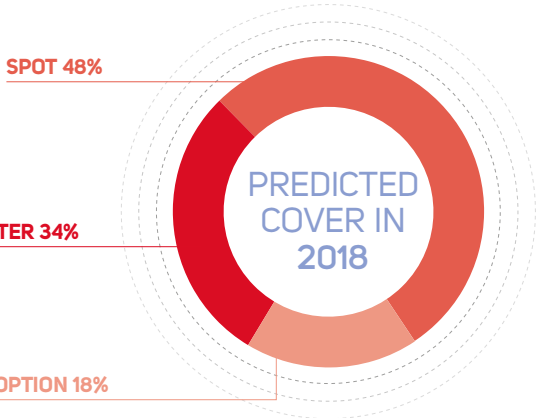
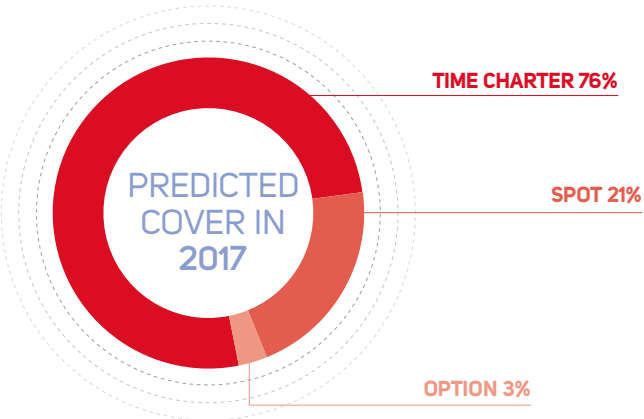
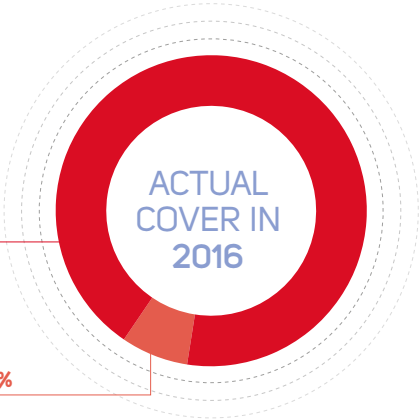
The MGC fleet has grown by 18% in 2016 and another 26 vessels are on order, which represents 30% of the current fleet.

The **Pressurized** fleet has finally seen some improvement in the second half of the year both East and West of Suez after a period marked by ample vessel supply. Amongst other factors, employment of the fleet gained support from Traders and Oil Majors expanding their LPG downstream platforms by integrating more pressurized vessels in smaller markets. In addition, an active petrochemical market in the Far East also drove demand up. With a negligible orderbook for smallest sized Pressurized vessels this activity in the Far East paves the way for improving prospects.

## LPG VALUE CHAIN



EXMAR LPG FLEET COVER



## HIGHLIGHTS 2016 AND OUTLOOK FOR 2017

The EXMAR-controlled BW TOKYO benefitted from a rewarding time charter until its long-term contract with Itochu ended over the summer. As the **VLGC** segment continued its downward trend, the vessel remained employed for the balance of the year on the same account on a repetitive short-term time charter basis, albeit at lower market levels related to the Baltic Freight Index.

Some EXMAR vessels in the **Midsized** segment came onto the spot market when term contracts and a contract of affreightment (CoA) ended in the fourth quarter. However, the majority of the **Midsized** fleet remains employed on long-term basis. Newbuilds KNOCKE and KONTICH were delivered in March and August respectively to Statoil. Newbuild KORTRIJK was delivered in December to another blue-chip customer, Trafigura. All three were the latest deliveries from the Subic Bay shipyard in the Philippines. LPG carriers ODIN and BRUGGE VENTURE left the EXMAR fleet whilst both ANTWERPEN and EUPEN have been contracted for new term business with industrial players in the LPG and ammonia markets respectively.

EXMAR took delivery of KALLO, the first newbuild from Hanjin Heavy Industries and Construction (Subic Bay) in March 2017.

With three additional **Midsized** 38,000 m<sup>3</sup> newbuilds from Hanjin Heavy Industries and Construction (Subic Bay) foreseen between July 2017 and February 2018, EXMAR expects that it can create employment opportunities for these vessels as they are the beneficiaries of the new vessel design programme. This programme, which has been in place since the delivery of WAASMUNSTER in May 2014, has delivered improved capacity, greater efficiency overall and lower fuel consumption (see energy efficiency section, page 44).

For the years 2017 and 2018 respectively cover levels of 70% and 45% are already in place for EXMAR's Midsized fleet.

In the end of the second quarter, EXMAR acquired Wah Kwong's share in the 10 **Pressurized** vessels which have remained employed throughout 2016 with their respective charterers and with whom extensions have been concluded. Given the rather promising outlook, including a potential market consolidation, a negligible orderbook and the likelihood of scrapping older tonnage, EXMAR is confident that its 90% cover for 2017 will improve further.



EXMAR owns one of the most modern, competitive, energy efficient LPG carrier fleets in the industry

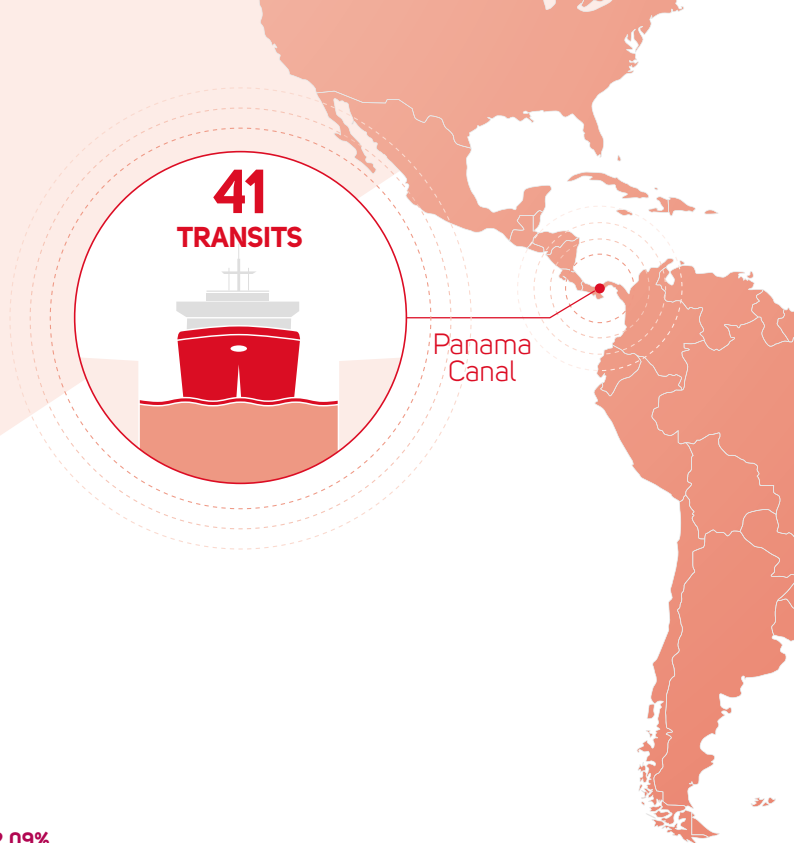




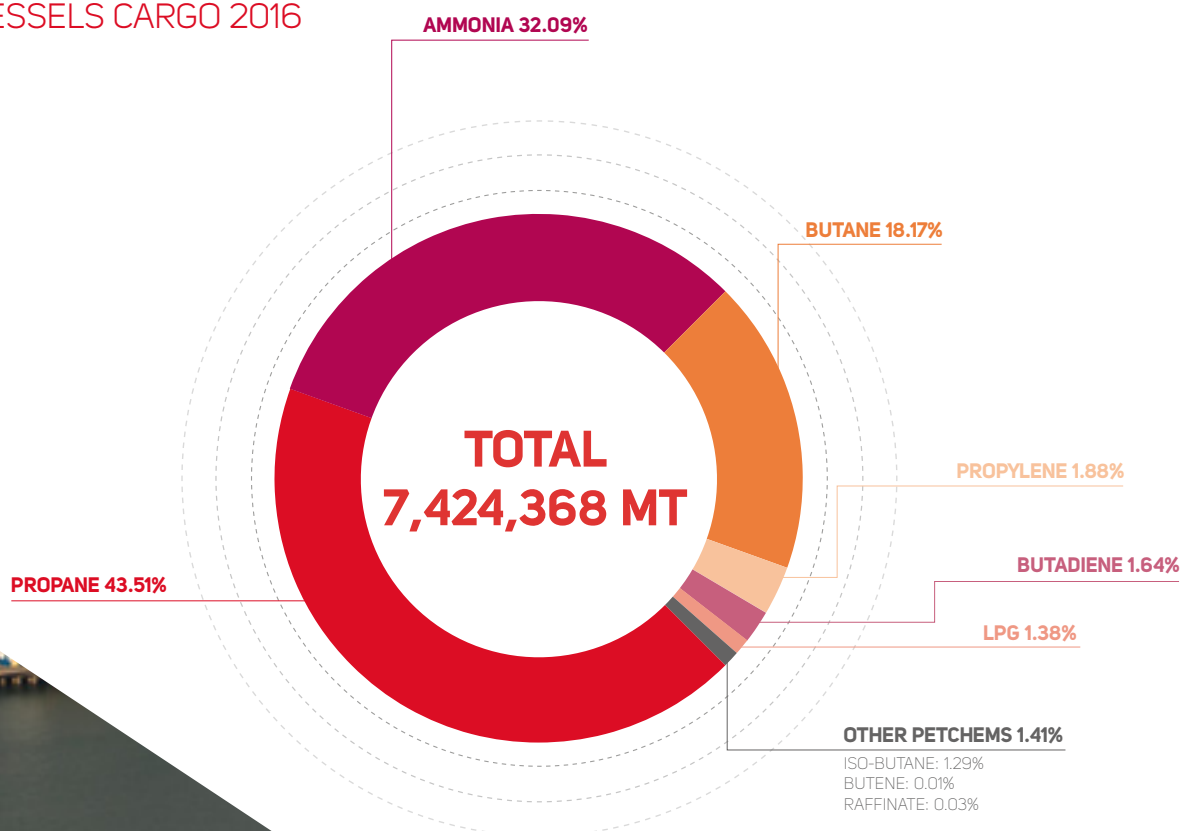
## SPOTLIGHT

### NUMBER OF CANAL TRANSITS BY EXMAR VESSELS

EXMAR vessels have been transiting the Panama Canal for years, and this number is set to increase with a brand new extension which allows much larger vessels to take the 80-kilometre journey from the Agua Clara lock complex on the Atlantic side to the Cocoli locks on the Pacific side. VLGCs transiting via Panama Canal are able to shorten round voyages for US LPG exports to Far East consumers to two months as compared to three months when passing via the Cape of Good Hope.



## LPG VESSELS CARGO 2016



# LNG

EXMAR's LNG activity focuses on two segments: LNG shipping and LNG infrastructure.

LNG shipping refers to all business activities in which EXMAR is a stakeholder as ship-owner and operator.

LNG Infrastructure refers to all activities that transform natural gas from one state (i.e. liquid) to another state (i.e. gaseous) or vice-versa. These assets are known as FSRUs (Floating Storage and Regasification Units) or FLNGs (Floating Liquefaction Units). FSRUs are used at LNG import terminals to regasify LNG into gas for the local energy grid onshore. FLNGs transform local reserves of Natural Gas to LNG ready for export and shipping.

EXMAR's existing seaborne shipping and Floating Storage and Regasification (FSRU) fleet is mainly committed to long-term time-charters, with limited OPEX exposure. Two newbuild barge-based LNG Infrastructure units - namely one FLNG and one FSRU - will be added to the fleet portfolio in 2017 and are available for commercial employment.



# LNG SHIPPING

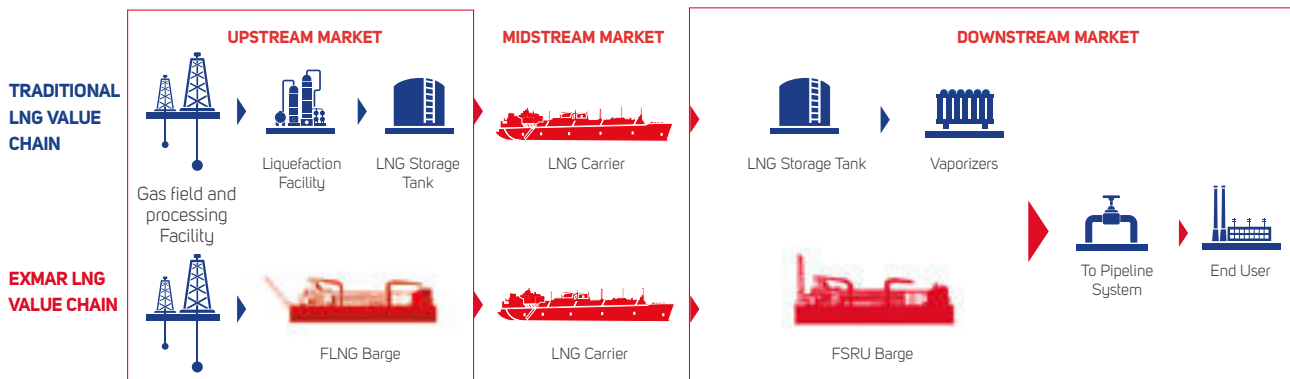
## MARKET CONDITIONS

As most of EXMAR's LNG vessels and FSRUs have long-term contracts and were covered by long-term charter contracts through 2016, the Company had limited exposure to the depressed freight markets throughout the year. In both the Atlantic and the Pacific, project delays, low crude values and vessel overcapacity were factors responsible for a slow start to the year. Freight rates bottomed out mid-2016, subsequently recovering somewhat thanks to a sudden rise in Far East prices which increased opportunities for arbitrage and European re-exports. Market consensus is that 2016 was a transition year given

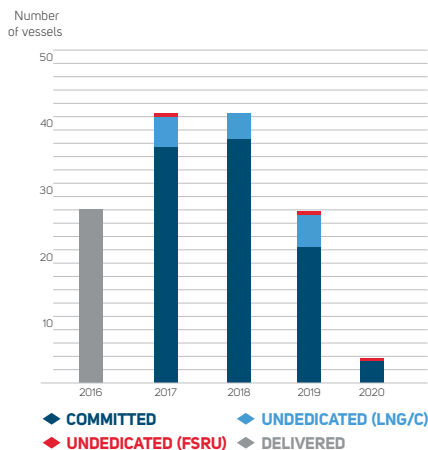
that 27 new large LNG carriers hit the water whilst LNG supplies were less than expected, whereas 2017 and beyond points towards a more optimistic market outlook.

There are some positive signs for a better 2017 and beyond, with the majority of upcoming newbuild deliveries by and large committed to specific projects. With rising liquefaction output expected from new projects primarily out of Australia (e.g. Gorgon, Wheatstone, Prelude, Ichthys) and the United States (Cove Point, Cameron, Freeport) as well as Russia (Yamal), freight earnings are believed to return to positive territory again.

## LNG VALUE CHAIN

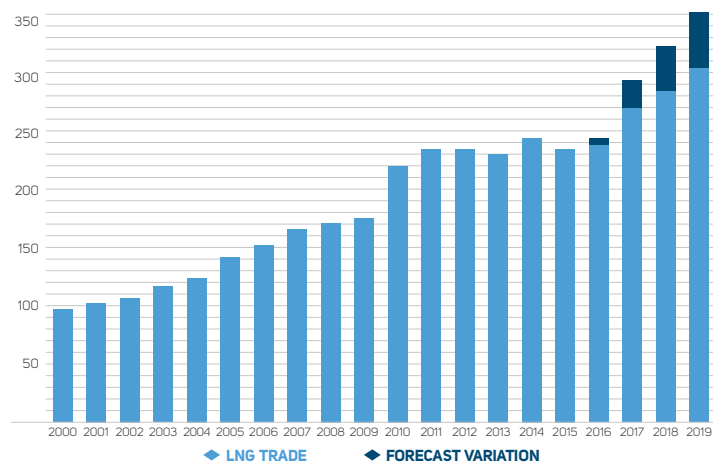


## LNG ORDERBOOK PROFILE



Only a handful of LNG NB deliveries will be without contract.

## LNG TRADE 2000-2019



Recorded LNG trade is 259-260 million tons for 2016. Seaborne trade increased by about 15 million tons, almost entirely thanks to Australian product additions.

## HIGHLIGHTS 2016 AND OUTLOOK FOR 2017

The only active conventional EXMAR LNG carrier on the spot market was EXCEL, which still benefited from the minimum revenue undertaking from a first class client for most of the year. Her relatively smaller size of 138,000 m<sup>3</sup> allows her to trade in niche markets, especially in the Far East. EXCEL commenced a 3 months' Time – Charter at the end of March with extension options until the end of the

year in line with the current market rates. The only other remaining conventional LNG carrier in EXMAR fleet is EXCALIBUR (138,000 m<sup>3</sup>), which remains under long-term charter until March 2022. The other EXMAR LNG carriers have regasification capacity onboard and are all employed on long-term charters stretching well beyond 2020.



# LNG INFRASTRUCTURE

## MARKET OVERVIEW

Natural gas is projected to play an increasingly important role in the global energy landscape and is expected to maintain its position as the fossil fuel with the fastest growth in demand during the coming two decades.

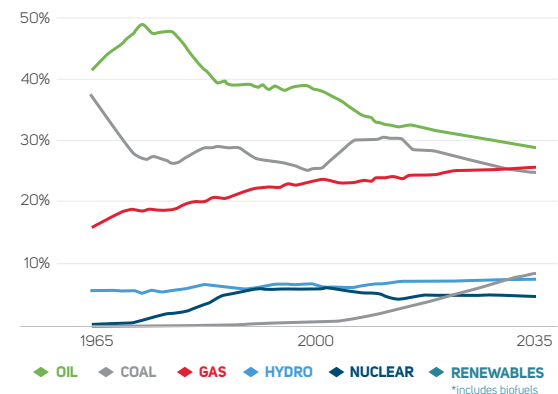
As a result LNG demand growth remains robust and the volume of traded LNG is forecasted to surpass pipeline imports as the main source of supply by 2035.

To meet this anticipated demand, new buyers are entering the LNG market. The majority of these players are planning to adopt the use of floating terminals as it will allow them faster entry into the market than those planning to develop new onshore terminals.

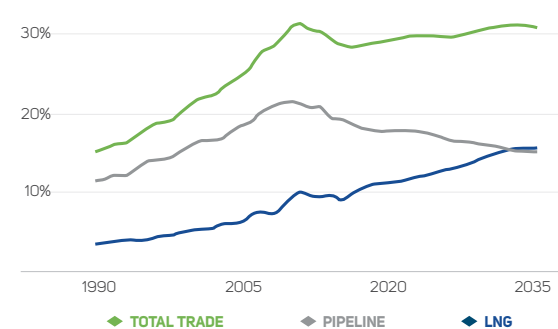
It is however expected that the LNG market will remain in a state of oversupply for the coming years. More than 70 million tons of LNG production capacity will come on stream by 2020 from liquefaction terminals worldwide (Post-fid liquefaction capacity build-out, 2016-2021). As a result LNG prices are expected to remain under pressure.

With global energy prices having bottomed out in February 2016, oil prices have stabilized around the 50 US dollar per barrel mark in the latter part of the year. The oil price level has shifted the LNG market dynamics of supply and demand from a sellers' to a buyers' market.

SHARES OF PRIMARY ENERGY



GAS/LNG TRADE AS SHARE OF GLOBAL CONSUMPTION



|                                      | 2012       | 2013       | 2014       | 2015       | 2016       |
|--------------------------------------|------------|------------|------------|------------|------------|
| EXPORTERS (MIO METRIC TONS PER YEAR) |            |            |            |            |            |
| Qatar                                | 77         | 77         | 76         | 78         | 77         |
| Australia                            | 21         | 22         | 23         | 29         | 44         |
| Malaysia                             | 23         | 25         | 25         | 25         | 24         |
| Nigeria                              | 20         | 16         | 18         | 20         | 17         |
| Indonesia                            | 19         | 18         | 17         | 18         | 19         |
| Trinidad                             | 15         | 14         | 14         | 12         | 11         |
| Algeria                              | 11         | 11         | 12         | 12         | 11         |
| Other                                | 52         | 52         | 52         | 51         | 56         |
| <b>TOTAL</b>                         | <b>238</b> | <b>235</b> | <b>239</b> | <b>245</b> | <b>259</b> |

Source: Poten data portal

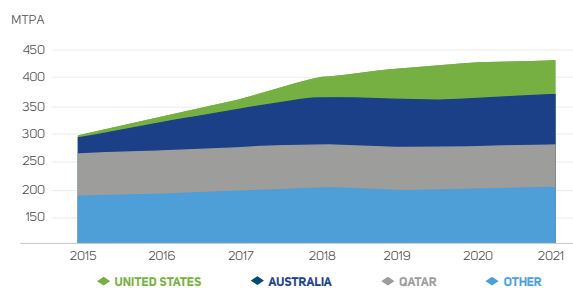
|                                      | 2012       | 2013       | 2014       | 2015       | 2016       |
|--------------------------------------|------------|------------|------------|------------|------------|
| IMPORTERS (MIO METRIC TONS PER YEAR) |            |            |            |            |            |
| Japan                                | 88         | 88         | 89         | 85         | 84         |
| South Korea                          | 36         | 40         | 37         | 33         | 33         |
| China                                | 15         | 18         | 20         | 20         | 26         |
| India                                | 14         | 13         | 14         | 14         | 17         |
| Taiwan                               | 13         | 13         | 14         | 15         | 15         |
| United Kingdom                       | 11         | 7          | 8          | 10         | 8          |
| Other                                | 62         | 57         | 57         | 69         | 77         |
| <b>TOTAL</b>                         | <b>238</b> | <b>235</b> | <b>239</b> | <b>245</b> | <b>260</b> |

Source: Poten data portal



On the supply side, current prices have led developers to put the development of several new liquefaction projects not yet under construction, on hold.

POST FINAL INVESTMENT DECISION (FID) CAPACITY 2016-2021  
(Existing units + units under construction only)



Source: International Gas Union, World LNG Report 2016

On the demand side, multiple new LNG import terminal projects have been initiated at various locations. The increasing demand for power in non-OECD countries has triggered several LNG-to-Power initiatives and upstream LNG producers are getting more involved in developing downstream projects packaged towards customers. These made-to-measure packages offer a combined solution for LNG supply, regasification infrastructure and power production.

Close to 25 different Floating Storage and Regasification Unit (FSRU) projects are currently under development worldwide requiring fast-track and competitive regasification and storage solutions. FSRUs match these requirements very well and have clearly become the technology of choice compared to a conventional onshore LNG import terminal.



## LIST OF VESSEL COMMITMENTS

| Asset              | Type  | Delivery | Capacity (m <sup>3</sup> ) | Production capacity (cu ft. gas) | Ownership | 2016 | 2020 | 2025 | 2030 | 2035 |
|--------------------|-------|----------|----------------------------|----------------------------------|-----------|------|------|------|------|------|
| <b>FLNGs</b>       |       |          |                            |                                  |           |      |      |      |      |      |
| CFLNG              | FLNG  | 2017     | 16,100                     | 0,5 MTPA                         | 100%      |      |      |      |      |      |
| <b>FSRUs</b>       |       |          |                            |                                  |           |      |      |      |      |      |
| EXCELSIOR          | FSRU  | 2005     | 138,000                    | 600 mm                           | 50%       |      |      |      |      |      |
| EXCELERATE         | FSRU  | 2006     | 138,000                    | 600 mm                           | 50%       |      |      |      |      |      |
| EXPLORER           | FSRU  | 2008     | 150,900                    | 600 mm                           | 50%       |      |      |      |      |      |
| EXPRESS            | FSRU  | 2009     | 150,900                    | 600 mm                           | 50%       |      |      |      |      |      |
| FSRU BARGE         | FSRU  | Q2 2017  | 26,230                     | 600 mm                           | 100%      |      |      |      |      |      |
| <b>LNG VESSELS</b> |       |          |                            |                                  |           |      |      |      |      |      |
| EXCALIBUR          | LNG/C | 2002     | 138,000                    | n.a.                             | 50%       |      |      |      |      |      |
| EXCEL              | LNG/C | 2003     | 138,000                    | n.a.                             | 50%       |      |      |      |      |      |

◆ UNDER CONSTRUCTION
◆ CHARTERED
◆ OPTION
◆ UNCOMMITTED

## HIGHLIGHTS 2016 AND OUTLOOK FOR 2017

For EXMAR's FLNG under construction, 2016 has been a turbulent year. EXMAR had taken the investment decision for the construction of the FLNG in 2012 backed by employment for Pacific Exploration and Production. With the significant instability in the oil and gas market in 2015, Pacific decided to cancel their Colombian LNG Export Project and to look for employment of the unit elsewhere. In 2016, with the filing and consecutive restructuring of our customer under CCAA in Canada, no other option was available in early 2016 other than to cancel our employment contract for the FLNG at the best possible terms.

With the construction nearing completion and the destination unknown, the commissioning of the unit had to be revisited and turned out to be a next level technological milestone for the Company. Commissioning has been executed in September at the yard using a purpose-built temporary regasification facility to provide the necessary feed gas. During a three-day performance test the design production capacity of 0.5 million tons per annum of LNG of the unit was confidently met. This important achievement has been recognized by the industry and proves the technical feasibility and potential of EXMAR's FLNG as an alternative for onshore LNG production. This successful operation further provides unique assurance for future customers that the unit will meet design performance.

With commissioning successfully accomplished, final acceptance has been reached on 31 January 2017 and complementary support from Wison Shipyard has now been agreed during the lay-up period at the yard until the unit will be towed to its place of employment. The delivery will take place before the end of April 2017 at which time the last instalment (USD 200.5 million) is due to the yard. In the meantime the documentation for the USD 200 million financing of the CFLNG from Bank of China and a leading European financial institution with a tenor of 12 years has been finalized and signing, subject prior Sino-sure approval, is foreseen in the course of May 2017. Discussions on

future employment with different parties are progressing; however no revenues are expected before early 2018.

EXMAR does not expect a large number of LNG export projects to reach investment decision in 2017. However current oil & gas prices have upside potential and allow setting fee schemes and economics that match expectations of all stakeholders involved. The successful commissioning and the immediate availability of EXMAR's FLNG have clearly sparked the necessary interest of upstream LNG producers and traders. For three locations technical and economic feasibility studies are currently underway. The order for a second FLNG at WISON shipyard has been cancelled.

Downstream, EXMAR's existing FSRUs have been employed as LNG import terminals or for LNG trading under long-term charters with Excelerate Energy in 2016. These units are operated and maintained by Exmar Ship Management to the entire satisfaction of the customer.

The construction of the barge-based FSRU has resumed at full steam ahead after some backlog suffered in 2015. Launching of the unit has taken place in January 2017 and delivery is planned by mid-2017. Three commercial leads are being carefully developed which foresee mobilization and commissioning on-site after delivery from the yard. Financing will be developed in parallel with employment negotiations. Interest from several financiers has been received.

The unit appears to be perfectly positioned to serve the current fast time-to-market demand for dedicated LNG import terminals in the ongoing LNG-to-Power contracts. These projects require infrastructure solutions and configurations that are flexible over time in terms of both output and storage. A barge-based unit provides such an advantage as the storage can be adjusted to the project needs by adding an existing LNG carrier as floating storage unit (FSU). These carriers are currently available in different sizes and at low charter rates in the market.



## SPOTLIGHT

### COMMISSIONING CFLNG

#### *An eye-witness account*

*After all the hard work involved in design, engineering and construction and well before final acceptance by the expectant customer, commissioning finds its place in any industrial project.*

*Simply put, commissioning is the live testing of the unit under its operational conditions, system by system and thereafter running the integrated unit as a whole. Its very purpose is to actively search for shortcomings and to prove the unit's nameplate performance.*

*The same applied for EXMAR's CARIBBEAN FLNG (CFLNG).*

*The tricky part for CFLNG was how to commission a gas liquefaction machine on the Yangtze River in China where there is no gas to be found. The answer was a marvel of engineering simplicity that could only come from EXMAR's technical department: we will make our own gas on board, using LNG that is commercially available. For this purpose a temporary regas skid was rigged on deck, borrowing equipment from the EXMAR FSRU project under construction.*

*After many months of preparation, investment and hundreds of engineering documents later, the world's one and only floating natural gas vaporizing and liquefaction closed loop machine was ready for action. Commissioning in earnest commenced on 14 June 2016. Operations staff had to trust engineering and engineering had to rely on operations. 200 trucks of LNG and 105 days later commissioning was concluded on 26 September 2016 at T0300 in the morning. Nobody present at that time in the crowded CFLNG control room will forget that moment.*

*The CFLNG commissioning was a success.*

*Nobody got hurt. The barge did the job. The nameplate capacity of CFLNG was re-calculated, checked and proven. Valves, bearings and components were subject to a vigorous commissioning, faults came to light and were duly recorded, giving the builders many months to put right before delivery. Better now than later.*



In September 2016 EXMAR and VOPAK started exploratory discussions on the possible acquisition of EXMAR's share in its floating LNG storage and regasification business (FSRU's) by VOPAK. These discussions resulted in EXMAR and VOPAK signing an agreement on 21 December 2016 regarding the acquisition of the FSRU business of EXMAR by VOPAK and the possible cooperation between EXMAR and VOPAK in future projects. The finalization of the deal was subject to consent and cooperation of multiple stakeholders.

After careful consideration, EXMAR and VOPAK have concluded that these requirements will not be met on the envisaged transaction. Therefore the closing of the FSRU transaction between EXMAR and VOPAK will no longer be pursued.

In addition to the FSRU under construction, EXMAR has two newbuild LNG import infrastructure projects under development with technical and permitting field work being performed and with a target for investment decision in 2017.

For the **Swan Energy** import terminal parties have reduced the cooperation to development of floating regasification services only.

# OFFSHORE

EXMAR Offshore is dedicated to the ownership and leasing of offshore assets and providing floating solutions to the production, drilling, and accommodations market.

USA-based EXMAR Offshore Company (EOC) is an engineering company specializing in the development of floating production systems as well as engineering services related to marine vessels, ships and offshore units.

EXMAR Offshore Oil and Gas Infrastructure Services (OGIS) division operates a variety of offshore assets for both the EXMAR Group and external client owners.

## MARKET OVERVIEW

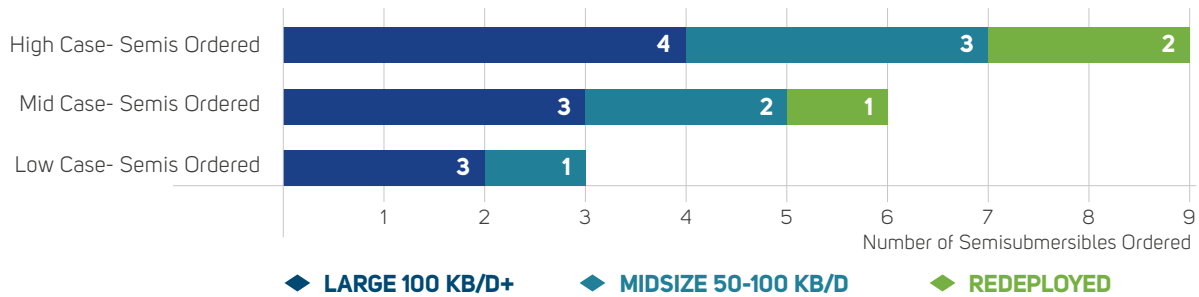
Since the peak in crude prices in the summer of 2014 at above USD 100 per barrel (West Texas Intermediate), the price of oil dropped to its lowest in February 2016 below USD 30 per barrel and only stabilized above USD 50 per barrel late in the year. The result of the dramatic drop in oil prices bottoming out early in the year brought deepwater developments to a near stand-still in 2016. A low and fluctuating oil barrel price meant that the few projects left in the planned and development stages were delayed subject to re-evaluation of project economics.

It was only in the second half of 2016 that oil companies appeared to be willing to engage or re-engage contractors and suppliers to commence early work on new developments with targets of USD 40 and in some cases even less than USD 30 per barrel. Other than FLNG and FSRU units, no floating production facilities were ordered between the first quarter of 2015 and fourth quarter of 2016.

23 Floating Production Units and Floating Storage Operation units were scrapped, accounting for 6% of the world's available fleet. Despite no ordering activities for FPSOs since the first quarter of 2015, three FPSOs were ordered towards the end of 2016 signaling a positive turn in the market. Nonetheless, the situation contrasts significantly with the 26 FPSOs ordered in 2010 and the 11 FPSOs ordered in 2014.

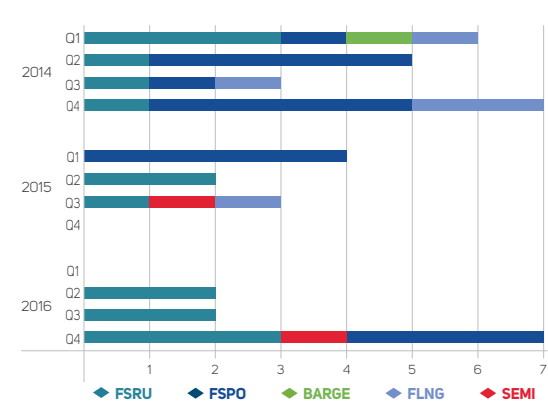


#### FORECAST SUMMARY OF SEMISUBMERSIBLE ORDERS BY SIZE 2017-2021



Source: Energy Maritime Associates

#### AWARDED UNITS 2014-2016 BY QUARTER



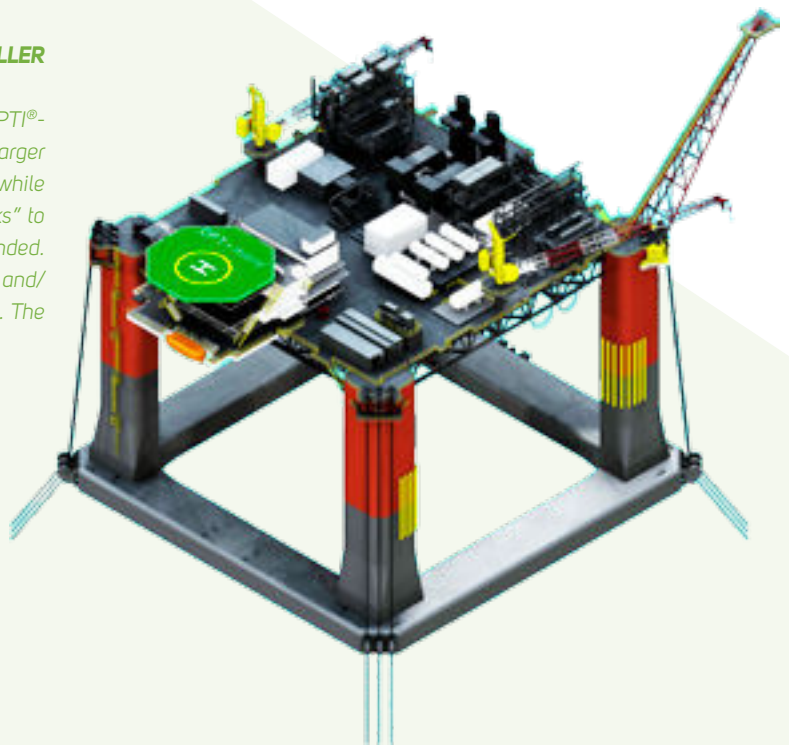
Source: Energy Maritime Associates

## SPOTLIGHT

### A COST-EFFECTIVE, EARLY PRODUCTION FACILITY FOR SMALLER FIELDS: OPTI-micro™

In early 2016, EXMAR Offshore Company initiated the OPTI-micro™ design project, bucking the trend of the market for larger designs. There are hundreds of small reservoirs offshore and while many small discoveries are made economic only by "tie-backs" to existing infrastructure in the area, many reservoirs remain stranded. Stranded oil fields are either too far from existing infrastructure and/or cannot support the cost of a stand-alone production facility. The OPTI-micro™'s mission is to address this by:

- Offering a cost-effective alternative for fields that are on the high end of the tie-back cost spectrum
- Providing a baseline cost for a true small field floating production facility
- Providing a low-cost early production facility to set a proven path for larger field development plans and create early cash flow
- Creating a small OPTI® hull platform that retains the performance and operability of the largest OPTI® hull sizes for use beyond conventional oil and gas production







## HIGHLIGHTS 2016 AND OUTLOOK FOR 2017

### **OPTI® SERIES FLOATING PRODUCTION SYSTEMS**

With every downturn in the market there is opportunity for those companies that are able to adjust quickly to change. EXMAR's reputation for efficient design and project execution was firmly established in 2015 with LLOG Exploration's DELTA HOUSE production facility which utilized EXMAR's unique OPTI® hull design and a proven execution plan.

DELTA HOUSE uptime has been about 99% which is world class performance. 11 wells are currently producing into DELTA HOUSE and the cumulative production is over 50 million barrels of oil equivalent (MMBOE). DELTA HOUSE has achieved production rates of over 90,000 BOPD and 205 MMCFD which is in excess of the nameplate design of 80,000 BOPD and 200 MMCFD.



DELTA HOUSE uptime  
has been about 99%  
which is world class  
performance



While the market continues to be challenged with achieving the estimated savings which form the basis of new project economics, EXMAR's OPTI® FPS proven design eliminates a great deal of uncertainty in the execution of floating production projects.

In the Gulf of Mexico only nine discoveries were made in 2016 and only 22 deepwater rigs were working compared with six discoveries and 36 rigs working in early 2015.

At the end of 2015, EXMAR had identified six projects suitable for OPTI® in the Gulf of Mexico and had either performed studies or submitted proposals based on its design for four prospects. At the end of 2016, despite even greater challenges facing the industry, EXMAR has been pre-qualified and is pursuing eight projects of which three are expected to commence development engineering in 2017.

#### **ENGINEERING AND DESIGN**

Responding to the demands of its clients, EOC has added topsides and process engineering capabilities to its activities in Houston. In order to strengthen EXMAR's business development efforts and ability to pursue floating production projects more efficiently and with greater autonomy from large, third party engineering companies, EOC's topsides department was quickly integrated within the EXMAR Group. The process team increasingly supports the work of its LNG Infrastructure and Offshore departments. Notably, EOC's topsides group has developed a HYSIS (Hyperspectral Instrument Simulator) model for CARIBBEAN FLNG and attended commissioning of the barge at the Wison Shipyard in China.

#### **ACCOMMODATION BARGES**

EXMAR's accommodation and work barges performed well and as planned in 2016. NUNCE continues to operate under long-term con-

tract to Sonangol in Angola. A 60% share of WARIBOKO was sold to a Nigerian partner under a purchase option mechanism at the end of May 2016. This accommodation barge remains employed until the end of 2017 and is currently working for Total in Nigeria with no downtime. The KISSAMA was redelivered at the end of 2016 following a long-term contract in Angola and the 22 years old unit will be sold. With over half of the world's existing floating accommodation units remaining without contract, EXMAR managed to employ all three of its accommodation barges in 2016 with just one single month of downtime of one of its units. EXMAR remains optimistic for the future of spread-moored accommodation barges in West Africa. With many maintenance and operations projects postponed following the drop in oil prices, it is likely that the services sector in the shallow water market will recover early as oil companies seek to "ramp up" production from a recovery in oil price levels.

#### **FLOATING PRODUCTION STORAGE AND OFFLOADING VESSELS**

Building on its deep knowledge of deploying FPSO and FPS designs which include FPSO FARWAH and the OPTI® FPS as well as its unique expertise in LNG infrastructure, EXMAR has expanded its floating production efforts to include FPSO projects. For those Offshore projects where a floating production solution is under consideration, FPSOs are the preferred solution with a projected 35-70 FPSO projects worldwide from 2017-2021. Petrobras is the largest user and owner of FPSOs with 30% of all FPSOs planned globally over the next five years. EXMAR has subsequently pursued and now gained pre-qualification as bidder for the first time within Petrobras. Shortly after attaining approved bidder status, EXMAR was invited by Petrobras to submit a proposal for a large FPSO project to be awarded in 2017. At the beginning of 2017 EXMAR has been preparing to submit a firm proposal for an FPSO for a 20-year lease and operation contract.

## DVO

With its main office located near Paris, France, DV Offshore (DVO) is an independent firm of consulting engineers specialised in all the technical aspects of marine engineering and operations. Over a period of 40 years DVO has successfully completed more than 1,000 specialist assignments in 40 different countries. DVO has acted as consulting engineers in industrial maritime projects for oil majors, port authorities, governmental institutions and companies involved in the oil and gas industry, with recognized expertise in mooring engineering and installation.

DVO has advised and participated in projects involving Open Sea Terminals (Single Point Mooring, Conventional Buoy Mooring), Port Terminals, Offshore floating storage, Liner shipping, Marine operations and Underwater engineering as well as operations. After a tough year in 2016 due to low oil and gas prices, DVO is in negotiations with various parties on long-term projects and is optimistic about a positive outcome in 2017. In the past five years, DVO has also been involved in many marine renewables energies projects, especially seawater air conditioning, tidal turbines and wind turbines (fixed & floating) and expects activities in this segment to grow.







**48,178 METERS**

METERS OF MOORING ROPE  
SUPPLIED TO ULTRA LARGE  
CONTAINER VESSELS IN 2016

## BEXCO

BEXCO is a Belgian-based manufacturer which designs and produces a wide range of specialized synthetic ropes geared to serve the specific mooring, towing and heavy lifting needs of marine, offshore and energy providers. BEXCO ropes are type-approved by the world's leading classification societies and both the production facility in Hamme and quayside manufacturing facility in Antwerp, Belgium are ISO9001:2015 and ISO14001:2015 certified.

In 2016, BEXCO consolidated its market position in the marine mooring segment with important contracts signed for ultra large container vessel (ULCV) owners. In the offshore segment BEXCO has been impacted by low activity in deepwater mooring tenders for exploration projects due to low oil prices. It has compensated for this by increasing its market share in synthetic rope applications for offshore heavy lift, single point mooring, decommissioning and renewables projects. It has performed well compared to its peers, ending the year in the black.



In 2016 BEXCO increased its market share in synthetic rope applications for offshore heavy lift, single point mooring, decommissioning and renewables projects.

2017 is set to be another challenging year in the deepwater mooring segment. Existing projects may get restarted or new ones may reach Final Investment Decision, depending on the level and stability of global oil prices. Vessel overcapacity in various shipping segments will also mean a tough year for the marine activity. In the coming year, BEXCO will consolidate and grow its position in both marine mooring and towing segments whilst competing for further market share in heavy lift offshore applications with its new synthetic sling. The company will also increase commercial activities in the renewables segment having been selected as mooring supplier to France's first offshore wind turbine project off the Atlantic coast.





# SUPPORTING SERVICES

## EXMAR SHIP MANAGEMENT

### HIGHLIGHTS 2016

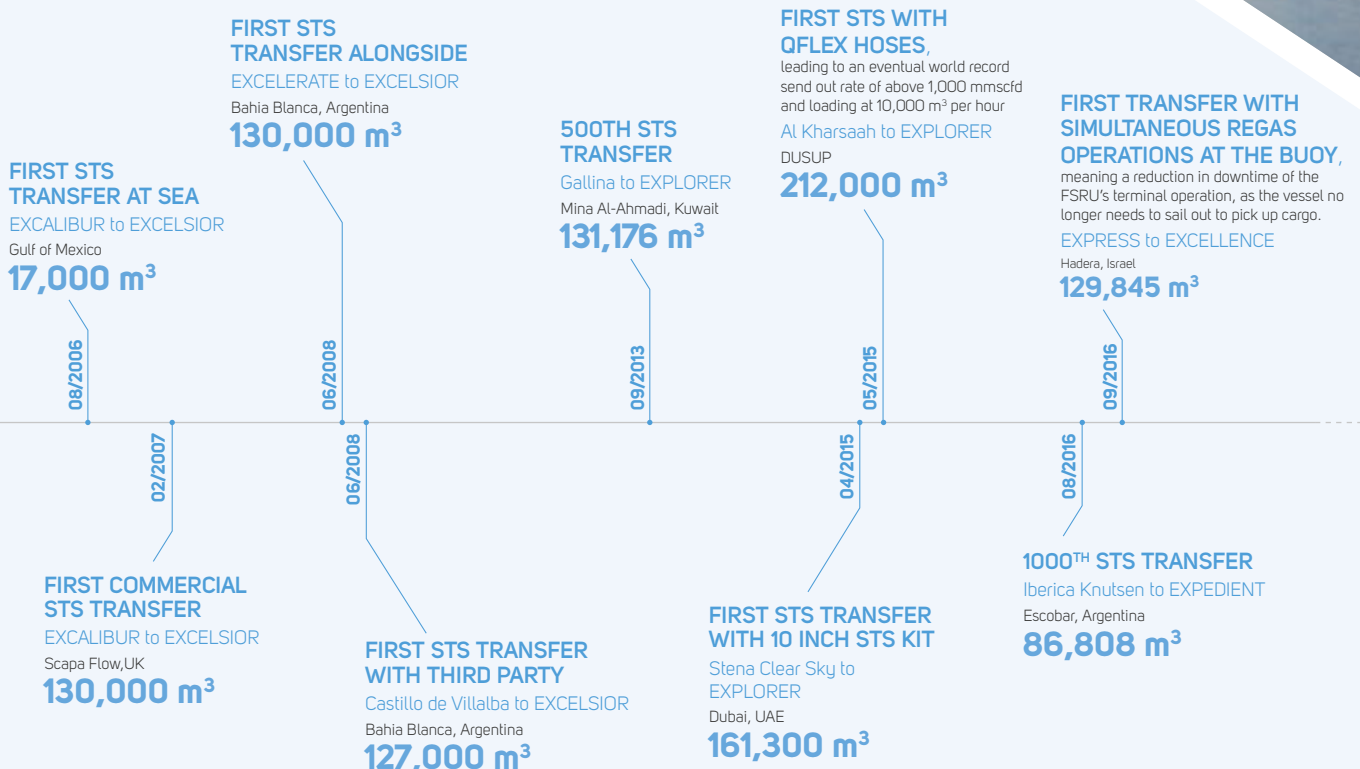
In 2016, Exmar Ship Management (ESM) further increased the number of ships and floating maritime infrastructure it has under management to 46 for its clients EXMAR, Excelsate Energy, Teekay, ENI, OLT, Total and Avance Gas. The Oil and Gas Infrastructure Services (OGIS) division also commissioned CARIBBEAN FLNG, the world's first floating liquefaction barge (see LNG Infrastructure section, page 29).

Since May 2014, ESM has been successfully supervising the construction, commissioning and delivery of 12 Midsize newbuilds to the EXMAR LPG fleet over a two-and-a-half year period. The 38,000 m<sup>3</sup> LPG Carriers KNOCKE, KONTICH and KORTRIJK were delivered to the owner in February, June and November respectively in 2016 from the HHIC shipyard in Subic Bay, Philippines.

**24,180,865 m<sup>3</sup>**  
OF LNG TRANSFERRED



### A HISTORY OF FIRSTS – EXMAR AND SHIP-TO-SHIP TRANSFERS (STS) OF LNG



In February at DUSUP Dubai, ESM completed a successful regas test of FSRU EXPLORER operating a record 1,000 mmscfd, making her the industry's largest regasification vessel. In August, ESM reached its milestone 1000th LNG Ship-to-Ship transfer (see infographic on opposite page). In early September, ESM completed the world's first ever simultaneous LNG Ship-to-Ship transfer at the buoy during regasification operations off the coast of Hadera, Israel.

The OGIS team additionally manages three accommodation barges: NUNCE, KISSAMA and WARIBOKO. Throughout 2016, the units were operating offshore Angola, Cabinda and Nigeria respectively. WARIBOKO has spent more than 50% of her time moored in close proximity mode, connected via her hydraulic-telescopic gangway to the client's fixed platforms. Several relocations in the field were performed during the year.

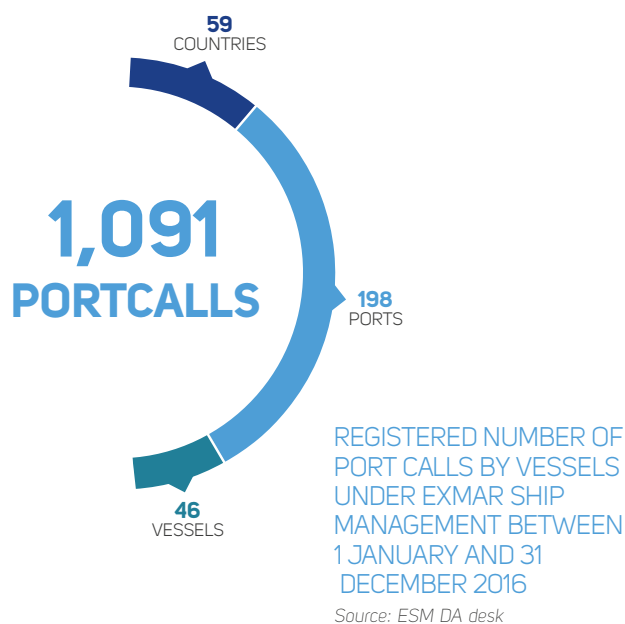
The OGIS-managed regasification unit FSRU TOSCANA, located off the coast of Livorno, Italy, received several cargos via STS for continuous regasification operations during a large part of the year.

In 2016 ESM launched its education arm Exmar Academy, gaining government-approval in the Benelux countries for its IGF courses. The Academy offers ISO –approved STCW training for its own seafarers

as well as external MCRM, specialized liquefied gas tanker and LNG bunkering courses for other shipowners and operators.

ESM also established a new ship management arm SEAVIE at EXMAR's offices in Mumbai, India. The business offers the same quality levels of technical and operational efficiency as ESM's to shipowners not directly involved in shipping liquid gas. SEAVIE has recently won a tender to manage the cape-size bulk carrier EL GRASSO, successfully piloting ESM's internally-developed Enterprise Resource Management ship management software ALEX.

#### EXMAR SHIP MANAGEMENT PORT CALLS



EXMAR has performed **205** Ship-to-Ship operations in 2016

#### OUTLOOK FOR 2017

In 2017 and early 2018, ESM will supervise commissioning and delivery of EXMAR's four remaining Midsize LPG newbuilds from Subic Bay. The company will actively pursue external business opportunities to add to its management.

The LNG Business Unit will continue to operate EXMAR's and ENI/ LNG Shipping's seaborne carriers. It will work closely to optimize operations of EXMAR's four FSRUs jointly owned with Excelerate Energy (EE) as well as EE's and OLTs floating maritime infrastructure, including two new LNG import terminal projects in Bangladesh and Pakistan.

The OGIS team will take CARIBBEAN FLNG into management as well as supervising the commissioning and delivery of the world's first barge-based FSRU at the Wison shipyard in Nantong, China. After three years of custom-built software development to optimize and synchronize processes on board and on shore, ESM will roll out its innovative real-time ALEX ship management solution to the EXMAR fleet.

Exmar Academy will create a joint venture with AHLERS NV's Bureau International Maritime (BIM) to further expand course offerings and ESM will work closely together with AHLERS, integrating the latter's ship management clients and operations into its organization.



In February 2016,  
the company has also  
launched [travelplus.be](http://travelplus.be),  
its new-look website.

## TRAVEL PLUS

Travel PLUS is a service-oriented travel agency based in Antwerp, Belgium, and is the country's largest independent travel agency.

The company specializes in both business and leisure travel differentiating itself from its competitors by fully exploring the travel requirements and options with each individual client in order to produce a customized and appropriate travel plan.

Travel PLUS guarantees quality by creating tailor-made solutions to meet every travel request, whether for private or business travel. A team of 24 travel experts provide a guarantee of top quality offers, due in part to the educational trips they have undertaken, thus gaining extensive first-hand experience of all aspects of the travel industry.

Seeking to better serve its customers, Travel PLUS developed and launched the "mobile shift", a new comprehensive travel app, which bundles all relevant information into one place. In February 2016, the company has also launched [travelplus.be](http://travelplus.be), its new-look website. Travel PLUS has a varied portfolio of clientele of which around 80% are Belgian.

The company's total revenue grew by 2% in 2015; activity is split with approximately 70% of activity in the business travel sector and the remaining 30% in the leisure travel sector.



# BELGIBO

BELGIBO Insurance Group (BELGIBO NV) is an independent specialties insurance broker and risk & claims management service provider with outstanding expertise in Marine, Aviation, Industrial, Transport and Credit & Political Risks. BELGIBO serves a diverse client portfolio at both a national and global level. BELGIBO is based in Antwerp and ranks amongst the top 10 insurance brokers in Belgium.

In 2015, BELGIBO successfully integrated FINSERVE Aviation Insurance, a specialized aerospace insurance broker with an international portfolio and equally based in Antwerp. The merger is fully completed in the second quarter of 2016.

BELGIBO's consolidated revenue growth (including FINSERVE) is 13% where the average growth in revenue in the industry is 1%. The company's EBITDA increased by 50%, in 2015. The company's strong growth has been realized primarily in the Marine and Industry divisions.

The company will focus on further specialized growth, in 2016, combined with additional investments in Marketing and a new IT-programme.

BELGIBO currently operates three major business units:

## BIC – BELGIBO Industry & Cargo

There has been strong growth in Construction and Marine Liability insurance, especially in terminals and logistics as well as forwarders. There is now a new focus on transport insurance (trading companies / production companies).

## MAS – Marine, Aviation & Special Risks

The company continues to broaden its Marine client base adding anything from a barge owner to a VLCC tank operator.

In Aviation the focus will remain on the private jets business segment and helicopters, with a growing portfolio of drones, gliders and small-mid-sized airliners.

In terms of business development, BELGIBO focuses especially on small/midsize fleets (both in marine and aviation); with some recent successes.

## CMC – BELGIBO Credit Risks

CMC-BELGIBO will continue to expand its presence as a specialized Credit Insurance Broker. The synergies between CMC-BELGIBO and BELGIBO rest mainly in the area of Special Risks. Nonetheless the company's broad client base continues to contribute to successful results.

## BELGIBO SERVES

**90%**

OF THE BELGIUM &  
NETHERLANDS - OWNED  
BUSINESS JETS

**85%**

OF THE HELICOPTERS  
REGISTERED IN BELGIUM

**70%**

OF THE ANTWERP-BASED  
TERMINAL OPERATORS (NATIONS)

**>50%**

OF THE COMMERCIAL  
INLAND NAVIGATION FLEET  
REGISTERED IN BELGIUM





03

**CARE FOR  
TODAY,  
RESPECT FOR  
TOMORROW**



**KNOCKE**  
**ANTWERPEN**



## ENVIRONMENT

Operating worldwide and in an increasingly vulnerable environment, EXMAR ensures that it minimises its impact on that environment. While sea transport remains the most environmentally-friendly modus of cargo transportation, Exmar Ship Management (ESM) actively reduces emission and energy consumption through the combination of audited management systems and high tech tools with comprehensive and accurate data. However these tools alone will not suffice, it also of course requires the commitment of the whole team.

The adaptation of standardized environmental management systems such as ISO 14001 (certification obtained in 2011) and ISO 50001 (certification obtained in 2014) guarantee a systematic approach to minimize the impact of our operations on the environment. Presently, ESM is in the process of obtaining the Green Award certification.

EXMAR has identified the unintended transport of invasive aquatic species, the emission of NOx, SOx and CO2 and the depletion of natural resources as the main consequences of fleet operations. In addition to these factors, the potential impact of accidental oil pollution is taken into account in our daily work.

The mentioned aspects are treated on several levels. The International Maritime Organization has adopted the Ballast Water Management convention on 7 August 2016 (entry into force on 8 August 2017), which is an enhancement of the previous Ballast Water Management regulation. Greenhouse gasses and Energy Efficiency are considered under the existing SEEMP and EEDI amendments of IMO MARPOL Annex VI and will be elaborated under the IMO mandatory fuel consumption data collection system for ships and the specific European MRV regulation. The EU MRV regulation starts with an obligation

to monitor emissions as of 30 August 2017 and gradually steps up over the next years to more and more stringent measures. NOx and SOx are covered under the same MARPOL annex which is to be managed through more environmentally-efficient engines and the use of low-sulphur fuels respectively; on board of several vessels a scrubber is installed to limit the SOx emissions.

ESM ensures compliance to these regulations through a dedicated HSEEQ team with personnel specialized in environmental and energy matters, their active participation in industry groups such as the environmental committee of Intertanko and the technical committee of the Belgian Shipowners Association and through their participation in international forums.

However, Exmar Ship Management goes beyond legislation. The adaptation of the ISO 50001 and ISO 14001 systems ensures a closed-loop approach to environmental matters which is integrated with its other operational management systems and requirements. This concerns the setting of targets and objectives, training, emergency response and the follow-up of non-conformities and incidents. The contents of the system focus on the following:

- Water use: management of ballast, grey and black water, sampling, etc.
- Air emissions: mainly through energy savings by the use of route optimization, vessel consumption parameters and an extensive newbuild programme focusing on energy efficiency.
- Waste control at source through our suppliers and at the end stage through compacting and biodegrading.



The adaptation of standardized environmental management systems such as ISO 14001 and ISO 50001 guarantee a systematic approach to minimize the impact of our operations on the environment.

### Water

Throughout the fleet, water is produced on board of the vessels from seawater and returned to the sea in the form of grey water or sewage, treated in line with all local and international regulations and beyond. Whereas the water production on board is indeed an energy consumer, it can be considered as a closed-loop system whereby no natural water sources are impacted. This is ensured by frequent sampling and analysis.

Bilge water is discharged only in line with local and international regulations. Discharge is permanently monitored and the correct functioning of equipment is managed through an audited planned maintenance programme, training and inspection by internal and external parties.

### Ballast Water

Ballast Water Management is currently facing regulatory challenges. IMO legislation will come into force on 8 August 2017 and a programme to ensure discharging non-contaminated ballast water is being rolled out. However, type approvals for ballast water management system under US regulation are only becoming available now. This has significantly impacted the selection process and is now receiving top priority.

### Greenhouse gasses & Air pollution

Exmar Ship Management has played an instrumental role in developing the measurement plan under the MRV regulation for the Belgian Shipowners Association and the International Chamber of Shipping. Since 2015, ESM has developed an internal measurement plan which is being fine-tuned using the six sigma methodology.

On board, all equipment is designed and maintained in line with an audited planned maintenance programme and used within the framework of energy efficiency measures, optimizing their use according to vessel operations.

EXMAR makes a point of going beyond compliance and regulations, actively participating in industry forums such as the Think Tank on Decarbonisation of Shipping.



## SPOTLIGHT

### PROVEN FUEL EFFICIENCY BENEFITS

#### EXMAR's first class customers

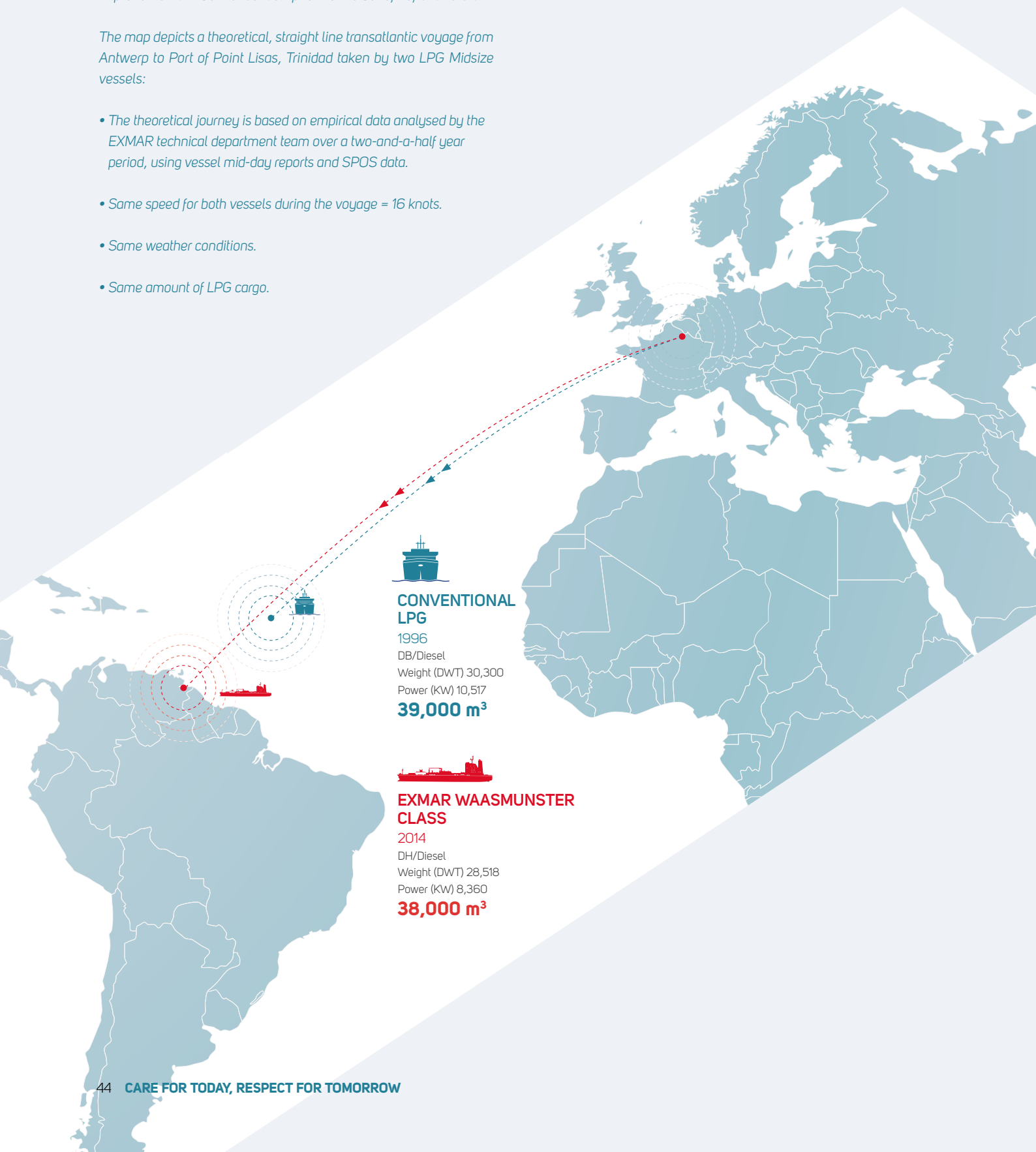
Since the entry into service of the first newbuild 38,000 m<sup>3</sup> Midsize LPG vessel WAASMUNSTER in May 2014, EXMAR's technical department has closely monitored the fuel efficiency of its new Midsize fleet. With nine of these 12 Midsize LPG newbuild vessels delivered, EXMAR's crew onboard and colleagues ashore have achieved tangible improvements in bunker consumption to the benefit of charterers.

The map depicts a theoretical, straight line transatlantic voyage from Antwerp to Port of Point Lisas, Trinidad taken by two LPG Midsize vessels:

- The theoretical journey is based on empirical data analysed by the EXMAR technical department team over a two-and-a-half year period, using vessel mid-day reports and SPOS data.
- Same speed for both vessels during the voyage = 16 knots.
- Same weather conditions.
- Same amount of LPG cargo.

- Same amount of fuel bunkers consumed.

- With the same level of bunker consumption, a conventional Midsize LPG vessel will remain 450 nautical miles from final destination, whilst EXMAR's WAASMUNSTER newbuild class would complete the voyage from Antwerp to Point Lisas.







## PAUL MOEYAERT – AN EXMAR STALWART WITH BELGIAN SHIPPING ROOTS AT THE BOELWERF YARD

*When I qualified as a Naval Architect back in 1981, my first experience in shipbuilding was at one of Belgium's smaller shipyards on the Scheldt, with only 200 people in total. After a brief sojourn in my native village on the Belgian coast at a manufacturing plant, a longing to return to building ships brought me to work at the Boelwerf yard, where the roots of EXMAR originate and where EXMAR's first gas carriers were built. Afterwards I moved from shipbuilding to shipowners with technical management roles for Cobelfret and Ahlers as well as becoming General and Technical Manager of Euronav's Antwerp Shipmanagement arm in 2008. In between I also had a nine year sojourn at the classification societies DNV and Lloyds Register. So when Leo Cappoen from EXMAR asked me to come out of retirement to spend six months working on a speed and fuel consumption project, I was ready for a short stay. Five years later I am now leading on energy efficiency improvements of the EXMAR fleet and working with former seafaring officers and other architects on exciting future projects which will also see big changes in vessel propulsion and how gas is used as a fuel. Retirement can wait for now.*



## PEOPLE - OUR MOST VALUABLE ASSET

With the increasing globalization and internationalization of EXMAR's business, the Company has undergone rapid change to attract, develop and keep highly-talented people from all over the world.

Numbers speak for themselves, and in this report for 2016, the following statistics for EXMAR's staff provide a glimpse of just how much the Company has been transformed in recent years:

- The total number of staff on shore and at sea has grown to 1,628 people in 2016, which represents a rise of 4.4% since 2015 and an overall rise of just over 26% since 2011.
- At the EXMAR Group Headquarters located in Antwerp, of the 234 employees serving on shore in 2015, there are now 17 nationalities working at the Company's various subsidiaries.
- Comparing the Headquarters staff by age group, there is an even spread between the ages of 20 and 60 years of age. This ensures continuity in terms of knowledge capital and creates project teams with a proper mix of younger and more experienced staff members.
- Of these 234 people, there are 113 male and 121 female employees, meaning that for the first time, women outnumber men at the various EXMAR companies and subsidiaries in Belgium.
- In 2016, there were a total of 24 nationalities contracted by Exmar Ship Management serving on board vessels and offshore maritime infrastructure. ESM has one of the lowest turnover rates of senior and junior officers in the industry.

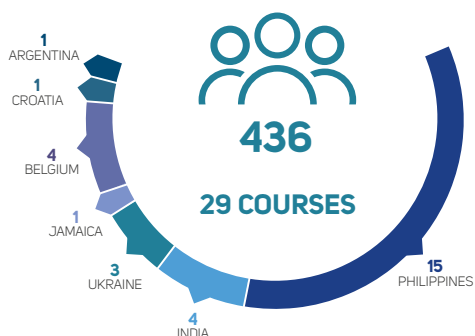
Through annual seafarer conferences in Antwerp, Mumbai, Manila, Split, Odessa, and Buenos Aires contact between shore and sea staff is regularly maintained, with the latest company and technical updates. Seafarers are provided with specialized technical training with Original Equipment Manufacturers, and are being trained in-house to meet the latest STCW 2010 requirements.

To further nurture and develop talent onshore, EXMAR regularly sponsors its personnel to take academic courses, including Master Degrees in Engineering, Business Administration and Information Management. Senior EXMAR personnel regularly lecture at Maritime Academies, Universities and other education establishments. Young engineers and cadets serve on board EXMAR vessels or complete internships at EXMAR's offices around the globe. Exmar Ship Management has developed long-term partnerships with Mapua school and PHILCAMSAT training centre in the Philippines, as well as the Caribbean Maritime Institute in Kingston, Jamaica and regularly recruits new talent from these institutions to its growing fleet.



### TAKING THE SAFETY LEAD 2016

#### SAFETY MINDSET COURSE Junior Officers & Ratings trained



#### SAFETY LEADERSHIP COURSE Senior Officers trained



#### CONFERENCE SESSIONS & WORKSHOPS

Antwerp  
Mechelen  
Buenos Aires  
Mumbai  
Odessa  
Split  
Subic Bay





## WIM DE DEKEN – PROJECT DIRECTOR - FLNG

*I have been fortunate throughout my 19 years with EXMAR. I have been fortunate to do unusual things and work with remarkable people. Above all, I have enjoyed considerable freedom how I got about my work.*

*I was hired by EXMAR technical department by one of the finest gentlemen I ever met, Leo Cappoen. I was to assist Leo to give form and shape to our nascent offshore activities.*

*This happened to be an entry into the FPSO business which was booming at the time. EXMAR landed a newbuild FPSO contract for Total in Libya. I was entrusted with overall project coordination, including contact with our Libyan clients and setting up the O&M affiliate in Tripoli. Surely no routine or boredom there.*

*This naturally pushed me deep into the operations side. Together with the small team of Franship Offshore we took care of our oil terminal business in West Africa. Sunny days and many miles under African skies.*

*In May 2014 I was asked to take over the coordination of the CFLNG project. It was my pleasure to work with the strongest expedition team that EXMAR has ever set afoot. It was also a lesson in humility. For the first time in my career I was confronted with a technology that I did not completely master, the same applying to even the most experienced builders which did not make my task easier.*



You have to find your happiness in your job – otherwise it is not worth doing it.

*Every individual in my team mastered a discipline that I could hardly comprehend. This meant I had to rely on my team without reservation, in the same way you trust the pilot in your plane or the mechanic who services your brakes. I was never let down.*

*This was one of the richest experiences in my professional life.*

*Soon CFLNG will be ready for deployment. It will do the job. I do not claim merit to that. It has enlarged my insight in human nature and what a team can do. It was my good fortune to be at the right place at the right time. I gave much but I have been given more in return.*

*You have to find your happiness in your job – otherwise it is not worth doing it.*



Arne (right) receiving his Lloyds Maritime Academy-sponsored award for best overall distance learning student from WMU President Cleopatra Doumbia-Henry (Left) and IMO Secretary General Kitack Kim (middle)



## ARNE LIPPENS – LPG TECHNICAL SUPERINTENDENT, PUTTING ISO 50001 INTO PRACTICE

*Last year, with the support of EXMAR, I decided to go back to study enrolling in a one-year postgraduate course in Maritime Energy Management at the World Maritime University (WMU). The WMU is a postgraduate maritime university founded by the International Maritime Organization which also offers distance courses. Having joined Exmar Ship Management's Energy Efficiency Team, I was able to research the latest developments in energy efficiency and combine these studies with my job as a Superintendent.*

*A lot of the study covered technical and operational solutions to optimize efficiency on board, getting the right balance in terms of putting legislation into practice. This included how to introduce and maintain the ISO 50001 Energy Management System. As EXMAR has adopted and attained this ISO standard, I focused on company-specific applications and how we can continually embed and expand these requirements into our culture.*

*Energy efficiency is not only growing in importance on a legislative level, but commercially as well. More and more clients and organizations will only consider partnering with ship owners who can translate their environmental initiatives into business efficiency. If we can embed energy efficiency and durability into our approach in the same way we do with our safety culture, we will stay at the forefront”.*





## SINGLE-HANDEDLY ACROSS THE ATLANTIC IN SEARCH FOR A CURE FOR MS – EXMAR'S THIRD OFFICER RUBEN DONNÉ

*In October 2016 Third Officer Ruben Donné set sail from Nieuwpoort, Belgium for a solo trip across the Atlantic Ocean in a sailing yacht with a length of just 6.5 meters. With this endeavour he both realized a childhood dream as well as fulfilling a recent aspiration: raising awareness and money for the battle against Multiple Sclerosis (MS). On 3 January 2017, after 90 days of solo sailing and two transatlantic crossings from Antwerp via Salvador in Brazil, Ruben Donné triumphantly set foot ashore in Cape Town and completed his Sailing for MS Challenge. Along the way he put MS on the map by raising EUR 55,000 to fund research by the University of Hasselt into a cure for the disease.*

*"My father was diagnosed with MS five years ago. This paralysis disease, caused by a distortion in the central nervous system, makes people gradually lose control over their body. Witnessing the process first-hand, makes you realize how valuable and vulnerable good health is. As the exact cause of MS is still unknown, it cannot be cured today. With this challenge I wanted to raise money to help doctors find a cure.*

*When I studied at the Antwerp Maritime Academy, I was an apprentice on EXMAR's LPG fleet. In 2012 I joined the company and today I am part of Exmar Ship Management's LNG crew. A few contracts ago, it dawned on me that I could combine my ocean crossing aspirations with my urge to do something for people with MS. When I signed off, I contacted the Flemish MS Liga and the MS network of my province, Limburg. They were enthusiastic, so the deal was on.*

*As one of my main sponsors, Exmar Ship Management assisted in my lengthy preparations before the journey, with BELGIBO insuring my yacht. EXMAR Yachting arranged for me to speak at the industry BE Yachting event to raise funds and Travel PLUS sponsored my return home to Belgium. Luckily I also received good support from my shore colleagues in case of breakdown or urgent spare parts supplies on the way with ESM offering its support network in Africa and South America. I sent my daily position to EXMAR's operations department who tracked me every step of the way. EXMAR was one of the first points of contact in case of an emergency, and with numerous EXMAR vessels trading in the Atlantic it was comforting to know I had colleagues looking out for me both on shore and at sea."*



## EXMAR IN THE COMMUNITY

EXMAR and its affiliates have supported cultural or charitable associations for a number of years. In granting financial assistance to such projects, EXMAR supports individuals and organizations actively helping people in need, as well as sporting and cultural heritage programmes.

EXMAR supports BEDNET, the Belgian charity organization which permits children and young adults unable to leave their bedrooms to remotely follow classroom learning ([www.bednet.be](http://www.bednet.be)). EXMAR also supports PINOCCHIO, a Belgian charity which offers support to children who have suffered serious burn injuries.

Exmar Ship Management sea staff visit primary schools throughout the world to teach young children about ships, shipbuilding, life at sea and cargo transportation, and allowing them to create nautical illustrations

which are then displayed on board EXMAR ships as well as other vessels under Exmar Ship Management.

EXMAR supports Belgian hockey clubs Gantoise and Meeljesland and has also sponsored several sporting events including the Schelde Regatta, the Antwerp Tall Ships Race and Jumping Antwerpen (equestrian event). EXMAR is sponsor of the Belgian National Maritime Museum and annual sponsor of the Argonaut Dinner Gala of the Antwerp Maritime Academy.

In October 2016, one of Exmar Ship Management's seafarer Ruben Donné decided to make a single-handed, double crossing of the Transatlantic to raise awareness and funds for research into Multiple Sclerosis (MS). 90 days later he succeeded in his endeavor, supported by several EXMAR companies.

The background features a large, abstract geometric design. A large white triangle points upwards from the bottom left, partially overlapping a dark blue triangle that points downwards from the top right. The top left corner is a solid light blue. In the top right corner, there is a partial view of an offshore oil rig structure, including yellow and red components, set against a dark blue background.

04

# **FINANCIAL REPORT**





LLOG HOUSE  
DELTA MC 254A

14  
44

EXIT  
Agency

EXIT  
Agency

# CONTENTS

|   |            |
|---|------------|
| <b>CORPORATE GOVERNANCE STATEMENT</b>   | <b>53</b>  |
| <b>ANNUAL REPORT BOARD OF DIRECTORS</b>   | <b>66</b>  |
| <b>CONSOLIDATED FINANCIAL STATEMENTS</b>  | <b>73</b>  |
| Consolidated statement of financial position  | 73         |
| Consolidated statement of profit or loss and consolidated statement of other comprehensive income | 74         |
| Consolidated statement of cash flows  | 75         |
| Consolidated statement of changes in equity   | 76         |
| <b>Notes</b>  |            |
| 1. Accounting policies  | 78         |
| 2. Segment reporting  | 88         |
| 3. Reconciliation segment reporting   | 92         |
| 4. Operating income   | 94         |
| 5. Other operating expenses   | 94         |
| 6. Personnel expenses   | 95         |
| 7. Finance income / expenses  | 95         |
| 8. Income taxes   | 96         |
| 9. Acquisition of a subsidiary  | 97         |
| 10. Disposal of a subsidiary  | 98         |
| 11. Vessels   | 99         |
| 12. Other property, plant and equipment   | 100        |
| 13. Intangible assets   | 101        |
| 14. Equity accounted investees  | 102        |
| 15. Financial information equity accounted investees  | 103        |
| 16. Borrowings to equity accounted investees  | 108        |
| 17. Available-for-sale financial assets   | 109        |
| 18. Trade and other receivables   | 109        |
| 19. Deferred tax assets and liabilities   | 110        |
| 20. Restricted cash and cash and cash equivalents   | 110        |
| 21. Share capital and reserves  | 111        |
| 22. Earnings per share  | 112        |
| 23. Borrowings  | 113        |
| 24. Share based payments  | 116        |
| 25. Employee benefits   | 117        |
| 26. Provisions  | 119        |
| 27. Trade and other payables  | 119        |
| 28. Financial risks and financial instruments   | 119        |
| 29. Operating leases  | 125        |
| 30. Capital commitments   | 126        |
| 31. Contingencies   | 126        |
| 32. Related parties   | 127        |
| 33. Group entities  | 129        |
| 34. Major exchange rates used   | 131        |
| 35. Fees statutory auditor  | 131        |
| 36. Subsequent events   | 131        |
| 37. Other   | 131        |
| Statement on the true and fair view   | 131        |
| Report of the statutory auditor   | 132        |
| <b>STATUTORY FINANCIAL STATEMENTS</b>   | <b>133</b> |

# CORPORATE GOVERNANCE STATEMENT

## REFERENCE CODE

This Corporate Governance Statement is covered by the provisions of the Belgian 2009 Corporate Governance Code. The Royal Decree of 6 June 2010 recognized the Code of 2009 as the only applicable Code. This Code is published in the Belgian Official Gazette (Moniteur Belge/Belgisch Staatsblad) on 23 April 2010 ([www.staatsblad.be](http://www.staatsblad.be)), as well as on the website [www.corporategovernancecommittee.be](http://www.corporategovernancecommittee.be).

EXMAR has adopted the 2009 Belgian Corporate Governance Code ("Code 2009") as a reference code.

## PRINCIPLES CODE 2009

EXMAR is committed to achieving the highest standards of Corporate Governance.

EXMAR pledges to follow the nine principles laid out in the Belgian Corporate Governance Code announced on 12 March 2009 by the Corporate Governance Committee:

- 1) The Company adopts a clear governance structure;
- 2) The Company has an effective and efficient Board of Directors that will make decisions in the interest of the Company;
- 3) All directors show integrity and dedication;
- 4) The Company has a rigorous and transparent procedure for the appointment and the evaluation of its Board and the members thereof;
- 5) The Board of Directors creates specialized Committees;
- 6) The Company develops a clear structure for executive management;
- 7) The Company compensates the directors and the members of the Executive Management in a fair and responsible manner;
- 8) The Company enters into a dialogue with shareholders and potential shareholders, based on mutual understanding of each other's objectives and expectations;
- 9) The Company guarantees suitable disclosure of its Corporate Governance.

## CORPORATE GOVERNANCE CHARTER AND CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Charter and Corporate Governance Statement of EXMAR can be consulted on the website <http://exmar.be/en/investors/corporate-governance>.

EXMAR's Corporate Governance Charter was approved by the Board on 31 March 2010 and updated and approved by the Board of Directors on 2 September 2016. This Charter is also applicable to all affiliates of EXMAR.

The Corporate Governance Charter contains a summary of the rules and principles on which EXMAR's Corporate Governance is organized and is based on the provisions of EXMAR's Articles of Association, the Belgian Code of Companies and the most recent version of the Belgian Corporate Governance Code.

The Belgian Corporate Governance Code is based on a 'comply or explain' principle.

The Company aims to comply with most provisions of the Belgian Corporate Governance Code, but the Board is of the opinion that deviation from provisions may be justified in light of the Company's specific situation. If applicable, an explanation is provided in the Corporate Governance Statement about the deviations during the past financial year on specific provisions of the Code in accordance with the "comply or explain" principle.

The Corporate Governance Charter describes the Company's profile, capital shares and shareholders and the applied principles related to the shareholders' meetings.

The roles and responsibilities of the different organs within the Company are described:

- The power, responsibilities and functioning of the Board are elaborated. The Corporate Governance Charter defines the rules in operation of the Board, dealing with Conflicts of Interest, remuneration and evaluation.
- The functioning of the Audit Committee and Nomination and Remuneration Committee, set up in delegation of the Board is described in detail.
- The roles and rules in the organization of the day-to-day management, the power and responsibilities of the Chief Executive Officer and Executive Committee are elaborated.

This Corporate Governance Statement describes the measures taken by EXMAR to ensure compliance with laws and regulations relating to insider trading, corruption, money-laundering practices, competition, sanctions and suchlike.



# 1. GENERAL INFORMATION ABOUT THE COMPANY

## 1.1 DATE OF ESTABLISHMENT AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company was established by notarial deed on 20 June 2003, published in the appendix to the Belgian Official Gazette of 30 June 2003, reference 03072972, and of 4 July 2003, reference 03076338.

The Articles of Association were amended several times and for the last time by deed executed before civil law notary Benoit De Cleene in Antwerp, replacing his colleague notary Patrick Van Ooteghem in Temse, on 19 May 2015, published in the appendix to the Belgian Official Gazette of 11 June 2015, reference 15082595.

## 1.2 REGISTERED OFFICE

De Gerlachekaai 20, 2000 Antwerp, Belgium.

VAT BE0860.409.202.

Company Registration Antwerp.

## 1.3 ISSUED CAPITAL

The issued capital amounts to USD 88,811,667, is fully paid-up and is represented by 59,500,000 shares without nominal value. For the application of the provisions of the Belgian Companies Code, the reference value of the capital is set at EUR 72,777,924.85.

No changes in capital occurred during the course of 2016.

## 1.4 AUTHORIZED CAPITAL

Pursuant to the Belgian Companies Code, the Board of Directors may be authorized by the shareholders, during a five years period, to increase the capital up to a defined amount and within certain limits.

By decision of the Extraordinary General Meeting of Shareholders held on 15 May 2012, the Board of Directors was authorized to increase the share capital of the Company once or several times, in the manner and at conditions to be determined by the Board of Directors, within a period of five years with effect from the date of publication of such a decision, by a maximum amount of USD 12,000,000, the reference value of EUR 7,703,665.66 for application of the provisions of the Belgian Companies Code. The special report of the Board of Directors was drawn up in accordance with the provisions of Section 604 of the Belgian Companies Code.

The Board of Directors will propose to the Extraordinary General Meeting of Shareholders of 16 May 2017 to renew the authorization to increase the Company's share capital within the framework of the authorized capital.

## 1.5 ARTICLES OF ASSOCIATION, GENERAL MEETINGS, PARTICIPATION, AND EXERCISING OF VOTING RIGHTS

The Annual General Meeting takes place on the third Tuesday of May at 2.30 p.m.

The rules governing the convening, the participation, the conducting of the meeting, the exercising of the voting rights, amendments to the Articles of Association, nomination of the members of the Board of Directors and its Committees can be found in the coordinated

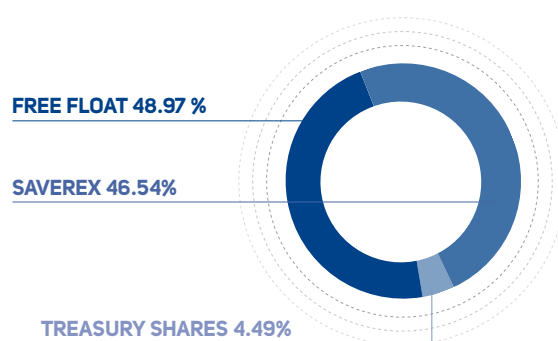
Articles of Association and the Corporate Governance Charter of the Company, both of which are available on the Company's website under investor relations. <http://exmar.be/en/investors/reports-and-downloads/articles-association>

## 1.6 PURCHASE OF OWN SHARES

On 20 May 2014, the Extraordinary General Meeting of Shareholders authorized the Board of Directors of EXMAR for a period of five years to acquire the Company's own shares within a well-defined price range. The number of treasury shares as at 31 December 2016 amounted to 4.49%, which represents 2,677,433 shares.

## 1.7 SHARES AND SHAREHOLDERS

Shareholding as per 31 december 2016



The EXMAR share is listed on NYSE Euronext Brussels and is part of the Bel Mid index. (Euronext: EXM).

During the course of 2016 and till the date of this report, EXMAR NV did not receive any notifications in the context of the Transparency Act of 2 May 2007.

The latest notifications received by the Company as notified to the FSMA are as follows:

- 25 November 2013: EXMAR NV announced that SAVEREX NV disclosed that the call-options granted to SOFINA SA, were ended. The agreement to act in concert as stipulated in article 3§1, 13°C of the law of 2 May 2007 was terminated.
- 3 December 2013: EXMAR NV announced that SAVEREX NV disclosed that the threshold of 50% was crossed due to the sale of 4,900,000 voting rights.

In accordance with Section 74§6 of the law on public takeover bids of 1 April 2007, Saverex NV notified the FSMA on 15 October 2007, updated on 25 August 2016, that it holds more than 30% of the securities with voting rights in EXMAR NV, a listed Company.

The statutory information is published on the website ([www.exmar.be](http://www.exmar.be)).

The Company has no knowledge of any agreements made between shareholders.

The Articles of Association impose no restrictions on the transfer of shares.

## 2. DECISION-MAKING BODIES

Functions and terms of office of the Directors on the Board, its Committees and the Executive Committee.

### BOARD OF DIRECTORS

|  | Beginning of<br>mandate | Last renewal | End of mandate |
|--|-------------------------|--------------|----------------|
| <b>NAME - FUNCTION</b>   |                         |              |                |
| <b>Baron Philippe BODSON</b> <ul style="list-style-type: none"> <li>Chairman Board of Directors</li> <li>Non-executive director</li> <li>Member Audit Committee</li> <li>Chairman Nomination- and Remuneration Committee</li> </ul>      | 20 June 2003            | 19 May 2015  | 2018           |
| <b>Nicolas SAVERYS</b> <ul style="list-style-type: none"> <li>Executive director</li> <li>Chief Executive Officer (CEO)</li> </ul>   | 20 June 2003            | 19 May 2015  | 2018           |
| <b>Patrick DE BRABANDERE</b> <ul style="list-style-type: none"> <li>Executive director</li> <li>Chief Operating Officer (COO)</li> </ul>   | 20 June 2003            | 19 May 2015  | 2018           |
| <b>Howard GUTMAN</b> <ul style="list-style-type: none"> <li>Independent director within the meaning of Article 526ter of the Company Code</li> </ul>   | 20 May 2014             |              | 2017           |
| <b>Jens ISMAR</b> <ul style="list-style-type: none"> <li>Independent director within the meaning of Article 526ter of the Company Code</li> <li>Member Audit Committee</li> <li>Member Nomination- and Remuneration Committee</li> </ul> | 18 May 2010             | 17 May 2016  | 2019           |
| <b>Michel DELBAERE</b> <ul style="list-style-type: none"> <li>Independent director within the meaning of Article 526ter of the Company Code</li> <li>Member Nomination- and Remuneration Committee</li> </ul>                            | 17 May 2016             |              | 2019           |
| <b>Ludwig CRIEL</b> <ul style="list-style-type: none"> <li>Non-executive director</li> <li>Chairman Audit Committee</li> </ul>   | 20 June 2003            | 20 May 2014  | 2017           |
| <b>Baron Philippe VLERICK</b> <ul style="list-style-type: none"> <li>Non-executive director</li> <li>Member Audit Committee</li> </ul>   | 20 June 2003            | 20 May 2014  | 2017           |
| <b>Ariane SAVERYS</b> <ul style="list-style-type: none"> <li>Non-executive director</li> </ul>   | 15 May 2012             | 19 May 2015  | 2018           |
| <b>Pauline SAVERYS</b> <ul style="list-style-type: none"> <li>Non-executive director</li> </ul>  | 15 May 2012             | 19 May 2015  | 2018           |
| <b>Barbara SAVERYS</b> <ul style="list-style-type: none"> <li>Non-executive director</li> </ul>  | 19 May 2015             |              | 2018           |

### EXECUTIVE COMMITTEE

|  |  |  |  |
|--|--|--|--|
| <b>NAME - FUNCTION</b>   |  |  |  |
| <b>Nicolas SAVERYS</b> <ul style="list-style-type: none"> <li>Executive director</li> <li>Chief Executive Officer (CEO)</li> </ul>       |  |  |  |
| <b>Patrick DE BRABANDERE</b> <ul style="list-style-type: none"> <li>Executive director</li> <li>Chief Operating Officer (COO)</li> </ul> |  |  |  |
| <b>Miguel De POTTER</b> <ul style="list-style-type: none"> <li>Chief Financial Officer (CFO)</li> </ul>                                  |  |  |  |
| <b>Pierre DINCO</b> <ul style="list-style-type: none"> <li>Managing Director Shipping</li> </ul>   |  |  |  |
| <b>Bart LAVENT</b> <ul style="list-style-type: none"> <li>Managing Director LNG Infrastructure</li> </ul>                                |  |  |  |
| <b>David LIM</b> <ul style="list-style-type: none"> <li>Managing Director of Exmar Offshore</li> </ul>                                   |  |  |  |
| <b>Marc NUYTEMANS</b> <ul style="list-style-type: none"> <li>CEO of Exmar Shipmanagement</li> </ul>                                      |  |  |  |

## 2.1 BOARD OF DIRECTORS

### 2.1.1 Position and mandate

The Board of Directors is the ultimate decision-making body of the Company. The powers and the operation of the Board are described extensively in the Corporate Governance Charter. The Board has all the powers with the exception of matters reserved by the Belgian Companies Code or the coordinated Articles of Association for the General Meeting of Shareholders

The Board of Directors is composed of members from diverse professional backgrounds and who represent a wide range of experience; it consists of a sufficient number of directors to ensure proper operation, taking into account the specificity of the Company;

The Board of Directors strives for the success of the Company in the long term, provides the necessary leadership for this, and ensures that risks can be identified and managed. It is responsible for the overall strategy and values of EXMAR, based on the social, economic and ecological responsibility, gender diversity, and diversity in general. The directors will be provided in good time with a file containing all the information for the deliberations on the agenda items. Decisions are taken at Board of Directors meetings in accordance with Article 22 of the Articles of Association, which includes the stipulation that the Chairman's vote is decisive in the event of a tied vote. To date, such a tied vote has never occurred.

Regarding the gender diversity at the level of the Board of Directors, Section 7 of the Law of 28 July 2011 stipulates that companies with a free float of less than 50% have a period of eight years rather than six years to regularise themselves. The necessary measures will be taken for future appointments to ensure that the imposed quotas are reached with effect from 1 January 2019.

### 2.1.2 Activity report

During 2016 the Board held five meetings; all the meetings were held under the chairmanship of Mr. Bodson, each in the presence of all members, except at the meeting of 17 May 2016 where Mr. Guy Verhofstadt and Mr. Howard Gutman were represented by proxy. In addition to exercising the powers provided by law, the Articles of Association and the Corporate Governance Charter, the Board of Directors deals with topics including the following:

- General market developments
- New Market Abuse Developments
- Dematerialization of bearer shares
- Acquisition of Wah Kwong's 50% share in 10 pressurized vessels
- Financing and employment of the CFLNG
- FSRU barge
- Vopak project – sale of the FSRU business

## 2.2 AUDIT COMMITTEE

### 2.2.1 Position and mandate

The Audit Committee is founded by the Board of Directors and operates in compliance with Section 526bis of the Belgian Companies Code. The Board of Directors has granted the Audit Committee the broadest powers of investigation within its area.

The Audit Committee assists the Board of Directors with the fulfilment of its supervisory task and to ensure monitoring in the broadest sense. It is the main point of liaison for the Internal Auditor and the External

Auditor. All the members of the Audit Committee possess the necessary expertise concerning accounting and auditing, and are familiar with financial reporting, accounting standards and risks, because of their qualifications, their careers in various multinational groups and their current professional activities.

The Corporate Governance Code stipulates that at least half of the members of the Audit Committee must be independent. Section 526bis of the Belgian Companies Code and the EXMAR Corporate Governance Charter stipulate that at least one member be independent; the Board of Directors confirms that the composition of the Audit Committee meets the purpose of the law.

### 2.2.2 Activity report

The specific responsibilities of the Audit Committee are set out in an Audit Charter, approved by the Board of Directors on 31 March 2011 and modified on 25 March 2015.

In 2016, four meetings were held each in the presence of all members, the Statutory Auditor was present during two meetings and the Internal Auditor was present during one meeting;

The Audit Committee deliberated on specific financial matters that arose during the year, made recommendations to the Board of Directors, other agenda items included:

- Compliance and Risks
- Following up of the internal audit

## 2.3 NOMINATION AND REMUNERATION COMMITTEE

### 2.3.1 Position and mandate

The Nomination and Remuneration Committee was founded by the Board of Directors and operates in compliance with Section 526quater of the Belgian Companies Code. All the members of the Nomination and Remuneration Committee possess the necessary expertise in the area of remuneration policy based on exercising their positions during their careers.

The Committee assists the Board of Directors with the exercising of its responsibilities concerning the determination of the Company's remuneration policy and the nomination procedures;

The Nomination and Remuneration Committee is composed of three members on 31 December 2016, of whom at least half were independent directors.

### 2.3.2 Activity report

The specific responsibilities have been set out in a Nomination and Remuneration Committee Charter, approved by the Board of Directors on 29 November 2011. The Board of Directors also approved the procedure for the nomination and reappointment of directors and members of the Executive Committee.

The Nomination and Remuneration Committee met twice during the past year; all the members were present at each meeting.

With respect to remuneration, the following items were discussed:

- Remuneration package
- Review of the fixed and variable remuneration and the long term incentive plan



With respect to the nominations, the following items were discussed:

- Nomination and reappointment of directors
- Evaluation of the independence criteria of Directors

## **2.4 EXECUTIVE COMMITTEE – CEO**

### **2.4.1 Position and mandate**

The Board of Directors delegated its management powers to an Executive Committee in accordance with Section 524bis of the Belgian Companies Code and is responsible for the day-to-day management of EXMAR and the EXMAR group, under supervision of the Board of Directors;

The operating rules of the Executive Committee are set out in a Charter, approved by the Board of Directors on 29 November 2011.

The Executive Committee meets on a regular basis. The CEO is the chairman of the Executive Committee;

The role of the Executive Committee consists of leading EXMAR according to the values, strategies, policies, schedules and budgets set by the Board of Directors.

## **3. PERFORMANCE EVALUATION**

In order to assess the effectiveness of the Board and its Committees, the Board introduced an evaluation process in 2011 (renewed in 2014). In the course of 2017 a new Board evaluation will be introduced. Purpose: increase efficiency, reinforce values, detect gaps in Board competences and monitor relationship between Board and Committees and Board and Executive Committee.

The Board has decided at each meeting to organize a closed session.

Each Committee reports on its activities to the Board.

## **4. SUPERVISION**

### **4.1 EXTERNAL AUDIT**

KPMG Bedrijfsrevisoren CVBA (company auditors), represented by Mr. Serge Cosijns: Statutory Auditor. By decision of the Ordinary General Meeting of 17 May 2016 Serge Cosijns replaced Filip De Bock as permanent representative of KPMG in order to comply with the mandatory internal rotation rules adopted by the Institute of Auditors of 30 August 2007.

The auditor conducts the external audit of both the consolidated and statutory figures of EXMAR. The Audit Committee in its meeting of 1 September 2016 proposed and the Board of Directors agreed, to the Board to no longer review the half-year results, in line with other listed companies' policies. The auditor however was requested to read the updated version of the interim condensed consolidated financial statements to ensure consistency with the adjustments proposed by the Committee.

KPMG was reappointed at the Ordinary General Meeting of 19 May 2015 for a new period of three years, which will end at the General Meeting in 2018. In accordance with the new EU regulatory framework for statutory auditors (537/2014) the mandate of KPMG Bedrijfsrevisoren CVBA represented by Mr. Serge Cosijns, will expire at the Annual Shareholders' Meeting, which will be held on 16 May 2017.

EXMAR NV has initiated a public tendering process for the statutory audit for the financial years 2017 until 2019. The Audit Committee will share its recommendations with the Board of Directors, who will prepare a proposal to the Shareholders' Meeting, based on the motivated recommendations from the Audit Committee.

### **4.2 INTERNAL AUDIT**

EY has been appointed to assist the Company in the conducting of its internal audit activities. The internal auditor was reappointed for a new term of three years ending at the meeting of the Audit Committee in March 2019.

### **4.3 SECRETARY**

Mr. Mathieu Verly, Secretary, appointed since 1 July 2015. The Secretary shall ensure that Board procedures are complied with and that the Board acts in accordance with its statutory obligations and its obligations under the Articles of Association. He shall advise the Board on all governance matters and assist the Chairman of the Board in fulfilling his duties as detailed above, as well as in the logistics associated with the affairs of the Board (information, agenda, etc.).

### **4.4 COMPLIANCE OFFICER**

Mr. Patrick De Brabandere COO, Compliance officer appointed on the recommendation of the Audit Committee, by the Board of Directors on 25 March 2015 with effect from 1 July 2015. He is responsible for the implementation of and the supervision on compliance with the Dealing Code and the tasks described in the Compliance Model as member of the Risk Committee.

## **5. GUBERNA**

EXMAR joined Guberna as institutional member, because EXMAR believes in the merits of corporate governance principles and is keen on further developing its corporate governance structure. Guberna is a knowledge centre promoting corporate governance in all its forms and offers a platform for the exchange of experiences, knowledge and best practices.

Guberna organized in collaboration with EXMAR a "Director effectiveness Programme" (4 sessions) for the new Directors.

## **6. RULES AND PROCEDURES**

### **6.1 TRANSACTIONS BETWEEN RELATED PARTIES**

Each member of the Board of Directors and of the Executive Committee is encouraged to organize their personal and business interests in such a way that there is no direct or indirect Conflict of Interest with the Company. The Company's Corporate Governance Charter requires that every transaction between the Company or any of its subsidiaries, and any director or member of the Executive Committee must first be approved by the Board of Directors, regardless of whether such a transaction is or is not subject to the applicable statutory regulations. Such a transaction can only take place on the basis of arm's length conditions.

### **6.2 CONFLICTS OF INTEREST**

The provisions of the Belgian Companies Code will apply in the event of a Conflict of Interest.

In accordance with Section 523 of the Belgian Companies Code, the Board of Directors is required to adhere to a special procedure if one or more directors have a direct or indirect conflict of proprietary interest with any decision or transaction belonging within the powers of the Board of Directors.

In accordance with Section 524ter of the Belgian Companies Code, the Executive Committee is required to adhere to a special procedure if one or more members of the Executive Committee have a direct or indirect conflict of proprietary interest with any decision or transaction belonging within the powers of the Executive Committee.

EXMAR has no knowledge of any potential Conflicts of Interest among the members of the Board of Directors and the members of the Executive Committee in the meaning of Sections 523 or 524ter, except those that may be described in the Annual Report from the Board of Directors.

### 6.3 TRANSACTIONS WITH AFFILIATED COMPANIES

The provisions of the Belgian Companies Code will apply in the case of transactions with affiliated companies.

Section 524 of the Belgian Companies Code provides for a special procedure applicable to transactions within a group or transactions with affiliated companies. This procedure applies to decisions and transactions between the Company and affiliated companies that are not subsidiaries of the Company.

Currently Saverbel NV and Saverex NV, companies controlled by Mr. Nicolas Saverys, CEO, provide administrative services to the EXMAR Group. These services are invoiced and are at arm's length conditions.

## 7. ETHICS AND COMPLIANCE WITH STANDARDS, RULES AND LAWS

EXMAR recognizes the need for clear codes of conduct, structures and procedures to ensure compliance with the globally applicable standards, laws and practices relating to Corporate Governance.

EXMAR's Code of Business Ethics describes 'The way we work'. It brings together the values and sets out the rules and guiding principles. The Code of Business Ethics contains rules regarding individual and responsibilities, as well as responsibilities to EXMAR's employees, customers, shareholders and other stakeholders on:

- Respect for individuals
- Respect for the law
- Respect for local customs
- Environmental stewardship
- Protection of confidential information
- Protection and proper use of company resources and company assets
- Dealing with Conflicts of Interest
- Full, fair, accurate and timely disclosure of financial and company reporting
- Public communication
- Reporting of violations or unethical behaviour
- Insider trading – reporting of transactions – market manipulation
  - insiders lists
- The responsibilities for compliance

This code is included in the Corporate Governance Charter as Appendix 4.

The Code of Business Ethics ensures that each and every one of our colleagues understands what is expected of them and allowed when acting on behalf of EXMAR.

In order to comply with the EU Regulation (596/2014) on Market Abuse of 16 April 2014 effective in Belgium on 3 July 2016 a revised Dealing Code was and is included in the Corporate Governance Charter as Appendix 3.

This Code summarizes the rules that must be observed in case of dealing in the Company's financial instruments.

## 8. COMPLIANCE PROGRAMME

Compliance is very much part of the overall business strategy and operations of the whole organization.

To ensure even better compliance with rules and laws, and to reduce the risks of infringements and the adverse consequences for EXMAR and all the stakeholders, the Board of Directors decided to implement a Compliance Programme for EXMAR.

This programme was developed in cooperation with the management and external advisors and is based on the international standard COSO 2013 Framework (COSO: 'Committee of Sponsoring Organizations'). It aims for a permanent state of compliance by means of procedures and structures that are intended to provide continuous improvement.

The Compliance Programme is included in the Compliance Model which describes the structures and procedures that are used to assess and detect risks, to report and curb violations, and finally to make our employees aware and provide them with additional training.

The Manual contains the following policies:

- Anti-Fraud and Anti-Corruption Policies
- Antitrust and Competition Policy
- Anti-Money Laundering Policy
- Sanctions Policy
- Privacy Policy
- ICT Policy
- HSEQ Policy
- Whistleblowing Policy
- Intellectual Property Policy
- Environmental Management and Protection

The Compliance policies confirm EXMAR's commitment to comply with applicable laws and rules.

A specific Risk Committee is set up with the task of continuously supervising the effective functioning of the Model and respect of the applicable legislation.

The EXMAR Risk Committee performs these tasks for all entities within the EXMAR group.

The Risk Committee comprises the COO (as the Compliance Officer), the Chairman of the Audit Committee and a third person appointed by the Board on the recommendation of the Audit Committee (who shall be the chairman of the Risk Committee). EXMAR has built a

Compliance Risk Universe containing all risk themes for legal/regulatory and business requirements. For each theme a Key Risk Officer has been designated.

The Risk Committee shall at least once per year submit to the Audit Committee in the form and at the time requested, a report on the risk assessment carried out by the Key Risk Officers who are instructed and authorized to assess the risks as set out in the Compliance Model and on complaints or questions received by the Risk Committee. At least once per year the Risk Committee shall report non-compliance complaints reported to it, and the action taken by it, to the Audit Committee (unless the complaint concerns a member of the

Audit Committee in which case the complaint shall be directed to the Chairman of the Board). The Audit Committee will report to the Board on the functioning of the Risk Committee at least once a year.

EXMAR is committed to respecting all internationally recognized human rights. We will avoid infringing on the human rights of others and endeavour to appropriately address adverse human rights impacts with which we are involved

## RISKS

### STRATEGIC RISKS

|  | Description of risk   | Potential impact   | Limiting factors and control   |
|--|---|--|--|
| MARKET RISKS                               | <p>The overall gas and oil market and the worldwide market for the transportation of gas is cyclical.</p> <p>Lower demand for gas carriers, FSRU's as well as other floating assets including our LNG infrastructure assets under development</p>                         | <p>A decline in the overall oil and gas market could impact the freight rates for transportation of gas and would affect our income and cash flows and could affect the value of our fleet.</p> <p>A lower demand would impact the freight rates and the number of off-hire days of our fleet. This would impact our business and cash flows as well as the value of our fleet and our financial position.</p>                                   | <p>Diversified client base and a significant coverage with a mix of long term and short term charters. The value of our fleet is continuously monitored and assessed by using internal and external information.</p> <p>A significant part of our fleet is secured on long term charters. Geographical diversification and a qualitative client portfolio and network through integration in the markets thanks to years of experience. We are a flexible shipping company aiming for structural quality and durability for our clients.</p> |
| POLITICAL ENVIRONMENT IN FOREIGN COUNTRIES | <p>Deterioration of the economic, legal and political circumstances in countries, including political, civil and military conflicts. Such changes will from time to time result in attacks on ships, disruption of waterways, piracy, terrorism and other activities.</p> | <p>Changes to economic, legal and or political circumstances could affect the trading patterns of LPG and LNG and could affect our fleet, our result of operations and our ability to obtain financing. Instability could result in a reduced demand for our services. It could also expose us to increased, additional or unexpected expenses to comply with changed laws and regulations and could affect our insurance expense or policy.</p> | <p>Continuous assessment and monitoring of economic, political and legal circumstances in order to anticipate, limit or avoid any possible impact. Gathering information from authoritative and or industry organisations as well as from specialised consultants. Our insurance policy is regularly updated and includes among others protection and indemnity, hull and machinery and loss of income at insured values deemed to be appropriate to cover anticipated losses.</p>   |
| COMPETITION                                | <p>Competitors investing in LPG carriers, LNGRVs or other floating assets through consolidation, acquisitions of second hand or newbuildings</p>  | <p>The process of obtaining a charter is highly competitive. Increased competition may cause greater price competition for price charters and might impact the price of vessels or other floating assets. This could have a material effect on our results and cash flows and the value of our fleet.</p>  | <p>Defining a strategy with a long-term vision and consistent management of ongoing trends in the industry. Experience of our management team and our Board of Directors. Investing in a variety of factors such as the quality of our operations, technical abilities and reputation, quality and experience of our crew and relationships within the industry.</p>   |



## OPERATIONAL RISKS

|   | Description of risk  | Potential impact   | Limiting factors and control   |
|---|--|--|--|
| <b>RISKS ENTAILED IN THE OPERATION OF VESSELS AND OTHER FLOATING ASSETS</b> | Environmental accidents, work interruptions caused by mechanical defects, human error, war, terrorism, political actions in various countries, strikes and bad weather. Vessels not meeting certain performance standards. | Any such event would harm our reputation as reliable shipping company and would result in increased costs and an increase of the number of off-hire days. The cost of urgent repairs are more unpredictable and can be very high. In case performance standards are not met the charterer could withhold a portion of the hire.  | All our vessels and assets are covered by adequate insurance. Our experience within the industry and our policies and procedures such as our maintenance and training program should limit or avoid certain risks inherent in our business.  |
| <b>INCREASED OPERATING EXPENSES</b>   | Operating expenses and maintenance expenses can be volatile.   | Operating expenses and drydock capital expenditures depend on a variety of factors which are outside our control and affect the entire shipping industry. Dry-docking of vessels can also result in loss income.   | Proactive internal ship management and a continuous internal and external inspection of our assets. Our maintenance policy is updated and improved on a day-to-day basis with the objective to maintain the highest quality levels.  |
| <b>FLEET AGE PROFILE</b>  | As a ship ages class requirements become more stringent and compared to new modern ships the vessel will be less competitive and more expensive to operate.  | We must make substantial capital expenditure to maintain the operational capacity of our fleet. These expenditures could vary significantly and can increase as a result of customer requirements, competitive standards and regulations or organizations standards.   | The average age of our fleet is monitored and our strategy includes regular investments in new vessels to keep our fleet competitive. Our in-house ship manager and commercial team has many years of experience to assess the operational and commercial performance. All our vessels are certified as "in class" by a classification society which is also a requirement for insurance coverage. Inspections of our fleet are carried out on a day-to-day basis at sea or in port. Based on these inspections the continual maintenance plan of each vessel is created, updated and implemented. |
| <b>ASSETS UNDER CONSTRUCTION</b>  | Specific risks apply to our assets under construction and include the solvency of our contractor as well as the delivery of the asset in accordance with all specifications and securing all required permits.             | Failure by the shipyard to construct or deliver our assets under construction or bankruptcy by the shipyard would have a substantial impact on our financial position and our results. In the event the shipyards does not perform and we are not able to enforce the refund guarantee we might lose all or part of our investment.  | Advance payments are made to the shipyards and some of these payments are secured by refund guarantees. Progress of the construction and compliance with all technical and regulatory specifications is closely monitored by our technical teams at the shipyards, solvency of the shipyards is also continuously assessed by the management team and additional securities are requested if deemed necessary.   |
| <b>EMPLOYMENT</b>   | Vessels or other floating assets remain off-hire for a substantial period or charters are not renewed or terminated early.   | In case we can not enter into profitable long term charters for our existing fleet or our floating assets under construction our result and cash flows will be substantially affected. We would be subject to a short term or spot market or charters based on changing market prices. In addition it might be more difficult to obtain financing for such assets at reasonable terms. | Our management team and our commercial team have many years of experience and are integrated in the market. Our charter portfolio is very diversified. The commercial strategy is to remain flexible in the market by having a good balance between long term and short term charters.   |
| <b>REGULATIONS</b>  | New regulation could come into force. Environmental law changes can also be implemented by public or other authorities.  | Regulatory changes could impact our ability to charter our vessels or floating assets and might increase expenditure to be made to comply with all requirements and legislation.   | Constant monitoring and anticipation of changes in legislation and applicable requirements. Our in-house ship manager and our management team have many years of experience and an extensive network within the industry to monitor ongoing trends and changes.  |

## FINANCIAL RISKS

|                             | Description of risk  | Potential impact   | Limiting factors and control  |
|-----------------------------|--|--|---|
| COUNTERPARTY RISKS          | Dependency on a limited number of clients, we receive a considerable part of our income from a limited number of clients.  | Especially in our LNG segment we are dependent on Excelerate Energy as charterer. Except one LNG carrier our LNG fleet is chartered to Excelerate Energy. Deterioration of the financial viability of Excelerate Energy would lead to a significant loss of income and cash flows.   | Some of the obligations of Excelerate Energy under the long term charters or secured guarantees or other securities. Excelerate Energy is a significant client for Exmar for more than 10 years, our management team has the necessary experience and know how to assess the operations and financial viability of Excelerate Energy.   |
|                             | Charterers can be in default or can become bankrupt.   | In case of the loss of a client our income and cash flows would be impacted. The costs of rechartering the vessel can be high and the market conditions can be unfavourable.   | Our customer base is diversified and consists of major companies active in the oil and gas market. Extensive credit checks are performed for new clients and additional securities or guarantees will be requested if deemed necessary. Charter hire is payable in advance.   |
| FINANCING                   | EXMAR is subject to restrictions on credit agreements, such as financial covenants, audit changes and restrictions   | The existing financing arrangements for our fleet are secured by the vessels and contain restrictions and other covenants that may restrict our business and financing activities. Any default could result in the acceleration of the maturity date and lenders could call on the guarantees of these facilities.   | Our cash flows and our financial position, including the requirements under the financing agreements, are continuously monitored. Our financing strategy aims for a diversification of financing resources and a spread of maturity dates. A dialogue is maintained with different investors and financial partners in order to build a long term relationship. As of 31 December 2016, all applicable financial conditions under the financing arrangements are complied with. |
|                             | Financing to be obtained for assets under construction and existing financing arrangements to be refinanced at maturity date.  | Impossibility to finance or refinance our assets under construction and our existing fleet would have a substantial impact on our financial position. The financing possibilities and the cost of financing can be volatile and dependent on the overall economic circumstances.   | Financing is inherent to our activities and investments. Our management team has numerous contacts and support from different financing partners and has many years of experience in obtaining financing for a variety of activities and investments.   |
| INTEREST AND EXCHANGE RATES | A significant portion of our financing arrangements has a variable interest rate. Our operations are in USD but certain costs are in EUR, a portion of our financial debt is in NOK. | An increase of the interest rates on the international financial markets would negatively impact our cash flows and could negatively impact the fair value of financial instruments used to hedge the interest rate exposure. A weakening of the USD compared to the EUR would negatively influence our results. Some of our financial instruments require a cash collateral for the fair value of the financial instrument. Additional cash guarantees might be required. | The interest rate exposure and the foreign currency exposure is actively managed and various instruments will be used to cover an appropriate part of the exposure. Fluctuations in the fair value of hedging instruments represent a non-realised non-cash item.   |
| IMPAIRMENT                  | Negative variations in the fair market value of our fleet and other floating assets.   | A significant decline in the fair value of our fleet could lead to an impairment loss to be recognized and would have a significant impact on our financial position and result. The ratio of the fair value of our fleet compared to the outstanding debt is a financial covenant in our financing arrangements. A significant decline could trigger an event of default under such arrangements.   | The value of our fleet is continuously monitored using internal and external information, our activities tend to be cyclical resulting in changes in the overall fair value of the fleet on the short-term. The carrying value of our fleet is supported by long term cash flow projections. As of 31 December 2016 all financial requirements of our financing arrangements are complied with.   |

# REMUNERATION REPORT

## 1. GENERAL

The Remuneration Report describes EXMAR's remuneration policy as provided for in the legislation of 6 April 2010 in relation to Corporate Governance.

The remuneration policy and the individual scheme for members of the Board of Directors and members of the Executive Committee is in line with the aforementioned legislation.

EXMAR strives for remuneration which will attract, retain and motivate the members of the Board of Directors and members of the Executive Committee and which will guarantee and promote the Company's interests in the medium and longer term.

With this policy EXMAR attempts to ensure that the members of the Board of Directors and members of the Executive Committee do not act in their own interests, and do not take risks that do not fit in with the Company's strategy and risk profile.

## 2. DESCRIPTION OF THE PROCEDURES TO DEVELOP THE REMUNERATION POLICY AS WELL AS TO DETERMINE THE REMUNERATION OF INDIVIDUAL DIRECTORS AND MEMBERS OF THE EXECUTIVE COMMITTEE

The Nomination and Remuneration Committee is responsible for deciding the procedure for developing a remuneration policy.

The remuneration amounts for non-executive directors were revised and approved by the Shareholders Meeting most recently in 2006. The Remuneration Committee checked at the meeting of 6 December 2016 the remuneration amounts for compliance with market practices and no changes were recommended.

The nature and the amounts of the remuneration awarded to executive directors and the members of the Executive Committee are decided by the Board of Directors on the basis of recommendations from the Nomination and Remuneration Committee.

The Board of Directors decides on the plans for granting stock options, on the basis of recommendations from the Nomination and Remuneration Committee.

## 3. REMUNERATION POLICY FOR EXECUTIVE AND NON-EXECUTIVE DIRECTORS

The remuneration of non-executive directors consists of a fixed non-performance-related annual remuneration which is linked to the director's position and positions on the various committees, in accordance with the Company's remuneration policy. Non-executive directors do not receive any variable remuneration and do not benefit from additional pension plans or share-related incentives. The Nomination and Remuneration Committee regularly checks the remuneration of non-executive directors for compliance with market practices.

### 3.1 BOARD OF DIRECTORS

The non-executive directors receive a fixed annual remuneration of EUR 50,000. Because of his role and responsibility, the Chairman receives a higher annual fixed remuneration of EUR 100,000. No variable remunerations, share options, additional pension plans, loans or advance payments were granted to the non-executive and independent directors.

### 3.2. AUDIT COMMITTEE

The members of the Audit Committee receive a fixed annual remuneration of EUR 10,000. The chairman receives a remuneration of EUR 20,000.

### 3.3 NOMINATION AND REMUNERATION COMMITTEE

The members of the Nomination and Remuneration Committee receive a fixed annual remuneration of EUR 10,000.

### 3.4 EXECUTIVE DIRECTORS

The mandate of executive directors who are members of the Executive Committee is remunerated according to the remuneration criteria for the Executive Committee following recommendations from the Nomination and Remuneration Committee.



## OVERVIEW OF THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS FOR 2016

|                        |                        | Fixed Remuneration | Audit Committee Remuneration | Remuneration Committee remuneration | Total   |
|------------------------|------------------------|--------------------|------------------------------|-------------------------------------|---------|
| IN EUROS               |                        |                    |                              |                                     |         |
| Baron Philippe Bodson  | Chairman               | 100,000            | 10,000                       | 10,000                              | 120,000 |
| Nicolas Saverys        | CEO                    | -                  |                              |                                     | 0       |
| Patrick De Brabandere  | COO                    | -                  |                              |                                     | 0       |
| Ludwig Criel           | non-executive Director | 50,000             | 20,000                       |                                     | 70,000  |
| Michel Delbaere        | non-executive Director | 31,284             |                              | 6,257                               | 37,541  |
| Howard Gutman          | non-executive Director | 50,000             |                              |                                     | 50,000  |
| Jens Ismar             | non-executive Director | 50,000             | 10,000                       | 10,000                              | 70,000  |
| Baron Philippe Vlerick | non-executive Director | 50,000             | 10,000                       |                                     | 60,000  |
| Pauline Saverys        | non-executive Director | 50,000             |                              |                                     | 50,000  |
| Barbara Saverys        | non-executive Director | 50,000             |                              |                                     | 50,000  |
| Ariane Saverys         | non-executive Director | 50,000             |                              |                                     | 50,000  |
| Guy Verhofstadt        | non-executive Director | 18,716             |                              | 3,743                               | 22,459  |

## 4. REMUNERATIONS POLICY FOR THE EXECUTIVE COMMITTEE

The remuneration of the members of the Executive Committee including the CEO consists of:

### 4.1 FIXED ANNUAL SALARY

The scale of the fixed remuneration for members of the Executive Committee, including the executive directors, is linked to the function performed by the person concerned, his responsibilities and competencies.

The remuneration is determined on the basis of the remunerations of a reference group consisting of a number of comparable enterprises in the maritime industry. The Nomination and Remuneration Committee can, if necessary, call on an independent external consultant.

Once a year the various compensation components for the members of the Executive Committee (including the CEO) are evaluated by the Nomination and Remuneration Committee and tested against conditions in the market.

### 4.2 VARIABLE REMUNERATION

The short-term variable remuneration (annual bonus) rewards members of the Executive Committee for achieving performance criteria and the amount is expressed as a percentage of the fixed annual remuneration. The evaluation period is the financial year.

The variable payment depends on the Company's results, as well as on other factors such as the performance of the individual, future prospects, the market situation, exceptional contribution(s) and/or special projects.

The variable remuneration is linked for 60% to developments in the results, where various weightings are used for the recurrent and non-recurrent parts of the results. The remaining 40% is linked to the specific evaluation and the performance of each individual.

The Board of Directors can deviate from this and decide to award a bonus to a member of the Executive Committee on the basis of other objective criteria.

The Extraordinary Shareholders' Meeting held on 17 May 2011 decided on the application of the provision of article 520ter of the Code of Companies and waived the staggering of the payment of the variable remuneration of the members of the executive committee.

The decision on the application of this dispensation was delegated by the Shareholders' Meeting to the Board of Directors.

If the result deviates substantially from the basis on which the variable remuneration of the members of the Executive Committee is calculated, the Board of Directors can decide to revise the variable part of the remuneration and if need be to reclaim that part.

### 4.3 LONG TERM INCENTIVE (LTI)

EXMAR works towards creation of sustainable economic value by means of long-term remuneration. This ensures that the interests of the members of the Executive Committee are more in line with those of shareholders and that they remain bound to the Company. The long-term remuneration consists of a share option plan for existing EXMAR shares.

The options can only be exercised after a period of 3 years, and are considered being acquired upon acceptance. In the event that a member of the Executive Committee resigns or is dismissed for compelling reasons by EXMAR the right to exercise the options lapses.

The amounts of share options offered are every year approved by the Board of Directors upon recommendation of the Remuneration and Nomination Committee. The granting of stock options is not linked to pre-determined and objectively quantifiable performance criteria.

### 4.4 INSURANCE PACKAGE

The members of the Executive Committee with self-employed or employed status benefit from group insurance (type individual pension benefits for the self-employed) as well as guaranteed income insurance, accident insurance, hospitalisation insurance and travel insurance.

#### 4.5 OTHER COMPENSATION COMPONENTS

The members of the Executive Committee receive a company car, a cell phone and meal cheques.

#### OVERVIEW OF THE REMUNERATION OF THE CHAIRMAN AND THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE (CEO)

|                              | CEO: Nicolas Saverys |             | Members: 6  |             |
|------------------------------|----------------------|-------------|-------------|-------------|
|                              | 2016                 | 2015        | 2016        | 2015        |
| Basic salary                 | € 823,205            | € 823,205   | € 2,377,613 | € 2,296,547 |
| Variable remuneration        | € 0                  | € 350,000   | € 0         | € 1,150,000 |
| Share Options (taxable base) | € 0                  | € 60,606    | € 0         | € 191,919   |
| Insurance Package*           | € 212,475            | € 212,475   | € 325,505   | € 320,247   |
| Other benefits**             | p.m.                 | p.m.        | € 60,000    | € 60,000    |
| TOTAL                        | € 1,035,680          | € 1,446,286 | € 2,763,118 | € 4,018,713 |

\* individual pension benefit, guaranteed income insurance, accident insurance, hospitalisation insurance, travel insurance

\*\* housing, car, cell phone and meal cheques

No loans or advance payments were awarded to the members of the Executive Committee in 2016. Per 31 December 2016, a receivable of EUR 258,523 was outstanding towards Nicolas Saverys as a consequence of recharged private expenses.

The ratio between the fixed and variable part of the remuneration for members of the Executive Committee in 2016 was as follows:

##### CHAIRMAN OF THE EXECUTIVE COMMITTEE (CEO)

|                       |      |
|-----------------------|------|
| Basic salary          | 100% |
| Variable remuneration | 0%   |

##### OTHER MEMBERS OF THE EXECUTIVE COMMITTEE

|                       |      |
|-----------------------|------|
| Basic salary          | 100% |
| Variable remuneration | 0%   |

## 5. SHARES, SHARE OPTIONS AND OTHER RIGHTS IN CONNECTION WITH SHARES

### 5.1 SHARE OPTIONS

The members of the Executive Committee benefit from the share option plans as previously approved by the Board of Directors.

On the basis of the recommendations of the Nomination and Remuneration Committee the Board of Directors decided not to award share options for the year 2016.

|                       | Outstanding as per<br>31/12/2015 | Expired during 2016 | Exercised in 2016 | Granted 2016 | Outstanding as per<br>31/12/2016 |
|-----------------------|----------------------------------|---------------------|-------------------|--------------|----------------------------------|
| Nicolas Saverys       | 425,430                          |                     | 20,249            | -            | 405,181                          |
| Patrick De Brabandere | 198,807                          |                     |                   | -            | 198,807                          |
| Miguel de Potter      | 93,488                           |                     |                   | -            | 93,488                           |
| Pierre Dincq          | 119,829                          |                     |                   | -            | 119,829                          |
| David Lim             | 146,158                          |                     |                   | -            | 146,158                          |
| Marc Nuytemans        | 148,928                          |                     |                   | -            | 148,928                          |
| Bart Lavent           | 92,975                           |                     |                   | -            | 92,975                           |
|                       | 1,225,615                        | -                   | 20,249            | -            | 1,205,366                        |

### 5.2 SHARES

No EXMAR shares are granted to the Members of the Executive Committee.

## 6. TERMINATION ARRANGEMENTS

Six members of the Executive Committee (including the CEO) have self-employed status. Except for Lara Consult BVBA, represented by Mr. Bart Lavent, and Chirmont NV, represented by Mr. Miguel de Potter, they have no entitlement to any form of redundancy payment in the event of termination of their appointment. In the event of termination Lara Consult BVBA would be entitled to a compensation equivalent of seven months' salary and Chirmont NV to a compensation equivalent to three months' salary.

Mr. David Lim has an employment agreement under United States law and has no contractual notice period.

## 7. CHANGES TO REMUNERATION POLICY

No significant changes were made to the remuneration policy in 2016.

## 8. REMUNERATION POLICY 2017-2018

No fundamental changes are expected to the remuneration policy for the next two years.



# ANNUAL REPORT

Dear shareholders,

The report of the Board of Directors is drawn up in accordance with articles 96 and 119 of the Belgian Companies Code. It is approved by the Board of Directors on 30 March 2017 and it relates to the annual accounts closed per 31 December 2016.

EXMAR NV is required to publish its annual financial report under the provisions of the Royal Decree of 14 November 2007 regarding the duties of issuers of financial instruments admitted to trading on the Belgian regulated market.

The elements that are applicable to the Company as provided by the regulations mentioned above, as well as in the Companies Code, are addressed in the present financial statements, and also in the annual report under the Corporate Governance Statement.

This annual report should be read together with EXMAR's report on 2016.



## 1. THE STATUTORY ACCOUNTS, PREPARED IN ACCORDANCE WITH BELGIAN GAAP

### SHARE CAPITAL

The share capital of the company amounts to USD 88,811,667 and is represented by 59,500,000 no-par-value shares. All shares have been paid up in full. The capital has not changed during the previous financial year.

Notwithstanding the provisions laid down in Article 125 of the Companies Code, the capital and the accounting are expressed in US dollars. This derogation was granted by the Ministry of Economic Affairs and was confirmed in writing on 2 July 2003. The Board of Directors believes that the reasons for which this derogation was requested still apply to the financial statements for the period under discussion.

During the past financial year, no capital changes have occurred that must be reported in accordance with article 608 of the Companies Code.

### COMMENTARY ON THE FINANCIAL STATEMENTS

The statutory result for the financial year amounts to USD -3.6 million (USD 57.3 million in 2015).

Operating expenses decreased compared to 2015 with USD 15.7 million, mainly as a consequence of the cancelled DC LNG project which was taken in P&L in 2015 (USD 12.9 million).

Financial income decreased by USD 101.4 million in comparison with 2015, this is mainly due to reduced dividend income from subsidiaries and equity accounted investees.

Financial expenses decreased compared to 2015 with USD 26.0 million: the financial expenses include a registered value reduction on other receivables (USD 24.5 million).

At the end of 2016, the total assets amounted to USD 891.3 million (USD 905.1 million at the end of 2015), including USD 680.2 million financial fixed assets (USD 666.7 million in 2015).

Shareholder's equity amounted to USD 538 million at the end of 2016 (USD 548.2 million in 2015). This decrease is the effect of the result for the financial year 2016 amounting to USD -3.6 million, and by the interim dividend paid during 2016 for a total amount of USD 6.6 million.

Total liabilities at the end of 2016 amounted to USD 353.3 million (USD 356.9 million at the end of 2015), of which USD 2.7 million provisions, USD 270.2 million debt exceeding one year and USD 80.4 million short-term debt (USD 2.7 million, USD 285.2 million and USD 69 million at the end of 2015 respectively).

The 2016 statutory annual accounts show a loss of USD -3.6 million. Including the results carried forward from the previous financial years, an amount of USD 145 million is available for appropriation.

### APPROPRIATION OF THE RESULT

The Board will propose to the General Shareholders' Meeting to appropriate the result for the year as follows:

- \* Profit brought forward: USD 148,627,428.83
- \* Profit for the period: USD -3,580,693.64
- \* Transfer to the reserves not available for distribution: USD 8,327,225.62
- \* Interim dividend -6,623,540
- \* Result to be carried forward: USD 146,750,420.81

In September 2016 EUR 0.10 per share was paid as an interim dividend.

Following this appropriation, the shareholders' equity of USD 537,993,990.96 will be composed as follows:

- Capital: USD 88,811,667.00
- Issue premium: USD 209,901,923.77
- Reserves: USD 92,529,979.38
- Retained earnings: USD 146,750,420.81

## 2. THE CONSOLIDATED FINANCIAL STATEMENTS, PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Below commentary on the consolidated financial statements is based on the consolidated financial statements using the equity method. We also refer to the management report on the results and activities of our segments in EXMAR's report on 2016.

In 2016, EXMAR Group achieved a consolidated result of USD 35.8 million (USD 11.2 million in 2015).

Revenue decreased in comparison with 2015 (USD 16.2 million). This decrease can be mainly explained by the WARIBOKO transaction (Offshore segment). At the end of May 2016, EXMAR sold part of its ownership (60%) in the WARIBOKO to its Nigerian partner Springview. As a consequence of this, EXMAR loses control of the WARIBOKO companies Springmarine Nigeria, Electra Offshore and Exview Hong Kong. The assets and liabilities of these former subsidiaries have been derecognised from the balance sheet. The remaining investment is remeasured at fair value and consolidated using the equity consolidation method.

The engineering services of EXMAR Offshore have also been negatively affected by the lack of activity in the market.

The capital gain on the sales of assets mainly relates to the WARIBOKO transaction. As a consequence of this transaction, a gain of USD 0.9 million has been recognised in the statement of profit or loss (see also above explanation under revenue).

The other operating income increased compared to 2015 with USD 22.9 million. This increase relates partly to the pressurized fleet trans-

action. At the end of June 2016, EXMAR reached an agreement for the remaining 50% of the LPG pressurized fleet held by Wah Kwong. As a result of this transaction, EXMAR's share in the pressurized fleet increased from 50% to 100% and the companies involved in this transaction are fully consolidated in the financial statements per 31 December 2016 instead as presented as an equity accounted investee. The acquisition of the remaining 50% of the pressurized fleet, resulted in a badwill of USD 14.3 million which has been recognized in other operating income. Another explanation for the increase in the other operating income is the termination fee of USD 9 million paid by Pacific Exploration and Production ("PEP") as a consequence of the termination of the tolling agreement for the Caribbean FLNG.

Operating expenses decreased compared to 2015 with USD 14.5 million, mainly as a consequence of the cancelled DC LNG project which was taken in P&L in 2015 (USD 12.9 million).

The share of result of equity accounted investees amounts to USD 34.6 million (USD 35.2 million in 2015 which included a non-cash impairment on the Pressurized Fleet of USD 14.0 million).

The vessels amount to USD 115.5 million and relate to the LPG pressurized fleet (see also above explanation under other operating income).

The assets under construction amount to USD 162.8 million and consist of the payments made for the Caribbean FLNG and the FSRU.

The investment in equity accounted investees consists of our share in the different joint ventures and associates. The increase compared to 2015 can be mainly explained by the WARIBOKO transaction (see also above explanation under revenue).

Borrowings to equity accounted investees comprise the shareholder loans granted to our LPG, LNG and offshore equity accounted investees. The decrease compared to 2015 is mainly caused by the pressurized fleet transaction (see also above explanation under other operating income). Another explanation in respect of the decrease are repayments performed by our joint ventures on the outstanding shareholder loans.

The net cash position (cash and cash equivalents reduced by overdrafts at financial institutions) on 31 December 2016 amounted to USD 121.1 million (USD 130 million in 2015). The restricted cash relates to credit facilities and financial instruments agreements and amounted to USD 34.9 million per 31 December 2016 (USD 42.3 million in 2015).

Shareholder's equity amounted to USD 432.7 million on 31 December 2016 (2015: USD 404.8 million). This increase in 2016 is mainly the net effect caused by the profit for 2016 and the dividends paid in 2016.

The financial debt amounted to USD 469.7 million on 31 December 2016 and increased by USD 57.2 million compared to 2015. The financial debt primarily increased following the pressurized fleet transaction (see also above explanation under other operating income),

offset by the repayments made on the existing facilities. As the NOK bond matures in July 2017, the bond has been presented as a short term loan in the statement of financial position (USD 115.5 million).

The net negative market value of financial instruments amounted to USD 36.2 million on 31 December 2016 and has also been presented on short term as the financial instruments relate to the cross currency interest rate swaps closed in relation to the NOK bond.

### 3. RISK FACTORS

The risks and uncertainties are described in the Corporate Governance Statement.

### 4. INFORMATION

#### RESEARCH AND DEVELOPMENT

The activities carried out or planned in the area of research and development are described in the first part of this report and should be read together.

#### STAFF EMPLOYED

On 31 December 2016, EXMAR employed 1,862 people worldwide, including 1,628 seagoing staff (2015: 1,901 of which 1,557 are seagoing personnel).

#### ACQUISITION OF OWN SHARES

The authorization to acquire shares was granted to the Board of Directors by decision of the Extraordinary Shareholders' Meeting held on 20 May 2014, renewing the authorization of the Board of Directors to proceed, in case of a takeover bid for the securities of EXMAR NV, to a capital increase in accordance to the provisions and within the limits of Article 607 of the Companies Code. The Board of Directors is authorised to apply these measures if the notice of a takeover bid is given by the Financial Services and Markets Authority to the company, not later than three years after the date of the abovementioned Extraordinary General Meeting.

On 31 December 2016, EXMAR held 2,677,433 own shares, representing 4.49% of the total number of issued shares.

No treasury shares were acquired during 2016.

#### STOCK OPTION PLAN

So far, the Board of Directors has decided on 10 occasions to offer options on existing shares to a number of employees of the EXMAR Group.

On the basis of the recommendations of the Nomination and Remuneration Committee the Board of Directors decided not to award share options for the year 2016.

| DATE OF OFFER | NUMBER OF OUTSTANDING | EXERCISE PERIOD                     | EXERCISE PRICE IN EURO |
|---------------|-----------------------|-------------------------------------|------------------------|
| 15.12.2004    | 65,378                | Between 01.04.08 and 15.10.2017 (*) | 6.12 (°)               |
| 09.12.2005    | 312,705               | Between 01.01.09 and 15.10.18 (*)   | 10.73 (°)              |
| 15.12.2006    | 396,855               | Between 01.01.10 and 15.10.19 (*)   | 15.96 (°)              |
| 04.12.2007    | 224,529               | Between 01.01.11 and 15.10.20 (*)   | 14.64 (°)              |
| 29.12.2009    | 188,272               | Between 01.01.13 and 28.12.2017     | 4.85 (°)               |
| 09.12.2010    | 225,345               | Between 01.01.14 and 28.12.2018     | 4.71 (°)               |
| 03.12.2013    | 515,100               | Between 01.01.17 and 02.12.2021     | 10.54                  |
| 02.12.2014    | 422,850               | Between 01.01.18 and 02.12.2022     | 10.54                  |
| 04.12.2015    | 415,250               | Between 01.01.19 and 03.12.2023     | 9.62                   |

(\*) The Board of Directors meeting of 23 March 2009 decided to extend the original exercise period for the first four option plans by five years, by virtue of the decision by the Belgian Government to extend the duration of the Act of 26 March 1999, in particular regarding stock option plans.

(°) As a result of the capital increase of November 2009, the dilution protection and extra dividend of May 2012, the number and exercise price of the stock options were modified.

Plan 5 expired at the end of 2016, 77.811 options were exercised during 2016

## JUSTIFICATION OF THE ACCOUNTING PRINCIPLES

The accounting principles applied at the closing of the annual financial statements do not differ from the accounting principles that were applied in the previous financial year.

The summary of the accounting principles is attached to the annual financial statements.

## EVENTS AFTER BALANCE SHEET DATE

The significant events occurred after the closing of the financial year 2016 are disclosed in note 36 of the consolidated financial statements.

## BRANCH OFFICES

Besides the Head Office in Antwerp (Belgium), EXMAR has offices in Hong Kong, Houston, London, Limassol, Luxembourg, Mumbai, Paris, Singapore, the Netherlands, Lagos and Livorno.

EXMAR has branches in Shanghai, Angola and Tripoli.

## ADDITIONAL ACTIVITIES OF THE STATUTORY AUDITOR

The Statutory Auditor did not carry out any exceptional activities or special assignments during the past financial year, except for the payment of the interim dividend, the mandatory sale of securities pursuant to the act of 14 December 2005 and the work performed in respect of working capital statements.

## USE OF FINANCIAL INSTRUMENTS

The long-term vision, that is typical of EXMAR's activities, is accompanied by long-term financing and therefore EXMAR's activities are also exposed to floating interest rates. EXMAR actively manages

this exposure and if deemed appropriate could cover itself for rising interest rates for a significant part of its debt portfolio by means of various instruments.

EXMAR successfully closed a NOK 700 million senior unsecured bond issue in 2014 and issued an additional NOK 300 million in 2015. The floating interest rate exposure (3m NIBOR) and the NOK/USD exposure (NOK 1,000 million) are managed by a cross currency interest rate swap.

EXMAR operates in USD but has to settle certain annual costs in Euros. The EUR/USD exposure is managed by means of hedging instruments if deemed necessary. At the date of this report EXMAR has no cover of EUR/USD exposure.

## APPLICATION OF ARTICLE 523 OF THE CODE OF COMPANIES

There were no conflicts of interest during the meeting of the Board and as far as the Executive Committee is concerned.

## OUTLOOK 2017

### LPG

Despite deteriorating market conditions the EXMAR LPG continues to benefit from a solid contract portfolio and first class operation.

VLGC earnings in 2016 have recorded a significant drop compared to the previous year. Outlook for 2017 remains difficult due to a pessimistic product market outlook and the expected delivery of 23 more VLGC's in 2017. EXMAR operates only one VLGC: **BW TOKYO**. This vessel has been employed since redelivery on basis of short-term extensions.

The Midsize segment has seen major corrections throughout 2016. Difficult product pricing and increased vessel supply (grown by 18% in 2016) have led to sharp reductions in earnings starting in the first half of 2016. Another 14 MGC's will enter the market in 2017.

Forward employment cover for the Midsize fleet as a whole amounts to as much as 70% for 2017 and 45% for 2018. Weaker spot market conditions will however negatively influence the contribution of the MGC fleet in 2017.

The Pressurized fleet is covered up to 90% for 2017 and 15% for 2018.

### LNG & LNG INFRASTRUCTURE

The existing LNG and LNG Regasification fleet has performed in 2016 in accordance with the underlying time-charter contracts and the same is expected for 2017, with the exception of **EXCEL** which is operated under a short-term contract stretching up to one year at today's low market rates for steam-turbine vessels.

The commissioning of the **CARIBBEAN FLNG (CFLNG)** was successfully accomplished and final acceptance has been reached on 31 January 2017. Complementary support from Wison Shipyard has been agreed during the lay-up period at the yard until the unit will be towed to its place of employment. The delivery will take place before the end of April 2017 at which time the last instalment (USD 200.5 million) is due to the yard. During 2016, the financing agreement with the Industrial and Commercial Bank of China Ltd (ICBC) for the CFLNG project has been cancelled. Immediately after the cancellation by ICBC, EXMAR has entered into negotiations with the Bank of China (BoC). Following the signature of a term sheet in November 2016 with BoC and the approval of terms by the latter's credit committees in December 2016 and January 2017, EXMAR has subsequently finalized the documentation required to enable parties to sign the credit agreement. This final credit agreement of BoC is subject to the approval of the credit insurer, Sinasure. EXMAR expects this approval to be available by mid-April 2017. Discussions on future employment with different parties are progressing; however no revenues are expected before early 2018.

The construction of the **FSRU-Barge** has resumed in full force after some backlog suffered in 2015. The unit was launched in January 2017 and delivery is planned by mid-2017 at which time the final

instalment (USD 83.6 million) will be due. Three commercial leads are being actively developed which foresee mobilization and commissioning on site after delivery from the yard. Financing will be developed in parallel with employment negotiations. Interest from several financiers has been received.

The EXMAR and VOPAK discussions on the possible acquisition of EXMAR's share in its floating LNG storage and regasification business (FRSU's) by VOPAK started in September 2016, resulting in an agreement for the acquisition of the FSRU business of EXMAR by VOPAK and the cooperation between EXMAR and VOPAK in future projects. This agreement is subject to certain conditions being fulfilled and approvals being obtained from multiple stakeholders. EXMAR and VOPAK are working on the implementation of this transaction. The timing of its closing is unclear.

### OFFSHORE

Since the peak in the crude price in the summer of 2014 the price of oil dropped to its lowest in February 2016. The result of the dramatic drop of the price of oil brought deepwater development to a near stand-still in 2016. It was only in the second half of 2016 that oil companies started to engage contractors and suppliers to commence early work on new developments.

The Time-Charter contract of **WARIBOKO** to TOTAL Nigeria has been extended until the end of the year 2017. The accommodation barge **NUNCE** remains under contract with SONANGOL until at least the end of 2019. The **KISSAMA** was redelivered at the end of 2016 following a long-term contract in Angola and is intended to be sold in April 2017.

### SUPPORTING SERVICES

In 2016 Exmar SHIPMANAGEMENT further increased the number of ships and floating marine infrastructure it has under management to 46. The results continue to show a positive trend and outlook for 2017 remains positive.

The year 2016 started very well for TRAVEL PLUS but the tragic events of 22 March 2016 strongly affected air traffic. A strong recovery noticed over the last four months allows TRAVEL PLUS to record higher turnover and net result in 2016 and higher expectation for 2017. BELGIBO realized in 2016 strong revenue growth in Industry, Terminal Liability and Employee benefits activities. Contribution of Aviation and Marine were however disappointing. The outlook 2017 remains positive.

In July 2014, a NOK 700 million Senior Unsecured Bond was issued (swapped to USD 114.0 million). During 2015, an additional amount of NOK 300 million was issued and added to the original NOK 700.0 million bond (swapped to USD 38.0 million). The total nominal amount of NOK 1.000.0 million (USD 152.0 million) matures in July 2017. EXMAR is actively pursuing several alternatives for the refinancing of this bond.





All information which pursuant to Article 96(2) of the Companies Code must be included in the present annual report, more particularly the Corporate Governance Statement and the requirements of Article 34 of the Royal Decree of 14 November 2007, is shown under the chapter 'Corporate Governance Statement', under the chapter 'Risk Factors', and by reference thereto included in the present annual report.

## 5. APPROVAL OF FINANCIAL STATEMENTS AND DISCHARGE

We request the General Meeting of Shareholders to approve the financial statements for the year ended 31 December 2016 in their entirety, and to appropriate the result as provided in this report. We also request the meeting to grant discharge to the Directors and the Statutory Auditor for the performance of their mandates during the above-mentioned financial year.

## 6. APPOINTMENTS

The mandate of Mr. Howard Gutman, Mr. Ludwig Criel and Mr. Baron Philippe Vlerick comes to an end on the occasion of the General Meeting.

The mandate of the Statutory Auditor of EXMAR, KPMG Bedrijfsrevisoren CVBA (represented by Mr. Serge Cosijns), will expire at the next Annual Shareholders' Meeting. EXMAR has initiated a public tendering process for the statutory audit for the financial years 2017 until 2019.

The statutory auditor will be appointed by the shareholders at the General Assembly on basis of a proposal made by the Board of Directors;

The Board of Directors  
30 March 2017



# CONSOLIDATED FINANCIAL STATEMENTS

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

|  | Note | 31/12/2016     | 31/12/2015     |
|--|------|----------------|----------------|
| <b>ASSETS</b>                                |      |                |                |
| <b>NON-CURRENT ASSETS</b>                    |      | <b>776,539</b> | <b>684,687</b> |
| Vessels                                      |      | 278,299        | 168,991        |
| Vessels                                      | 11   | 115,471        | 17,194         |
| Vessels under construction                   | 11   | 162,828        | 151,797        |
| Other property, plant and equipment          | 12   | 3,079          | 4,104          |
| Intangible assets                            | 13   | 3,651          | 2,368          |
| Investments in equity accounted investees    | 14   | 147,598        | 132,816        |
| Borrowings to equity accounted investees     | 16   | 343,912        | 376,408        |
| <b>CURRENT ASSETS</b>                        |      | <b>223,425</b> | <b>241,425</b> |
| Available-for-sale financial assets          | 17   | 3,608          | 3,487          |
| Trade and other receivables                  | 18   | 62,723         | 64,669         |
| Current tax assets                           |      | 1,107          | 968            |
| Restricted cash (*)                          | 20   | 34,891         | 42,332         |
| Cash and cash equivalents (*)                | 20   | 121,096        | 129,969        |
| <b>TOTAL ASSETS</b>                          |      | <b>999,964</b> | <b>926,112</b> |
| <b>EQUITY AND LIABILITIES</b>                |      |                |                |
| <b>TOTAL EQUITY</b>                          |      | <b>432,684</b> | <b>404,804</b> |
| Equity attributable to owners of the Company |      | 432,469        | 404,614        |
| Share capital                                | 21   | 88,812         | 88,812         |
| Share premium                                | 21   | 209,902        | 209,902        |
| Reserves                                     | 21   | 97,969         | 94,689         |
| Result for the period                        | 21   | 35,786         | 11,211         |
| Non-controlling interest                     |      | 215            | 190            |
| <b>NON-CURRENT LIABILITIES</b>               |      | <b>337,269</b> | <b>445,621</b> |
| Borrowings                                   | 23   | 329,590        | 397,425        |
| Employee benefits                            | 25   | 4,267          | 4,445          |
| Provisions                                   | 26   | 2,434          | 2,522          |
| Derivative financial instruments             | 28   | 0              | 41,229         |
| Deferred tax liability                       | 19   | 978            | 0              |
| <b>CURRENT LIABILITIES</b>                   |      | <b>230,011</b> | <b>75,687</b>  |
| Borrowings                                   | 23   | 140,147        | 15,161         |
| Trade debts and other payables               | 27   | 51,244         | 55,815         |
| Current tax liability                        |      | 2,438          | 4,711          |
| Derivative financial instruments             | 28   | 36,182         | 0              |
| <b>TOTAL EQUITY AND LIABILITIES</b>          |      | <b>999,964</b> | <b>926,112</b> |

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

(\*) The presentation of cash and cash equivalents in respect of 2015 has been changed. The amount of USD 172.3 million has been split in restricted cash and cash and cash equivalents.

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

|  | Note     | 01/01/2016<br>31/12/2016 | 01/01/2015<br>31/12/2015 |
|--|----------|--------------------------|--------------------------|
| <b>STATEMENT OF PROFIT OR LOSS</b>   |          |                          |                          |
| Revenue  | 4        | 96,026                   | 112,220                  |
| Capital gain on sale of assets   | 4        | 1,026                    | 110                      |
| Other operating income   | 4        | 26,106                   | 3,261                    |
| <b>OPERATING INCOME</b>  |          | <b>123,158</b>           | <b>115,591</b>           |
| Goods and services   |          | -66,490                  | -80,986                  |
| Personnel expenses   | 6        | -47,004                  | -51,468                  |
| Depreciations, amortisations & impairments losses                                  | 11/12/13 | -6,784                   | -5,174                   |
| Provisions   | 26       | 88                       | -134                     |
| Capital loss on sale of assets   |          | 0                        | -47                      |
| Other operating expenses   | 5        | -1,979                   | -6,753                   |
| <b>RESULT FROM OPERATING ACTIVITIES</b>  |          | <b>989</b>               | <b>-28,971</b>           |
| Interest income  | 7        | 24,861                   | 23,037                   |
| Interest expenses  | 7        | -15,907                  | -12,952                  |
| Other finance income   | 7        | 1,478                    | 7,346                    |
| Other finance expenses   | 7        | -10,741                  | -8,523                   |
| <b>NET FINANCE COSTS</b>   |          | <b>-309</b>              | <b>8,908</b>             |
| <b>RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEEES</b> |          | <b>680</b>               | <b>-20,063</b>           |
| Share of result of equity accounted investees (net of income tax)                  | 14       | 34,572                   | 35,180                   |
| <b>RESULT BEFORE INCOME TAX</b>  |          | <b>35,252</b>            | <b>15,117</b>            |
| Income tax expense / income  | 8        | 566                      | -3,872                   |
| <b>RESULT FOR THE PERIOD</b>   |          | <b>35,818</b>            | <b>11,245</b>            |
| <b>ATTRIBUTABLE TO:</b>  |          |                          |                          |
| Non-controlling interest   |          | 32                       | 34                       |
| Owners of the Company  |          | 35,786                   | 11,211                   |
| <b>RESULT FOR THE PERIOD</b>   |          | <b>35,818</b>            | <b>11,245</b>            |
| <b>BASIC EARNINGS PER SHARE (IN USD)</b>   | 22       | <b>0.63</b>              | <b>0.20</b>              |
| <b>DILUTED EARNINGS PER SHARE (IN USD)</b>   | 22       | <b>0.63</b>              | <b>0.20</b>              |
| <b>STATEMENT OF COMPREHENSIVE INCOME</b>   |          |                          |                          |
| <b>RESULT FOR THE PERIOD</b>   |          | <b>35,818</b>            | <b>11,245</b>            |
| <b>ITEMS THAT ARE OR MAY BE RECLASSIFIED TO PROFIT OR LOSS</b>                     |          |                          |                          |
| Equity accounted investees - share in other comprehensive income                   | 7        | 3,304                    | -1,627                   |
| Foreign currency translation differences   | 7        | -550                     | -2,607                   |
| Foreign currency translation differences reclassified to profit or loss            | 7        | 0                        | 1,863                    |
| Net change in fair value of cash flow hedges - hedge accounting                    | 7        | 2,408                    | -1,598                   |
| Available-for sale financial assets - net change in fair value                     | 7        | 0                        | -4,854                   |
| Available-for sale financial assets - reclassified to profit or loss               | 7        | 3,973                    | 0                        |
|  |          | <b>9,135</b>             | <b>-8,823</b>            |
| <b>ITEMS THAT WILL NEVER BE RECLASSIFIED TO PROFIT OR LOSS</b>                     |          |                          |                          |
| Employee benefits - remeasurements of defined benefit liability/asset              | 25       | -15                      | 1,087                    |
| <b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD (NET OF INCOME TAX)</b>               |          | <b>9,120</b>             | <b>-7,736</b>            |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                                   |          | <b>44,938</b>            | <b>3,509</b>             |
| <b>ATTRIBUTABLE TO:</b>  |          |                          |                          |
| Non-controlling interest   |          | 25                       | 15                       |
| Owners of the Company  |          | 44,913                   | 3,494                    |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                                   |          | <b>44,938</b>            | <b>3,509</b>             |

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



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

|  | Note      | 01/01/2016<br>31/12/2016 | 01/01/2015<br>31/12/2015 |
|--|-----------|--------------------------|--------------------------|
| <b>OPERATING ACTIVITIES</b>  |           |                          |                          |
| Result for the period  |           | 35,818                   | 11,245                   |
| Share of result of equity accounted investees (net of income tax)                              | 14        | -34,572                  | -35,180                  |
| Depreciations, amortisations and impairment loss   | 11/12/13  | 6,784                    | 5,174                    |
| Impairment loss available-for-sale financial assets  | 7         | 3,844                    | 0                        |
| Badwill pressurized fleet transaction  | 9         | -14,343                  | 0                        |
| Remeasurement non-controlling interest CMC Belgibo   | 9         | -800                     | 0                        |
| Recycling deferred financing costs ICBC to profit or loss                                      | 23        | 4,465                    | 0                        |
| Net interest income/ expenses  | 7         | -8,954                   | -10,085                  |
| Income tax expense/ income   | 8         | -566                     | 3,872                    |
| Net gain on sale of assets   | 4         | -1,026                   | -63                      |
| Dividend income  | 7         | -127                     | -417                     |
| Unrealised exchange difference   | 7         | -296                     | -2,107                   |
| Equity settled share-based payment expenses (option plan)                                      | 24        | 1,557                    | 951                      |
| <b>GROSS CASH FLOW FROM OPERATING ACTIVITIES</b>   |           | <b>-8,216</b>            | <b>-26,610</b>           |
| Increase/decrease of trade and other receivables   |           | 1,552                    | 5,513                    |
| Increase/decrease of trade and other payables  |           | -7,567                   | 9,094                    |
| Increase/decrease in provisions and employee benefits  |           | -144                     | 69                       |
| <b>CASH GENERATED FROM OPERATING ACTIVITIES</b>  |           | <b>-14,375</b>           | <b>-11,934</b>           |
| Interest paid  |           | -14,038                  | -12,824                  |
| Interest received  |           | 22,898                   | 22,514                   |
| Income taxes paid  |           | -361                     | -2,351                   |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>  |           | <b>-5,876</b>            | <b>-4,595</b>            |
| <b>INVESTING ACTIVITIES</b>  |           |                          |                          |
| Acquisition of vessels and vessels under construction  | 11        | -11,031                  | -62,708                  |
| Acquisition of other property, plant and equipment   | 12        | -284                     | -989                     |
| Acquisition of intangible assets   | 13        | -213                     | -571                     |
| Proceeds from the sale of vessels and other property, plant and equipment (incl held for sale) |           | 156                      | 384                      |
| Acquisition of subsidiaries, associates and other investments                                  | 9         | -5,185                   | 0                        |
| Change in consolidation scope (*)  |           | -677                     | 0                        |
| Dividends from equity accounted investees  | 14        | 34,067                   | 88,642                   |
| Borrowings to equity accounted investees   | 16        | -5,239                   | -1,512                   |
| Repayments from equity accounted investees   | 16        | 18,774                   | 45,315                   |
| <b>NET CASH FROM INVESTING ACTIVITIES</b>  |           | <b>30,368</b>            | <b>68,561</b>            |
| <b>FINANCING ACTIVITIES</b>  |           |                          |                          |
| Dividends paid   | 21        | -19,259                  | -25,453                  |
| Dividends received   | 7         | 127                      | 417                      |
| Acquisitions from treasury shares  | 21        | 0                        | -5,292                   |
| Proceeds from treasury shares and share options exercised                                      | 21        | 585                      | 1,370                    |
| Proceeds from new borrowings   | 23        | 100                      | 40,020                   |
| Repayment of borrowings  | 23        | -21,716                  | -14,774                  |
| Increase/ decrease in restricted cash (**)   | 20        | 7,441                    | -18,054                  |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>  |           | <b>-32,722</b>           | <b>-21,766</b>           |
| <b>NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS</b>                                    |           | <b>-8,230</b>            | <b>42,200</b>            |
| <b>RECONCILIATION OF NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>                    |           |                          |                          |
| Net cash and cash equivalents at 1 January (**)  |           | 129,969                  | 88,554                   |
| Net increase/decrease in cash and cash equivalents   |           | -8,230                   | 42,200                   |
| Exchange rate fluctuations on cash and cash equivalents  |           | -643                     | -785                     |
| <b>NET CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>  | <b>20</b> | <b>121,096</b>           | <b>129,969</b>           |

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

(\*) USD -7.4 million relates to the WARIBOKO transaction, USD +5.5 million relates to the LPG pressurized fleet transaction and USD +1.2 million relates to the CMC Belgibo transaction. We refer to note 9 and 10 for more information in respect of these transactions.

(\*\*)The presentation of cash and cash equivalents in respect of 2015 has been changed. The amount of USD 172.3 million has been split in restricted cash and cash and cash equivalents.

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

|  | Note | Share capital | Share premium  |
|--|------|---------------|----------------|
| <b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS PER 31 DECEMBER 2015</b> |      |               |                |
| <b>1 JANUARY 2015</b>  |      | <b>88,812</b> | <b>209,902</b> |
| <b>COMPREHENSIVE RESULT FOR THE PERIOD</b>                                 |      |               |                |
| <b>RESULT FOR THE PERIOD</b>   |      |               |                |
| Foreign currency translation differences                                   | 7    |               |                |
| Net change in fair value of cash flow hedges - hedge accounting            | 7    |               |                |
| Net change in fair value of available-for-sale financial assets            | 7    |               |                |
| Employee benefits - remeasurements of defined benefit liability/asset      | 25   |               |                |
| <b>TOTAL OTHER COMPREHENSIVE RESULT</b>                                    |      | <b>0</b>      | <b>0</b>       |
| <b>TOTAL COMPREHENSIVE RESULT FOR THE PERIOD</b>                           |      | <b>0</b>      | <b>0</b>       |
| <b>TRANSACTIONS WITH OWNERS OF THE COMPANY</b>                             |      |               |                |
| Dividends paid   | 21   |               |                |
| Share-based payments   | 24   |               |                |
| Share options exercised  |      |               |                |
| Treasury shares purchased  |      |               |                |
| Share based payments transactions  |      |               |                |
| <b>TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY</b>                       |      | <b>0</b>      | <b>0</b>       |
| <b>31 DECEMBER 2015</b>  |      | <b>88,812</b> | <b>209,902</b> |

|  | Note | Share capital | Share premium  |
|--|------|---------------|----------------|
| <b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS PER 31 DECEMBER 2016</b>                         |      |               |                |
| <b>1 JANUARY 2016</b>  |      | <b>88,812</b> | <b>209,902</b> |
| <b>COMPREHENSIVE RESULT FOR THE PERIOD</b>   |      |               |                |
| <b>RESULT FOR THE PERIOD</b>   |      |               |                |
| Foreign currency translation differences   | 7    |               |                |
| Foreign currency translation differences - share equity accounted investees                        | 7    |               |                |
| Net change in fair value of cash flow hedges - hedge accounting                                    | 7    |               |                |
| Net change in fair value of cash flow hedges - hedge accounting - share equity accounted investees | 7    |               |                |
| Net change in fair value of available-for-sale financial assets                                    | 7    |               |                |
| Net change in fair value of available-for-sale financial assets transferred to profit or loss      | 7    |               |                |
| Employee benefits - remeasurements of defined benefit liability/asset                              | 25   |               |                |
| <b>TOTAL OTHER COMPREHENSIVE RESULT</b>  |      | <b>0</b>      | <b>0</b>       |
| <b>TOTAL COMPREHENSIVE RESULT FOR THE PERIOD</b>   |      | <b>0</b>      | <b>0</b>       |
| <b>TRANSACTIONS WITH OWNERS OF THE COMPANY</b>   |      |               |                |
| Dividends paid   | 21   |               |                |
| Share-based payments   | 24   |               |                |
| Share options exercised  |      |               |                |
| Treasury shares purchased  |      |               |                |
| Share based payments transactions  |      |               |                |
| <b>TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY</b>   |      | <b>0</b>      | <b>0</b>       |
| <b>31 DECEMBER 2016</b>  |      | <b>88,812</b> | <b>209,902</b> |

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

| Retained earnings | Reserve for treasury shares | Translation reserve | Fair value reserve | Hedging reserve | Share-based payments reserve | Total   | Non-controlling interest | Total equity |
|-------------------|-----------------------------|---------------------|--------------------|-----------------|------------------------------|---------|--------------------------|--------------|
| 184,110           | -53,769                     | -8,845              | 881                | -1,329          | 9,825                        | 429,587 | 175                      | 429,762      |
| 11,211            |                             |                     |                    |                 |                              | 11,211  | 34                       | 11,245       |
|                   |                             | -1,456              |                    |                 |                              | -1,456  | -19                      | -1,475       |
|                   |                             |                     |                    | -2,494          |                              | -2,494  |                          | -2,494       |
|                   |                             |                     | -4,854             |                 |                              | -4,854  |                          | -4,854       |
| 1,087             |                             |                     |                    |                 |                              | 1,087   |                          | 1,087        |
| 1,087             | 0                           | -1,456              | -4,854             | -2,494          | 0                            | -7,717  | -19                      | -7,736       |
| 12,298            | 0                           | -1,456              | -4,854             | -2,494          | 0                            | 3,494   | 15                       | 3,509        |
| -25,453           |                             |                     |                    |                 |                              | -25,453 |                          | -25,453      |
| -3,039            | 4,938                       |                     |                    |                 | -572                         | 1,327   |                          | 1,327        |
|                   | -5,292                      |                     |                    |                 |                              | -5,292  |                          | -5,292       |
|                   |                             |                     |                    |                 | 951                          | 951     |                          | 951          |
| -28,492           | -354                        | 0                   | 0                  | 0               | 379                          | -28,467 | 0                        | -28,467      |
| 167,916           | -54,123                     | -10,301             | -3,973             | -3,823          | 10,204                       | 404,614 | 190                      | 404,804      |

| Retained earnings | Reserve for treasury shares | Translation reserve | Fair value reserve | Hedging reserve | Share-based payments reserve | Total   | Non-controlling interest | Total equity |
|-------------------|-----------------------------|---------------------|--------------------|-----------------|------------------------------|---------|--------------------------|--------------|
| 167,916           | -54,123                     | -10,301             | -3,973             | -3,823          | 10,204                       | 404,614 | 190                      | 404,804      |
| 35,786            |                             |                     |                    |                 |                              | 35,786  | 32                       | 35,818       |
|                   |                             | -543                |                    |                 |                              | -543    | -7                       | -550         |
|                   |                             | 1,067               |                    |                 |                              | 1,067   |                          | 1,067        |
|                   |                             |                     |                    | 2,408           |                              | 2,408   |                          | 2,408        |
|                   |                             |                     |                    | 2,237           |                              | 2,237   |                          | 2,237        |
|                   |                             |                     |                    |                 |                              | 0       |                          | 0            |
|                   |                             |                     | 3,973              |                 |                              | 3,973   |                          | 3,973        |
| -15               |                             |                     |                    |                 |                              | -15     |                          | -15          |
| -15               | 0                           | 524                 | 3,973              | 4,645           | 0                            | 9,127   | -7                       | 9,120        |
| 35,771            | 0                           | 524                 | 3,973              | 4,645           | 0                            | 44,913  | 25                       | 44,938       |
| -19,259           |                             |                     |                    |                 |                              | -19,259 |                          | -19,259      |
| -993              | 1,887                       |                     |                    |                 | -250                         | 644     |                          | 644          |
|                   |                             |                     |                    |                 |                              | 0       |                          | 0            |
|                   |                             |                     |                    |                 | 1,557                        | 1,557   |                          | 1,557        |
| -20,252           | 1,887                       | 0                   | 0                  | 0               | 1,307                        | -17,058 | 0                        | -17,058      |
| 183,435           | -52,236                     | -9,777              | 0                  | 822             | 11,511                       | 432,469 | 215                      | 432,684      |

# 1. ACCOUNTING POLICIES

## A. REPORTING ENTITY

EXMAR nv ("the Company") is a company domiciled in Belgium whose shares are publicly traded (Euronext – EXM). The consolidated financial statements of the Group comprise the Company, its subsidiaries, and the Group's interest in associates and joint arrangements (referred to as "The Group"). The Group is active in the industrial shipping business.

## B. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by EU on 31/12/2016.

*The group has adopted the following new standards, amendments to standards, including any consequential amendments to other standards, and new interpretations with a date of initial application of 1 January 2016. These new standards and amendments did not have a material impact on our financial statements.*

- Agriculture Bearer Plants (Amendments to IAS 16 and IAS 41).
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).
- Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38).
- Equity Method in Separate Financial Statements (Amendments to IAS 27).
- Annual improvements to IFRSs 2012-2014 Cycle – various standards.
- Investment entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).
- Disclosure Initiative (Amendments to IAS 1).

*A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2016, and have not been applied in preparing these consolidated financial statements:*

**IFRS 9 Financial Instruments** published in July 2014 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements, which align hedge accounting more closely with risk management. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. This new standard has been endorsed by the EU. The Group does not plan to early adopt the Standard. The group is undertaking a comprehensive approach to assess the impact of the guidance on its business by reviewing the current accounting policies and practices to identify any potential differences that may result from applying the new requirements to the consolidated financial statements.

**IFRS 15 Revenue from Contracts with Customers** establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programs. IFRS 15 is effective for the annual reports beginning on or after 1 January 2018, with early adoption permitted. This new standard has been endorsed by the EU. Clarifications to IFRS 15 Revenue from contracts with customers (issued on 12 April 2016) have not yet been endorsed by the EU.

The group is undertaking a comprehensive approach to assess the impact of the guidance on its business by reviewing the current accounting policies and practices to identify any potential differences that may result from applying the new requirements to the consolidated financial statements.

Part of the Group's revenue is generated from time charters, where revenue is recognized on an accrual basis and is recorded over the term of the charter as the service is provided. We do not believe the new guidance will have any impact on this aspect of the Group's revenue. For spot charter's, we recognize revenue on a discharge-to-discharge basis in determining the percentage of completion for all voyage charters. We are in the process of assessing whether and to which extent the new guidance will have an impact on this aspect of the Group's revenue.

The Group is consulting with other ship companies on business assumptions, processes, systems and controls to fully determine revenue recognition and disclosures under the new standard. The Company's initial assessment may change as the Company continues to review the new guidance.

**IFRS 16 Leasing:** In January 2016, the IASB issued a new standard for lease accounting, applicable for annual periods beginning on or after January 1, 2019. The standard has not yet been endorsed by the European Union. IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 eliminates the classification of leases as either operating or finance leases for a lessee and introduces a single lease accounting model for lessors. All leases, except leases with a term of lease less than twelve months or low-value leases, are capitalized by recognizing the present value of the lease payments and presenting them as a right of use asset in the statement of financial position of the lessee. Lease payments that are paid over time should be presented as a financial liability. In the statement of profit or loss, the depreciation charge of the lease asset will be presented separately from the interest expense on the lease liability. IFRS 16 does not change substantially lease accounting for lessors. A lessor will continue to classify leases as either operational or finance lease and account for those two types of leases differently. The group is currently investigating the impact that the application of the new standard will have on the consolidated financial statements. No quantitative or qualitative assessment of the impact of IFRS 16 has been made to date.



The following new or amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Disclosure Initiative (Amendments to IAS 7).
- Recognition of Deferred Tax Asset for Unrealised Losses (Amendments to IAS 12).
- Classification and measurement of Share-based Payment Transactions (Amendments to IFRS 2).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).
- Transfer of investment property (Amendments to IAS 40).
- Foreign currency transactions and Advance consideration (IFRIC 22).
- Annual improvements to IFRS's 2014-2016 Cycle.

The consolidated financial statements were approved and were authorised for issue by the board of directors on March 30, 2017.

### C. FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated accounts are presented in USD in accordance with the deviation granted by the Financial Services and Markets Authority (FSMA) by letter of 2 July 2003, and all values are rounded to the nearest thousand. USD is the Company's functional currency. They are prepared on the historical cost basis except for the following material assets and liabilities that have been measured on an alternative basis on each reporting date: derivative financial instruments, non-derivative financial assets at fair value through profit and loss, available-for-sale financial assets and the net defined benefit liability. Assets held for sale are stated at the lower of carrying amount and fair value less cost to sell.

### D. USE OF JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Preparing the consolidated financial statements, the Group has made judgements, estimates and assumptions regarding the fair value for the share options, the employee benefit plans, provisions and contingencies and the classification of new lease commitments and time charter agreements. On a yearly basis the residual value and the useful life of the vessels is reviewed.

The carrying values of the vessels may not represent the fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of new buildings. Historically, both charter rates and vessel values tend to be cyclical. The carrying amounts of each specific fleet are reviewed

for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a specific fleet may not be fully recoverable. The recoverable amount is the highest of the fair value less cost to sell and the value in use. The fair value less cost to sell is determined based upon independent valuation reports. The value in use is based upon future cash flows discounted to their present value. In developing estimates of future cash flows, we must make assumptions about future charter rates, ship operating expenses, the estimated remaining useful lives of the fleet and the WACC. These assumptions are based on historical trends as well as future expectations. Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions are highly subjective. The vessels are mainly registered within our equity accounted investees.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### E. CHANGES IN ACCOUNTING POLICIES

The group has consistently applied the accounting policies to all periods presented in the consolidated financial statements.

### F. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of consolidation

##### Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

A business is an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors (or other owners, members or participants) by way of dividends, lower costs or other economic benefits. A business generally consists of inputs, processes applied on those inputs and the ability to create outputs. This can for instance be the case when the acquisition also contains the transfer of current contracts in respect of chartering, crew,...

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in fair value are recognised in profit or loss.

### **Subsidiaries**

Subsidiaries are those entities controlled by the Group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. All intra-Group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-Group transactions are eliminated in full.

### **Loss of control**

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, and non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit and loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date the control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

### **Interests in equity-accounted investees**

The Group's interest in equity accounted investees comprises interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method and are recognised initially at cost. The cost of the investment includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the share of the Group in the losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to zero, and the recognition of future losses is discontinued,

except to the extent that the Group has an obligation or has made payments on behalf of the investee. In such case the negative investment in equity accounted investees is deducted from other components of the investor's interest in the equity accounted investee (borrowings to equity accounted investees). If the negative investment in equity accounted investees exceeds the investor's interest, a liability is recognized for the net amount. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## **b) Foreign currency**

### **Foreign currency transactions**

Foreign currency transactions are converted to the respective functional currencies at the exchange rate applicable at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to USD at the exchange rate applicable at that date. The non-monetary assets and liabilities that are measured in terms of historical cost are translated to USD at the exchange rate at the date of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit or loss statement, except for differences arising on the retranslation of available-for-sale equity instruments or qualified cash flow hedges to the extent that the hedges are effective, which are recognised in other comprehensive income.

### **Financial statements of foreign operations**

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to USD using the closing rate at reporting date.

The income and expenses of the foreign operations are converted to USD at the exchange rate at the date of the transaction (the average exchange rate during the relevant period is used in case the date of transaction approximates this average rate).

Foreign currency differences are recognized directly in other comprehensive income. These foreign currency differences are presented within the translation reserve. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit and loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reallocated to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit and loss.

## c) Financial instruments

### **Non-derivative financial assets**

Loans and receivables and deposits are initially recognised on the date that they are originated. All other financial assets are recognised initially at trade date.

The Group derecognises a financial asset when the contractual rights to the cash flow from the assets expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all risks and rewards of ownership are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset when and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### ***Financial assets at fair value through profit and loss***

A financial asset is classified at fair value through profit and loss if it is classified as held for trading or designated as such on initial recognition. Upon initial recognition attributable transaction costs are recognised in the profit or loss statement as incurred. Financial assets at fair value through profit and loss are measured at fair value and changes therein are recognised in the profit or loss statement.

### ***Held-to maturity financial assets/other investments***

If the Group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost, using the effective interest method, less any impairment losses.

### ***Loans and receivables***

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value (normally equals transaction price) plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost, using the effective interest method, less any impairment losses.

Cash and cash equivalents comprise cash balances and demand deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of the cash flows.

### ***Available-for-sale financial assets***

Available-for-sale financial assets include equity securities, which are not classified as held for trading, designated at fair value through profit and loss or held to maturity. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Available-for-sale financial assets are, subsequent to initial recognition, measured at fair value and changes therein, other than

impairment losses, are recognised in other comprehensive income and presented within the fair value reserve. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to the profit or loss statement.

### **Non-derivative financial liabilities**

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially at trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts and trade and other payables. Such financial liabilities are recognised initially at fair value (normally equals the transaction price for trade and other payables) plus any directly attributable transaction costs for loans and borrowings. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

### **Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of tax effects. When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs net of tax, is recognised as a deduction from equity. When treasury shares are sold, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented in retained earnings.

### **Derivative financial instruments & hedge accounting**

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the combined instrument is not measured at fair value through profit and loss.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and the hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within the range of 80-125%.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the profit or loss statement as incurred. Subsequent to initial recognition, derivatives are recognized at fair value and changes therein are generally recognized in profit and loss, except for:

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the hedging reserve in equity. The amount recognized in other comprehensive income is removed and included in the profit or loss statement in the same period as the hedged cash flows affect the profit or loss statement under the same line item as the hedged item. Any ineffective portion of changes in fair value of the derivative is recognized immediately in the profit or loss statement. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then the hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in other comprehensive income remains there until the forecast transaction affects the profit or loss statement. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

#### **d) Goodwill**

Goodwill arising upon the acquisition of subsidiaries is included in intangible assets.

For acquisitions on or after 1 January 2010, the Company measures goodwill at the acquisition date as: the fair value of the consideration transferred; plus the carrying amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in the statement of profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of profit or loss. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

For acquisitions prior to 1 January 2010, goodwill represents the excess of the cost of the acquisition over the Company's interest in the recognized amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognized immediately in the statement of comprehensive income. Transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurred in connection with business combinations were capitalized as part of the cost of the acquisition.

Subsequently goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is allocated to the carrying amount of the equity accounted investee as a whole.

#### **e) Intangible assets**

##### **Research and development**

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially new improved products and processes. Development cost is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

##### **Other intangible assets**

Other intangible assets (e.g. software,...) acquired by the Group that have finite useful lives are measured at cost less accumulated amortisations and accumulated impairment losses. The amortisation is recognized in the profit or loss statement, and is spread over the useful life of the relevant intangible assets following the straight-line depreciation method. The amortization starts from the date that they are available for use. Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets with an indefinite useful life or that are not yet available for use, are subject to an annual impairment test.

##### **Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is recognized in profit or loss as incurred.

#### **f) Property, plant and equipment**

##### **Owned assets**

Items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset and to bringing the asset to the location and condition necessary for its intended use. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use and capitalized borrowing costs.

Subsequent expenses associated with items of property, plant and equipment are capitalised only if a future economic advantage will result from this expenditure and its cost can be measured reliably. If a part of an item of property, plant and equipment is replaced, the replacement cost is capitalised and the carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss statement as incurred.



When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, less its residual value and is recognized in profit or loss.

Vessels or units in the construction process are separately classified on the balance sheet as vessels under construction. These vessels under construction are not depreciated, depreciation starts at the moment that the vessels are delivered. As from the moment of delivery, the vessels are no longer classified as under construction. The business model of the Group aims to rent or operate the constructed assets.

The vessels are depreciated on a straight-line basis to their residual value over their estimated useful life in the Group.

|                                      |             |
|--------------------------------------|-------------|
| Gas vessels LPG:                     | 30 years    |
| Gas vessels LNG:                     | 35 years    |
| Accommodation platform, second hand: | 10-12 years |

|                                     |          |
|-------------------------------------|----------|
| Accommodation platform, newbuild;   |          |
| - Hull, machinery & deck outfitting | 20 years |
| - Accommodation                     | 10 years |

Dry-docking expenses are capitalised when they occur and depreciated over a period until the next dry-dock.

Other property, plant and equipment are depreciated over their estimated useful life using the straight-line depreciation method. Land is not depreciated.

The estimated depreciation percentages of the various types of assets are as follows:

|                      |     |
|----------------------|-----|
| Buildings:           | 3%  |
| Leased real estate:  | 3%  |
| Plant and equipment: | 20% |
| Furniture:           | 10% |
| Cars:                | 20% |
| Airplane:            | 10% |
| IT equipment:        | 33% |

The method of depreciation, the residual value, and the useful life values are reviewed at each financial year-end and adjusted if appropriate.

#### Leased assets

Lease agreements substantially assigning all risks and rewards inherent to ownership to the Group, are classified as finance leases. The leased assets measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, are subsequently reduced by the accumulated depreciation and possible impairment losses. The depreciation period matches the useful life. If there is uncertainty with respect to the transfer of ownership to the Group at the end of the contract, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### g) Investment property

Investment property is measured at historical cost less accumulated depreciation and accumulated impairment losses.

The depreciation is recognized in the profit or loss statement on a straight-line basis over the estimated useful lives of the investment properties.

#### h) Impairment of assets

##### Financial assets

##### *Financial assets measured at cost*

Financial assets measured at cost are assessed, at both individual and collective level, each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. When there are no realistic prospects of recovery of the asset, the relevant amount is written off. In assessing impairment, historical information on the timing of recoveries and the amount of loss incurred is used.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the profit or loss statement. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss.

##### *Available for sale financial assets*

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income and presented in the fair value reserve in equity to profit and loss. An impairment loss is recognized in the profit or loss statement if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available for sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, than the impairment loss is reversed through profit or loss, otherwise it is reversed through OCI.

##### *Equity accounted investees*

After application of the equity method, the entity applies IAS 39 to determine whether it is necessary to recognise an impairment loss with respect to its net investment in the associate or joint venture. An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit and loss and is reversed when there is a favourable change in the estimates used to determine the recoverable amount.

### Non-financial assets

The carrying value of non-financial assets, other than deferred tax assets, are reviewed at each balance sheet date to determine whether there is an indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite lives or that are not yet available for use the recoverable amount is estimated on each balance sheet date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. All impairment losses are recognised in the profit or loss statement.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses in prior periods are assessed at each reporting date for indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### i) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis except that no loss is allocated to assets not in the measurement scope of IFRS 5, which continue to be measured in accordance with the Group's other accounting policies. Intangible assets, property, plant and equipment and investment property once

classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale or distribution.

### j) Employee benefits

#### Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit or loss statement as the related service is provided.

#### Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; discounting that amount and deducting the fair value of any plan assets. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net Interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### Belgian defined contribution plans with return guaranteed by law

Belgian defined contribution plans are subject to the Law of April 28, 2003 on occupational pensions (hereafter 'the WAP'). According to article 24 of this Law, the employer has to guarantee an average minimum return of 3.75% on employee contributions and of 3.25% on employer contributions and this for contributions paid until 31/12/2015. As from January 2016, the employer has to guarantee an average minimum return of 1,75% on both employer and employee contributions (as changed by the Law of 18 December 2015). This guaranteed minimum return generally exceeds the return that is normally guaranteed by the insurer. Because the employer has to guarantee the statutory minimum return on these plans, not all actuarial and investment risks relating to these plans are transferred to the insurance company managing the plans. Therefore these plans do not meet the definition of defined contribution plan under IFRS and have to be

classified by default as defined benefit plans. An actuarial calculation has been performed in accordance with IAS 19 based on the projected unit credit method.

#### **Termination benefits**

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility or withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

#### **Short-term employee benefit**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

#### **Share-based payment transactions**

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the options. The amounts recognised as an expense is adjusted to reflect the actual number of options for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at vesting date.

### **k) Provisions**

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as result of a past event, that can be estimated reliably and it is probable that an outflow of benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### **Restructuring provisions**

Provisions for restructuring are recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

#### **Onerous contracts**

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost

of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

### **l) Income**

#### **Revenues from assets sold and services rendered**

The company and/ or its joint ventures generate revenues from charterers for the use of its assets. Assets are chartered using voyage/spot, time or bareboat charters. For voyage/spot charters, a contract is closed in the spot market for the use of an asset for a specific voyage at a contractual agreed rate per metric tonnes transported. For time or bareboat charters, a contract is entered into for the use of an asset for a specific period of time at a contractual agreed daily or monthly rate. Revenue is recognised on a straight line basis over the duration of each voyage, time or bareboat charter.

Revenue from the sale of assets is recognised in the profit or loss statement when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the assets, and the amount of revenue can be measured reliably. The timing of the transfer of risks and rewards can vary depending on the individual terms of the sales agreement.

Revenue from services rendered is recognised in the profit or loss statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due and associated costs.

**Commissions:** if the group acts in the capacity of an agent rather than as a principal in the transaction, then the revenue recognised is the net amount of commission made by the Group.

**Rental income from investment property** is recognised in the profit or loss statement on a straight-line basis over the term of the lease agreement.

### **m) Leases**

#### **Determining whether an arrangement contains a lease**

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other considerations required by the arrangement into those for the lease and those for other elements on the basis of their relative fair value. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised.

### Operating lease

Payments made under operating leases are recognised in the statement of profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

### Finance lease payments

Minimum lease payments made as lessee under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. The Group does not have financial lease contracts acting as lessor.

Contingent lease payments are accounted for in profit or loss except when they relate to future benefits in which case the minimum lease payments are revised over the remaining term of the lease when the lease adjustment is confirmed.

### n) Government grants

Government grants are recognised initially as deferred income at fair value when there is a reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant and are then recognised in profit and loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

### o) Finance income and expenses

Finance income consists of interests received, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss and exchange rate gains. Interest income is recognised in the profit or loss statement as it accrues, taking into account the effective yield on the asset. Dividend income is recognised in the profit or loss statement on the date that the dividend is declared.

Finance expenses consist of interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, exchange rate losses and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. Foreign currency gains and losses are reported on a net basis per currency as either other finance income or finance expense.

### p) Taxes

Income tax expense consists of current and deferred taxes. Current and deferred tax is recognized in the profit or loss statement, except to the extent it relates to a business combination, or when they relate

to items that are recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss of the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit, and differences relating to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of reversal and it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets are reduced when it is no longer probable that the related tax benefits will be realized. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax assets and liabilities are offset only if certain conditions are met.

Tonnage tax is not accounted for as income taxes in accordance with IAS 12 and is not presented as part of income tax expense in the profit or loss statement but is shown under other operating expenses.

### q) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by management to make decisions about resources to be allocated to the segment and assess its performance.

The result for each segment includes all income and expenses generated directly by this segment, as well as part of the income and expenses that can reasonably be allocated to this segment. The assets and liabilities allocated to a segment include as a minimum the assets and liabilities which are periodically reported to the Chief operating decision maker, being the Group's CEO and the Executive Committee.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.



#### r) Earnings per share

The Group presents basic and diluted earnings per share for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for treasury shares held. Diluted earnings per share is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average of ordinary shares outstanding, adjusted for treasury shares held and for the effects of all dilutive potential ordinary shares such as share options granted to employees.

#### s) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale; is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations or is a subsidiary acquired exclusively with a view to re-sale. Classification of a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative profit or loss statement is restated as if the operation had been discontinued from the start of the comparative period.

## 2. 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 consolidated statement of financial position and the consolidated statement of profit or loss is presented in note 3. All differences relate to the application of IFRS 11 Joint arrangements, no other differences exist.

The Group has 4 reportable segments. The Group's operating segments reflect the level at which the Group's CEO and the Executive Committee review the business and make decisions about the allocation of resources and other operating matters. These segments offer different products and services and are managed separately. The LPG segment includes transportation of Liquid Petroleum Gas, ammonia and other petrochemical gases through the Midsize, VLGC and pressurised fleet. The LPG fleet is reported as one segment taken into account the similar characteristics of the fleet (eg nature of the products,...). Transportation of Liquefied Natural Gas is comprised in the LNG segment. The activities in the offshore industry through the supply of services and equipment are allocated to the Offshore segment. The segment Services includes the specialised supporting services to the oil and gas industry such as shipmanagement services, insurance brokerage services and travel agency services. The company's internal and management structure does not distinguish any geographical segments as the company's fleet navigates between geographical segments.

The intra-segment revenue mainly relates to management and crew services provided.

Major LNG client Excelerate Energy Llc represents 89% (87% in 2015) of the revenue of the LNG segment revenue and 29% (25% in 2015) of the EXMAR Group revenue in 2016. Major LPG client Statoil represents 22% (68% in 2015) of the revenue of the LPG segment and 9% (27% in 2015) of the EXMAR Group revenue in 2016.

### SEGMENT REPORTING 2016

|   | LPG            | LNG            | Offshore      | Services      | Eliminations   | Total          |
|---|----------------|----------------|---------------|---------------|----------------|----------------|
| <b>INCOME STATEMENT</b>   |                |                |               |               |                |                |
| Revenue third party   | 1 06,459       | 91,508         | 51,133        | 28,411        | 0              | 277,511        |
| Revenue intra-segment   | 2,926          | 0              | 1,279         | 16,773        | -20,978        | 0              |
| Total revenue   | 109,385        | 91,508         | 52,412        | 45,184        | -20,978        | 277,511        |
| Revenue on property rental third party  | 0              | 0              | 0             | 949           | 0              | 949            |
| Revenue on property rental intra-segment                                      | 0              | 0              | 0             | 147           | -147           | 0              |
| Total revenue on property rental  | 0              | 0              | 0             | 1,096         | -147           | 949            |
| Capital gain on sale of assets  | 8              | 0              | 942           | 76            | 0              | 1,026          |
| Other operating income  | 15,203         | 9,000          | 230           | 1,962         | 0              | 26,395         |
| Other operating income intra-segment  | 0              | 22             | 0             | 373           | -395           | 0              |
| Total other operating income  | 15,203         | 9,022          | 230           | 2,335         | -395           | 26,395         |
| <b>OPERATING INCOME</b>   | <b>124,596</b> | <b>100,530</b> | <b>53,584</b> | <b>48,691</b> | <b>-21,520</b> | <b>305,881</b> |
| <b>OPERATING RESULT BEFORE DEPRECIATION AND AMORTISATION CHARGES (EBITDA)</b> | <b>55,993</b>  | <b>59,418</b>  | <b>-844</b>   | <b>1,914</b>  |                | <b>116,481</b> |
| Depreciations, amortisations and impairment loss                              | -21,837        | -18,382        | -2,808        | -3,088        |                | -46,115        |
| <b>OPERATING RESULT (EBIT)</b>  | <b>34,156</b>  | <b>41,036</b>  | <b>-3,652</b> | <b>-1,174</b> | <b>0</b>       | <b>70,366</b>  |
| Interest income/expenses (net)  | -13,935        | -20,305        | -608          | 9,239         |                | -25,609        |
| Other finance income/expenses (net)   | -424           | -4,347         | 85            | -5,534        |                | -10,220        |
| Share of result of equity accounted investees (net of income tax)             | 0              | 0              | 1,183         | -413          |                | 770            |
| Income tax expense / income   | -5             | 12             | 1,497         | -991          |                | 513            |
| <b>SEGMENT RESULT FOR THE PERIOD</b>  | <b>19,792</b>  | <b>16,396</b>  | <b>-1,495</b> | <b>1,127</b>  | <b>0</b>       | <b>35,818</b>  |
| <b>RESULT FOR THE PERIOD</b>  |                |                |               |               |                | <b>35,818</b>  |
| Non-controlling interest  |                |                |               |               |                | 32             |
| <b>ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>                                  |                |                |               |               |                | <b>35,786</b>  |

|   | LPG            | LNG            | Offshore      | Services       | Eliminations | Total            |
|---|----------------|----------------|---------------|----------------|--------------|------------------|
| <b>STATEMENT OF FINANCIAL POSITION</b>          |                |                |               |                |              |                  |
| <b>ASSETS</b>                                   |                |                |               |                |              |                  |
| Vessels   | 403,426        | 578,922        | 12,450        | 0              |              | 994,798          |
| Other property, plant and equipment             | 430            | 6              | 658           | 1,503          |              | 2,597            |
| Intangible assets                               | 0              | 0              | 922           | 3,586          |              | 4,508            |
| Investment property                             | 0              | 0              | 0             | 8,807          |              | 8,807            |
| Equity accounted investees                      | 0              | 0              | 5,251         | 0              |              | 5,251            |
| Borrowings to equity accounted investees        | 0              | 0              | 12,345        | 0              |              | 12,345           |
| Derivative financial instruments                | 870            | 235            | 0             | 0              |              | 1,105            |
| Assets held for sale                            | 8,861          | 0              | 0             | 0              |              | 8,861            |
| Restricted cash                                 | 0              | 12,689         | 1,922         | 23,860         |              | 38,471           |
| Cash and cash equivalents                       | 30,208         | 41,618         | 10,416        | 17,650         |              | 99,892           |
| <b>TOTAL SEGMENT ASSETS</b>                     | <b>443,795</b> | <b>633,470</b> | <b>43,964</b> | <b>55,406</b>  | <b>0</b>     | <b>1,176,635</b> |
| Unallocated other property plant and equipment  |                |                |               |                |              | 523              |
| Unallocated equity accounted investees          |                |                |               |                |              | 3,723            |
| Unallocated available-for-sale financial assets |                |                |               |                |              | 3,608            |
| Unallocated trade and other receivables         |                |                |               |                |              | 57,677           |
| Unallocated cash                                |                |                |               |                |              | 82,647           |
| Other unallocated assets                        |                |                |               |                |              | 1,127            |
| <b>TOTAL ASSETS</b>                             |                |                |               |                |              | <b>1,325,940</b> |
| <b>EQUITY AND LIABILITIES</b>                   |                |                |               |                |              |                  |
| Non-current borrowings                          | 237,448        | 353,900        | 3,000         | 9,647          |              | 603,995          |
| Current borrowings                              | 37,921         | 19,524         | 2,000         | 116,643        |              | 176,088          |
| Non current derivative financial instruments    | 0              | 0              | 92            | 0              |              | 92               |
| Current derivative financial instruments        | 0              | 0              | 0             | 36,182         |              | 36,182           |
| Deferred tax liability                          | 0              | 0              | 0             | 978            |              | 978              |
| <b>TOTAL SEGMENT LIABILITIES</b>                | <b>275,369</b> | <b>373,424</b> | <b>5,092</b>  | <b>163,450</b> | <b>0</b>     | <b>817,335</b>   |
| Unallocated equity                              |                |                |               |                |              | 432,684          |
| Unallocated trade and other payables            |                |                |               |                |              | 66,722           |
| Unallocated other liabilities                   |                |                |               |                |              | 9,199            |
| <b>TOTAL EQUITY AND LIABILITIES</b>             |                |                |               |                |              | <b>1,325,940</b> |
| <b>CASH FLOW STATEMENT</b>                      |                |                |               |                |              |                  |
| Cash from operating activities                  | 22,429         | 41,367         | -102          | 106            |              | 63,800           |
| Cash from investing activities                  | -70,812        | -11,950        | 4,094         | -4,616         |              | -83,284          |
| Cash from financing activities                  | 28,484         | -13,011        | -4,031        | 3,729          |              | 15,171           |
| Unallocated cash flow                           |                |                |               |                |              | -2,940           |
| Dividends paid/received                         |                |                |               |                |              | -19,259          |
| Exchange rate fluctuations                      |                |                |               |                |              | -643             |
| <b>TOTAL CASH FLOW</b>                          | <b>-19,899</b> | <b>16,406</b>  | <b>-39</b>    | <b>-781</b>    | <b>0</b>     | <b>-27,155</b>   |
| <b>ADDITIONAL INFORMATION</b>                   |                |                |               |                |              |                  |
| Capital expenditures                            | -70,127        | -11,950        | -21           | -220           |              | -82,318          |
| Proceeds from disposals                         |                |                | 17            | 164            |              | 181              |

**SEGMENT REPORTING 2015**

|   | LPG            | LNG           | Offshore      | Services      | Eliminations   | Total          |
|---|----------------|---------------|---------------|---------------|----------------|----------------|
| <b>INCOME STATEMENT</b>   |                |               |               |               |                |                |
| Revenue third party   | 120,351        | 88,671        | 73,324        | 32,030        | 0              | 314,376        |
| Revenue intra-segment   | 4,223          | 20            | 1,160         | 16,068        | -21,471        | 0              |
| Total revenue   | 124,574        | 88,691        | 74,484        | 48,098        | -21,471        | 314,376        |
| Revenue on property rental third party  | 0              | 0             | 0             | 909           | 0              | 909            |
| Revenue on property rental intra-segment                                      | 0              | 0             | 0             | 146           | -146           | 0              |
| Total revenue on property rental  | 0              | 0             | 0             | 1,055         | -146           | 909            |
| Capital gain on sale of assets  | 0              | 0             | 0             | 110           | 0              | 110            |
| Other operating income  | 2,272          | 2             | 1,152         | 719           | 0              | 4,145          |
| Other operating income intra-segment  | 0              | 98            | 0             | 397           | -495           | 0              |
| Total other operating income  | 2,272          | 100           | 1,152         | 1,116         | -495           | 4,145          |
| <b>OPERATING INCOME</b>   | <b>126,846</b> | <b>88,791</b> | <b>75,636</b> | <b>50,379</b> | <b>-22,112</b> | <b>319,540</b> |
| <b>OPERATING RESULT BEFORE DEPRECIATION AND AMORTISATION CHARGES (EBITDA)</b> | <b>51,333</b>  | <b>39,381</b> | <b>8,641</b>  | <b>126</b>    |                | <b>99,481</b>  |
| Depreciations, amortisations and impairment loss                              | -33,561        | -18,447       | -4,218        | -3,080        |                | -59,306        |
| <b>OPERATING RESULT (EBIT)</b>  | <b>17,772</b>  | <b>20,934</b> | <b>4,423</b>  | <b>-2,954</b> | <b>0</b>       | <b>40,175</b>  |
| Interest income/expenses (net)  | -9,651         | -12,628       | -1,208        | -637          |                | -24,124        |
| Other finance income/expenses (net)   | 1,311          | -782          | -794          | -1,706        |                | -1,971         |
| Share of result of equity accounted investees (net of income tax)             | 0              | 0             | 334           | -640          |                | -306           |
| Income tax expense  | 7              | -1,623        | -1,721        | -715          |                | -4,052         |
| <b>SEGMENT RESULT FOR THE PERIOD</b>  | <b>9,439</b>   | <b>5,901</b>  | <b>1,034</b>  | <b>-6,652</b> | <b>0</b>       | <b>9,722</b>   |
| Unallocated finance result  |                |               |               |               |                | 1,523          |
| <b>RESULT FOR THE PERIOD</b>  |                |               |               |               |                | <b>11,245</b>  |
| Non-controlling interest  |                |               |               |               |                | 34             |
| <b>ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>                                  |                |               |               |               |                | <b>11,211</b>  |



|   | LPG            | LNG            | Offshore       | Services       | Eliminations | Total            |
|---|----------------|----------------|----------------|----------------|--------------|------------------|
| <b>STATEMENT OF FINANCIAL POSITION</b>          |                |                |                |                |              |                  |
| <b>ASSETS</b>                                   |                |                |                |                |              |                  |
| Vessels   | 308,986        | 585,364        | 31,129         | 0              |              | 925,479          |
| Other property, plant and equipment             | 627            | 13             | 850            | 1,901          |              | 3,391            |
| Intangible assets                               | 0              | 0              | 1,285          | 2,290          |              | 3,575            |
| Investment property                             | 0              | 0              | 0              | 9,558          |              | 9,558            |
| Derivative financial instruments                | 0              | 51             | 0              | 0              |              | 51               |
| Restricted cash (*)                             | 0              | 18,635         | 1,891          | 25,350         |              | 45,876           |
| Cash and cash equivalents (*)                   | 56,336         | 39,149         | 13,286         | 25,548         |              | 134,319          |
| <b>TOTAL SEGMENT ASSETS</b>                     | <b>365,949</b> | <b>643,212</b> | <b>48,441</b>  | <b>64,647</b>  | <b>0</b>     | <b>1,122,249</b> |
| Unallocated other property plant and equipment  |                |                |                |                |              | 776              |
| Unallocated equity accounted investees          |                |                |                |                |              | 5,171            |
| Unallocated available-for-sale financial assets |                |                |                |                |              | 3,487            |
| Unallocated trade and other receivables         |                |                |                |                |              | 67,475           |
| Unallocated cash                                |                |                |                |                |              | 75,375           |
| Other unallocated assets                        |                |                |                |                |              | 993              |
| <b>TOTAL ASSETS</b>                             |                |                |                |                |              | <b>1,275,526</b> |
| <b>EQUITY AND LIABILITIES</b>                   |                |                |                |                |              |                  |
| Non-current borrowings                          | 186,212        | 372,387        | 5,000          | 118,246        |              | 681,845          |
| Current borrowings                              | 24,162         | 19,057         | 2,000          | 1,333          |              | 46,552           |
| Derivative financial instruments                | 1,076          | 0              | 198            | 41,229         |              | 42,503           |
| <b>TOTAL SEGMENT LIABILITIES</b>                | <b>211,450</b> | <b>391,444</b> | <b>7,198</b>   | <b>160,808</b> | <b>0</b>     | <b>770,900</b>   |
| Unallocated equity                              |                |                |                |                |              | 404,804          |
| Unallocated trade and other payables            |                |                |                |                |              | 88,104           |
| Unallocated other liabilities                   |                |                |                |                |              | 11,718           |
| <b>TOTAL EQUITY AND LIABILITIES</b>             |                |                |                |                |              | <b>1,275,526</b> |
| <b>CASH FLOW STATEMENT</b>                      |                |                |                |                |              |                  |
| Cash from operating activities                  | 44,848         | 37,273         | 7,093          | 7,521          |              | 96,735           |
| Cash from investing activities                  | -44,803        | -47,134        | -18,720        | -546           |              | -111,203         |
| Cash from financing activities                  | 51,960         | 39,969         | -2,000         | 37,298         |              | 127,227          |
| Unallocated cash flow                           |                |                |                |                |              | -15,874          |
| Dividends paid/received                         |                |                |                |                |              | -25,453          |
| <b>TOTAL CASH FLOW</b>                          | <b>52,005</b>  | <b>30,108</b>  | <b>-13,627</b> | <b>44,273</b>  | <b>0</b>     | <b>71,432</b>    |
| <b>ADDITIONAL INFORMATION</b>                   |                |                |                |                |              |                  |
| Capital expenditures                            | -44,803        | -47,134        | -18,720        | -973           |              | -111,630         |
| Proceeds from disposals                         | 0              | 0              | 0              | 384            |              | 384              |

(\*) The presentation of cash and cash equivalents of 2015 has been changed. Cash and cash equivalents have been split in restricted cash and cash and cash equivalents.

### 3. 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 31 December 2016 financial information as reported in the consolidated statement of financial position and the consolidated statement of profit or loss (using the equity consolidation method as required under IFRS 11) with the financial information disclosed in note 2 'Segment reporting' (using the proportionate consolidation method).

|  | Proportionate Consolidation | Difference      | Equity Consolidation |
|--|-----------------------------|-----------------|----------------------|
| <b>RECONCILIATION CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND SEGMENT REPORTING</b> |                             |                 |                      |
| <b>31 DECEMBER 2016</b>  |                             |                 |                      |
| Vessels  | 994,798                     | -716,499        | 278,299              |
| Other property, plant and equipment  | 3,120                       | -41             | 3,079                |
| Intangible assets  | 4,508                       | -857            | 3,651                |
| Investment property  | 8,807                       | -8,807          | 0                    |
| Investments in equity accounted investees  | 8,974                       | 138,624         | 147,598              |
| Borrowings to equity accounted investees   | 12,345                      | 331,567         | 343,912              |
| Derivative financial instruments   | 1,105                       | -1,105          | 0                    |
| <b>NON-CURRENT ASSETS</b>  | <b>1,033,657</b>            | <b>-257,118</b> | <b>776,539</b>       |
| Assets held for sale   | 8,861                       | -8,861          | 0                    |
| Available-for-sale financial assets  | 3,608                       | 0               | 3,608                |
| Trade receivables and other receivables  | 57,677                      | 5,046           | 62,723               |
| Current tax assets   | 1,127                       | -20             | 1,107                |
| Restricted cash  | 38,471                      | -3,580          | 34,891               |
| Cash and cash equivalents  | 182,539                     | -61,443         | 121,096              |
| <b>CURRENT ASSETS</b>  | <b>292,283</b>              | <b>-68,858</b>  | <b>223,425</b>       |
| <b>TOTAL ASSETS</b>  | <b>1,325,940</b>            | <b>-325,976</b> | <b>999,964</b>       |
| <b>EQUITY</b>  | <b>432,684</b>              | <b>0</b>        | <b>432,684</b>       |
| Borrowings   | 603,995                     | -274,405        | 329,590              |
| Employee benefits  | 4,267                       | 0               | 4,267                |
| Provisions   | 2,474                       | -40             | 2,434                |
| Derivative financial instruments   | 92                          | -92             | 0                    |
| Deferred tax liability   | 978                         | 0               | 978                  |
| <b>NON-CURRENT LIABILITIES</b>   | <b>611,806</b>              | <b>-274,537</b> | <b>337,269</b>       |
| Borrowings   | 176,088                     | -35,941         | 140,147              |
| Trade debts and other payables   | 66,722                      | -15,478         | 51,244               |
| Current tax liability  | 2,458                       | -20             | 2,438                |
| Derivative financial instruments   | 36,182                      | 0               | 36,182               |
| <b>CURRENT LIABILITIES</b>   | <b>281,450</b>              | <b>-51,439</b>  | <b>230,011</b>       |
| <b>TOTAL EQUITIES AND LIABILITIES</b>  | <b>1,325,940</b>            | <b>-325,976</b> | <b>999,964</b>       |
| <b>RECONCILIATION CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND SEGMENT REPORTING</b>     |                             |                 |                      |
| <b>FOR THE YEAR ENDED 31 DECEMBER 2016</b>   |                             |                 |                      |
| Revenue  | 278,460                     | -182,434        | 96,026               |
| Capital gain on sale of assets   | 1,026                       | 0               | 1,026                |
| Other operating income   | 26,395                      | -289            | 26,106               |
| Goods and services   | -139,581                    | 73,091          | -66,490              |
| Personnel expenses   | -46,991                     | -13             | -47,004              |
| Depreciations, amortisations & impairment losses   | -46,115                     | 39,331          | -6,784               |
| Provisions   | 88                          | 0               | 88                   |
| Capital loss on sale of assets   | 0                           | 0               | 0                    |
| Other operating expenses   | -2,916                      | 937             | -1,979               |
| <b>RESULT FROM OPERATING ACTIVITIES</b>  | <b>70,366</b>               | <b>-69,377</b>  | <b>989</b>           |
| Interest income  | 1,912                       | 22,949          | 24,861               |
| Interest expenses  | -27,522                     | 11,615          | -15,907              |
| Other finance income   | 1,737                       | -259            | 1,478                |
| Other finance expenses   | -11,958                     | 1,217           | -10,741              |
| <b>RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEEES</b>       | <b>34,535</b>               | <b>-33,855</b>  | <b>680</b>           |
| Share of result of equity accounted investees (net of income tax)                        | 770                         | 33,802          | 34,572               |
| Income tax income  | 513                         | 53              | 566                  |
| <b>RESULT FOR THE PERIOD</b>   | <b>35,818</b>               | <b>0</b>        | <b>35,818</b>        |

Proportionate Consolidation

Difference

Equity Consolidation

| RECONCILIATION CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND SEGMENT REPORTING  |                  |                 |                |
|--|------------------|-----------------|----------------|
| 31 DECEMBER 2015   |                  |                 |                |
| Vessels  | 925,479          | -756,488        | 168,991        |
| Other property, plant and equipment  | 4,167            | -63             | 4,104          |
| Intangible assets  | 3,575            | -1,207          | 2,368          |
| Investment property  | 9,558            | -9,558          | 0              |
| Investments in equity accounted investees  | 5,171            | 127,645         | 132,816        |
| Borrowings to equity accounted investees   | 0                | 376,408         | 376,408        |
| Derivative financial instruments   | 51               | -51             | 0              |
| <b>NON-CURRENT ASSETS</b>  | <b>948,001</b>   | <b>-263,314</b> | <b>684,687</b> |
| Available-for-sale financial assets  | 3,487            | 0               | 3,487          |
| Trade receivables and other receivables  | 67,475           | -2,806          | 64,669         |
| Current tax assets   | 993              | -25             | 968            |
| Restricted cash  | 45,876           | -3,544          | 42,332         |
| Cash and cash equivalents  | 209,694          | -79,726         | 129,969        |
| <b>CURRENT ASSETS</b>  | <b>327,525</b>   | <b>-86,100</b>  | <b>241,425</b> |
| <b>TOTAL ASSETS</b>  | <b>1,275,526</b> | <b>-349,414</b> | <b>926,112</b> |
| <b>EQUITY</b>  | <b>404,804</b>   | <b>0</b>        | <b>404,804</b> |
| Borrowings   | 681,845          | -284,420        | 397,425        |
| Employee benefits  | 4,445            | 0               | 4,445          |
| Provisions   | 2,562            | -40             | 2,522          |
| Derivative financial instruments   | 42,503           | -1,274          | 41,229         |
| <b>NON-CURRENT LIABILITIES</b>   | <b>731,355</b>   | <b>-285,734</b> | <b>445,621</b> |
| Borrowings   | 46,552           | -31,391         | 15,161         |
| Trade debts and other payables   | 88,104           | -32,289         | 55,815         |
| Current tax liability  | 4,711            | 0               | 4,711          |
| <b>CURRENT LIABILITIES</b>   | <b>139,367</b>   | <b>-63,680</b>  | <b>75,687</b>  |
| <b>TOTAL EQUITIES AND LIABILITIES</b>  | <b>1,275,526</b> | <b>-349,414</b> | <b>926,112</b> |
| RECONCILIATION CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND SEGMENT REPORTING      |                  |                 |                |
| FOR THE YEAR ENDED 31 DECEMBER 2015  |                  |                 |                |
| Revenue  | 315,285          | -203,065        | 112,220        |
| Capital gain on sale of assets   | 110              | 0               | 110            |
| Other operating income   | 4,145            | -884            | 3,261          |
| Goods and services   | -160,684         | 79,698          | -80,986        |
| Personnel expenses   | -51,550          | 82              | -51,468        |
| Depreciations, amortisations & impairment losses                                   | -59,306          | 54,132          | -5,174         |
| Provisions   | -131             | -3              | -134           |
| Capital loss on sale of assets   | -47              | 0               | -47            |
| Other operating expenses   | -7,647           | 894             | -6,753         |
| <b>RESULT FROM OPERATING ACTIVITIES</b>  | <b>40,175</b>    | <b>-69,146</b>  | <b>-28,971</b> |
| Interest income  | 345              | 22,692          | 23,037         |
| Interest expenses  | -22,571          | 9,619           | -12,952        |
| Other finance income   | 7,497            | -151            | 7,346          |
| Other finance expenses   | -9,843           | 1,320           | -8,523         |
| <b>RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEEES</b> | <b>15,603</b>    | <b>-35,666</b>  | <b>-20,063</b> |
| Share of result of equity accounted investees (net of income tax)                  | -306             | 35,486          | 35,180         |
| Income tax expense   | -4,052           | 180             | -3,872         |
| <b>RESULT FOR THE PERIOD</b>   | <b>11,245</b>    | <b>0</b>        | <b>11,245</b>  |

## 4. OPERATING INCOME (in thousands of USD)

|                            | 2016   | 2015    |
|----------------------------|--------|---------|
| <b>REVENUE PER SEGMENT</b> |        |         |
| LPG Segment                | 17,067 | 6,391   |
| LNG Segment                | 483    | 0       |
| Offshore Segment           | 46,385 | 68,888  |
| Services Segment           | 32,091 | 36,941  |
|                            | 96,026 | 112,220 |

The increase in the LPG segment is mainly due to the acquisition of the remaining 50% of the pressurized fleet held by Wah Kwong (see note 9 for more information regarding this topic).

The decrease in the Offshore segment can be mainly explained by the WARIBOKO transaction. EXMAR has sold part of its ownership in the WARIBOKO to its logistical partner Springview, see note 10 for more information. The engineering services of EXMAR Offshore have also been negatively affected by the lack of activity in the market.

|   | 2016  | 2015 |
|---|-------|------|
| <b>CAPITAL GAIN ON THE DISPOSAL OF ASSETS</b> |       |      |
| Other   | 84    | 110  |
| WARIBOKO transaction                          | 942   | 0    |
|   | 1,026 | 110  |

EXMAR has sold part of its ownership in the WARIBOKO to its logistical partner Springview, see note 10 for more information.

|   | 2016   | 2015  |
|---|--------|-------|
| <b>OTHER OPERATING INCOME</b>                             |        |       |
| Tariff fee OPTI-EX®                                       | 209    | 1,128 |
| Badwill pressurized fleet transaction                     | 14,343 | 0     |
| Revaluation to fair value existing investment CMC Belgibo | 800    | 0     |
| Termination fee PEP                                       | 9,000  | 0     |
| Other   | 1,755  | 2,133 |
|   | 26,106 | 3,261 |

We refer to note 9 for more information in respect of the badwill relating to the pressurized fleet transaction and the revaluation to fair value of the existing investment in CMC Belgibo.

The termination fee of USD 9 million paid by Pacific Exploration and Production ("PEP") relates to the termination of the tolling agreement for the Caribbean FLNG.

## 5. OTHER OPERATING EXPENSES (in thousands of USD)

|                            | 2016   | 2015   |
|----------------------------|--------|--------|
| <b>OTHER</b>               |        |        |
| Non-income based taxes (*) | -1,769 | -5,932 |
| Other                      | -210   | -821   |
|                            | -1,979 | -6,753 |

(\*) Non-income based taxes mainly comprise a variety of different non-income based taxes paid mainly for our offshore activities. The majority of these taxes is paid for the accommodation barge WARIBOKO in Nigeria, for which the 2016 amount totaled USD 1 million (2015: USD 4.1 million). The decrease of these taxes can be explained by the partial sale of the WARIBOKO (see note 10 for more information).



## 6. PERSONNEL EXPENSES (in thousands of USD)

|   | 2016           | 2015           |
|---|----------------|----------------|
| <b>PERSONNEL EXPENSES</b>                                       |                |                |
| Salaries and wages  | -37,968        | -42,256        |
| Social security charges   | -6,062         | -6,822         |
| Employee benefit, defined benefit and defined contribution plan | -1,417         | -1,439         |
| Share option plan   | -1,557         | -951           |
|   | <b>-47,004</b> | <b>-51,468</b> |
| <b>NUMBER OF PERSONNEL (IN FULL TIME EQUIVALENT)</b>            |                |                |
| Seagoing (*)  | 1,628          | 1,557          |
| Staff   | 234            | 344            |
|   | <b>1,862</b>   | <b>1,901</b>   |

(\*) Almost all seagoing personnel is employed on the assets held or operated by our equity accounted investees, the related expense is not included in the personnel expenses disclosed above but presented as operating expenses in our equity accounted investees.

## 7. FINANCE INCOME / EXPENSES (in thousands of USD)

|   | 2016           | 2015           |
|---|----------------|----------------|
| <b>INTEREST INCOME AND EXPENSES</b>                             |                |                |
| <b>INTEREST INCOME</b>  |                |                |
| Interest income on borrowings to equity accounted investees (*) | 24,305         | 22,710         |
| Interest income on cash and cash equivalents                    | 556            | 327            |
|   | <b>24,861</b>  | <b>23,037</b>  |
| <b>INTEREST EXPENSES</b>  |                |                |
| Interest expenses on borrowings                                 | -13,904        | -11,603        |
| Interest expenses on financial instruments                      | -2,003         | -1,349         |
|   | <b>-15,907</b> | <b>-12,952</b> |

(\*) The interest income relates to interests paid by equity accounted investees on the borrowings provided by EXMAR. We refer in this respect to note 16.

|   | 2016           | 2015          |
|---|----------------|---------------|
| <b>OTHER FINANCE INCOME AND EXPENSES</b>                                |                |               |
| <b>OTHER FINANCE INCOME</b>   |                |               |
| Realised exchange gains   | 691            | 3,604         |
| Unrealised exchange gains   | 556            | 3,095         |
| Dividend income from non-consolidated companies                         | 127            | 417           |
| Other   | 105            | 230           |
|   | <b>1,478</b>   | <b>7,346</b>  |
| <b>OTHER FINANCE EXPENSES</b>   |                |               |
| Realised exchange losses  | -889           | -2,827        |
| Foreign currency translation differences reclassified to profit or loss | 0              | -1,863        |
| Unrealised exchange losses  | -260           | -988          |
| Banking fees (**)   | -5,591         | -1,452        |
| Impairment loss available-for-sale financial assets (***)               | -3,844         | 0             |
| Other   | -157           | -1,393        |
|   | <b>-10,741</b> | <b>-8,523</b> |

(\*\*) The banking fees mainly consist of financing costs relating to the ICBC financing (see note 23 for more information).

(\*\*\*) As a result of a significant and prolonged decline in the fair value of the Teekay and Sibelco shares, the fair value reserve in respect of these shares from prior periods of USD 4 million has been recycled to the statement of profit or loss. The current year's positive change in fair value of USD 0.1 million has also been registered in the statement of profit or loss.

## FINANCE INCOME/EXPENSE RECOGNISED DIRECTLY IN EQUITY

|   |       |        |
|---|-------|--------|
| Equity accounted investees - share of other comprehensive income        | 3,304 | -1,627 |
| Foreign currency translation differences                                | -550  | -2,607 |
| Foreign currency translation differences reclassified to profit or loss | 0     | 1,863  |
| Net change in fair value of cash flow hedges - hedge accounting         | 2,408 | -1,598 |
| Available-for sale financial assets - net change in fair value          | 0     | -4,854 |
| Available-for sale financial assets - reclassified to profit or loss    | 3,973 | 0      |
|   | 9,135 | -8,823 |
| Recognised in:  |       |        |
| Fair value reserve  | 3,973 | -4,854 |
| Translation reserve   | 524   | -1,456 |
| Hedging reserve   | 4,645 | -2,494 |
| Non-controlling interest  | -7    | -19    |
|   | 9,135 | -8,823 |

## 8. INCOME TAXES (in thousands of USD)

|                              | 2016       | 2015          |
|------------------------------|------------|---------------|
| <b>INCOME TAXES</b>          |            |               |
| Taxes current period         | -1,029     | -3,814        |
| Prior year adjustments       | 1,595      | -58           |
| <b>INCOME TAXES</b>          | <b>566</b> | <b>-3,872</b> |
| <b>DEFERRED INCOME TAXES</b> | <b>0</b>   | <b>0</b>      |
|                              | 566        | -3,872        |

## RECONCILIATION OF THE EFFECTIVE TAX RATE

|  |                        |                       |
|--|------------------------|-----------------------|
| <b>RESULT BEFORE INCOME TAX</b>  | <b>35,252</b>          | <b>15,117</b>         |
| <b>TAX AT DOMESTIC TAX RATE</b>  | <b>-33.99% -11,982</b> | <b>-33.99% -5,138</b> |
| Share of profit of equity accounted investees net of tax                             | 11,751                 | 11,958                |
| Increase/decrease resulting from:  |                        |                       |
| Effects of tax rates in foreign jurisdictions  | 2,283                  | -2,933                |
| Non-deductible expenses  | -612                   | -1,784                |
| Other income taxes   | 177                    | 847                   |
| Current year tax losses/ credits for which no deferred tax asset has been recognised | -7,176                 | -6,910                |
| Use of tax credits, tax losses carried forward and other tax benefits                | 5,105                  | 998                   |
| Tax exempt income  | -575                   | -852                  |
| Adjustments in respect of prior years  | 1,595                  | -58                   |
|  | 1.61% 566              | -25.62% -3,872        |

## 9. ACQUISITION OF A SUBSIDIARY (in thousands of USD)

### LPG PRESSURIZED FLEET TRANSACTION

At the end of June 2016, EXMAR reached an agreement for the acquisition of 50% of the pressurized fleet held by Wah Kwong. As a result of this transaction EXMAR's share in the pressurized fleet increased from 50% to 100% and the companies involved in this transaction are fully consolidated in the financial statements per 31 December 2016 instead of presented as an equity accounted investee. Given that the acquisition was only completed by the end of June 2016, the result for the first six months of the year is still shown as a result from equity accounted investees in the statement of profit or loss.

The acquisition related costs in respect of the pressurized fleet transaction amount to USD 0.3 million and are presented in the statement of profit or loss as operating expenses.

By taking control of the pressurized fleet, EXMAR will be able to strengthen her position in this segment of the market.

For the 12 months ended 31 December 2016, the pressurized fleet contributed revenue of USD 16 million to our LPG segment (proportionate consolidation method) and a loss of USD 2.4 million to the LPG segment result. If the acquisition had occurred on 1 January 2016, we estimate that total revenue of our LPG segment (proportionate consolidation method) would have been USD 114.8 million and the LPG segment result for the period would have been USD 19 million (including registered goodwill on this transaction of USD 14.3 million).

### A. CONSIDERATION TRANSFERRED

The following table summarises the acquisition date fair value of each major class of consideration transferred. Actual payment of the purchase price to Wah Kwong occurred in October 2016.

| CONSIDERATION TRANSFERRED  |        |
|--|--------|
| Borrowings to equity accounted investees including negative net assets held by Exmar pre-acquisition | 30,582 |
| Purchase price 50% share Wah Kwong   | 3,464  |
|  | 34,046 |

### B. IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

The following table summarizes the recognised amounts of assets acquired and liabilities assumed at the date of acquisition based on the purchase price allocation. The remeasurement to fair value of the vessels is based on the average fair market value as determined by two independent ship brokers. The individual valuations of these ship brokers did not materially differ. Management has analyzed the existing contractual agreements with charterers and is of the opinion that no material fair value should be recognised. Outstanding loans and borrowings have been analyzed and the applicable conditions are considered market based. Management has reconsidered the purchase price allocation and is of the opinion that no additional adjustments are necessary and that the recognised goodwill is correct.

| IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED |         |
|--|---------|
| Vessels  | 118,500 |
| Trade and Other receivables                          | 2,848   |
| Cash and cash equivalents                            | 5,556   |
| Loans and borrowings                                 | -73,040 |
| Trade and Other payables                             | -5,475  |
|  | 48,389  |

### C. BADWILL

Goodwill arising from the transaction has been recognised as follows.

| BADWILL                               |         |
|---------------------------------------|---------|
| Consideration transferred             | 34,046  |
| Fair Value of identifiable net assets | -48,389 |
|                                       | -14,343 |

The revaluation of the existing investment to fair value is included within the net goodwill of USD 14.3 million.

## CMC BELGIBO TRANSACTION

At the end of 2016, EXMAR acquired the remaining 50.10% in CMC Belgibo. As a result of this transaction, CMC Belgibo is fully consolidated in the balance sheet per 31 December 2016 instead of presented as an equity accounted investee.

Given that the acquisition was only completed at the end of 2016, the result of the year is still shown as a result from equity accounted investees in the statement of profit or loss.

By acquiring CMC Belgibo, EXMAR will be able to strengthen her position in the segment of credit insurance.

For the 12 months ended 31 December 2016, CMC Belgibo contributed a loss of USD 0.5 million to the Services segment result. If the acquisition had occurred on 1 January 2016, we estimate that total revenue of our Services segment (proportionate consolidation method) would have been USD 47.6 million and the Services segment result for the period would have been USD 0.7 million.

### A. CONSIDERATION TRANSFERRED

| CONSIDERATION TRANSFERRED (IN KUSD)   |       |
|---|-------|
| Net assets held by Exmar pre-acquisition                                      | 613   |
| Revaluation to fair value of the net assets held by Exmar pre-acquisition (*) | 1,413 |
| Purchase price for remaining 50.10 %  | 1,721 |
|   | 3,134 |

(\*)The revaluation to fair value of the net assets held by EXMAR pre-acquisition of USD 0.8 million has been registered in the statement of profit and loss as other operating income.

### B. IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

The following table summarizes the recognised amounts of assets acquired and liabilities assumed at the date of acquisition based on the preliminary purchase price allocation.

| IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED (IN KEUR) |       |
|--|-------|
| Client portfolio   | 2,877 |
| Intangible assets & other fixed assets                         | 21    |
| Receivables  | 218   |
| Cash and cash equivalents                                      | 1,207 |
| Trade and Other payables                                       | -212  |
| Deferred tax liability   | -978  |
|  | 3,134 |

## 10. DISPOSAL OF A SUBSIDIARY (in thousands of USD)

At the end of May 2016, EXMAR has sold part of its ownership (60%) in the WARIBOKO barge (Offshore segment) to its Nigerian partner Springview. As a consequence of this, EXMAR loses control of the WARIBOKO companies Springmarine Nigeria, Electra Offshore and Exview Hong Kong. The assets and liabilities of these former subsidiaries have been derecognised from the balance sheet. The remaining investment is remeasured at fair value and consolidated using the equity consolidation method. The remaining ownership percentage in the WARIBOKO companies is contractually defined at 40%.

As a consequence of the WARIBOKO transaction, a gain of USD 0,9 million has been recognised in the statement of profit or loss. The purchase price of the underlying barge amounted to USD 17,4 million for which the remaining balance is included in the borrowings to equity accounted investees.



## 11. VESSELS (in thousands of USD)

|   | Operational<br>LPG | Operational<br>LNG | Operational<br>Offshore | Under<br>construction | Total          |
|---|--------------------|--------------------|-------------------------|-----------------------|----------------|
| <b>COST 2015</b>                                |                    |                    |                         |                       |                |
| <b>BALANCE AS PER 1 JANUARY 2015</b>            | <b>0</b>           | <b>0</b>           | <b>40,459</b>           | <b>84,639</b>         | <b>125,098</b> |
| Changes during the financial year               |                    |                    |                         |                       |                |
| Acquisitions (*)                                |                    |                    | 18,700                  | 44,008                | 62,708         |
| Disposals                                       |                    |                    | 0                       | 0                     | 0              |
| Conversion differences                          |                    |                    | 0                       | -30                   | -30            |
| Transfer (**)                                   |                    |                    | 0                       | 23,180                | 23,180         |
| <b>BALANCE AS PER 31 DECEMBER 2015</b>          | <b>0</b>           | <b>0</b>           | <b>59,159</b>           | <b>151,797</b>        | <b>210,956</b> |
| <b>COST 2016</b>                                |                    |                    |                         |                       |                |
| <b>BALANCE AS PER 1 JANUARY 2016</b>            | <b>0</b>           | <b>0</b>           | <b>59,159</b>           | <b>151,797</b>        | <b>210,956</b> |
| Changes during the financial year               |                    |                    |                         |                       |                |
| Acquisitions (***)                              | 0                  |                    | 0                       | 11,031                | 11,031         |
| Disposals                                       | 0                  |                    | 0                       | 0                     | 0              |
| Conversion differences                          | 0                  |                    | 0                       | 0                     | 0              |
| Change in consolidation scope (****)            | 118,500            |                    | -18,700                 | 0                     | 99,800         |
| <b>BALANCE AS PER 31 DECEMBER 2016</b>          | <b>118,500</b>     | <b>0</b>           | <b>40,459</b>           | <b>162,828</b>        | <b>321,787</b> |
| <b>DEPRECIATIONS AND IMPAIRMENT LOSSES 2015</b> |                    |                    |                         |                       |                |
| <b>BALANCE AS PER 1 JANUARY 2015</b>            | <b>0</b>           | <b>0</b>           | <b>39,984</b>           | <b>0</b>              | <b>39,984</b>  |
| Changes during the financial year               |                    |                    |                         |                       |                |
| Depreciations                                   |                    |                    | 1,981                   |                       | 1,981          |
| Disposals                                       |                    |                    | 0                       |                       | 0              |
| Conversion differences                          |                    |                    | 0                       |                       | 0              |
| <b>BALANCE AS PER 31 DECEMBER 2015</b>          | <b>0</b>           | <b>0</b>           | <b>41,965</b>           | <b>0</b>              | <b>41,965</b>  |
| <b>DEPRECIATIONS AND IMPAIRMENT LOSSES 2016</b> |                    |                    |                         |                       |                |
| <b>BALANCE AS PER 1 JANUARY 2016</b>            | <b>0</b>           | <b>0</b>           | <b>41,965</b>           | <b>0</b>              | <b>41,965</b>  |
| Changes during the financial year               |                    |                    |                         |                       |                |
| Depreciations                                   | 3,029              |                    | 736                     |                       | 3,765          |
| Disposals                                       | 0                  |                    | 0                       |                       | 0              |
| Conversion differences                          | 0                  |                    | 0                       |                       | 0              |
| Change in consolidation scope (****)            | 0                  |                    | -2,242                  |                       | -2,242         |
| <b>BALANCE AS PER 31 DECEMBER 2016</b>          | <b>3,029</b>       | <b>0</b>           | <b>40,459</b>           | <b>0</b>              | <b>43,488</b>  |
| <b>NET BOOK VALUE</b>                           |                    |                    |                         |                       |                |
| <b>NET BOOK VALUE AS PER 31 DECEMBER 2015</b>   | <b>0</b>           | <b>0</b>           | <b>17,194</b>           | <b>151,797</b>        | <b>168,991</b> |
| <b>NET BOOK VALUE AS PER 31 DECEMBER 2016</b>   | <b>115,471</b>     | <b>0</b>           | <b>0</b>                | <b>162,828</b>        | <b>278,299</b> |

(\*) The bareboat agreement for the accommodation barge WARIBOKO contained a purchase option. End February 2015 EXMAR exercised this purchase option and acquired the accommodation barge.

(\*\*) The above registered transfer relates to the FSRU which has been reclassified from borrowings to equity accounted investees towards the vessels under construction. In the second half of 2015, EXMAR acquired full ownership over the FSRU (floating storage and regasification barge).

(\*\*\*) The vessels under construction mainly relate to the payments made for the construction of the Caribbean FLNG and the FSRU. We also refer to note 30 in this aspect.

(\*\*\*\*) For the change in consolidation scope relating to the LPG segment, we refer to note 9 for further information. Relating to the change in consolidation scope for the offshore segment, we refer to note 10 for more information.

The vessels shown in above table under "Operational LPG" are pledged as a security for the related underlying liabilities. We refer to note 23 for more information in respect of these underlying liabilities.

## 12. OTHER PROPERTY, PLANT AND EQUIPMENT (in thousands of USD)

|   | Land and<br>buildings | Machinery and<br>equipment | Furniture and<br>movables | Total         |
|---|-----------------------|----------------------------|---------------------------|---------------|
| <b>COST 2015</b>                                |                       |                            |                           |               |
| <b>BALANCE AS PER 1 JANUARY 2015</b>            | <b>4,269</b>          | <b>638</b>                 | <b>8,879</b>              | <b>13,786</b> |
| Changes during the financial year               |                       |                            |                           |               |
| Acquisitions                                    | 0                     | 291                        | 698                       | 989           |
| Disposals                                       | 0                     | 0                          | -1,907                    | -1,907        |
| Translation differences                         | -441                  | -23                        | -471                      | -935          |
| <b>BALANCE AS PER 31 DECEMBER 2015</b>          | <b>3,828</b>          | <b>906</b>                 | <b>7,199</b>              | <b>11,933</b> |
| <b>COST 2016</b>                                |                       |                            |                           |               |
| <b>BALANCE AS PER 1 JANUARY 2016</b>            | <b>3,828</b>          | <b>906</b>                 | <b>7,199</b>              | <b>11,933</b> |
| Changes during the financial year               |                       |                            |                           |               |
| Acquisitions                                    | 0                     | 100                        | 184                       | 284           |
| Disposals                                       | 0                     | -14                        | -548                      | -562          |
| Translation differences                         | -122                  | -6                         | -110                      | -238          |
| Change in consolidation scope                   | 0                     | 2                          | 1                         | 3             |
| <b>BALANCE AS PER 31 DECEMBER 2016</b>          | <b>3,706</b>          | <b>988</b>                 | <b>6,726</b>              | <b>11,420</b> |
| <b>DEPRECIATIONS AND IMPAIRMENT LOSSES 2015</b> |                       |                            |                           |               |
| <b>BALANCE AS PER 1 JANUARY 2015</b>            | <b>3,345</b>          | <b>163</b>                 | <b>5,229</b>              | <b>8,737</b>  |
| Changes during the financial year               |                       |                            |                           |               |
| Depreciations                                   | 30                    | 275                        | 1,060                     | 1,365         |
| Disposals                                       | 0                     | 0                          | -1,586                    | -1,586        |
| Translation differences                         | -346                  | -17                        | -324                      | -687          |
| <b>BALANCE AS PER 31 DECEMBER 2015</b>          | <b>3,029</b>          | <b>421</b>                 | <b>4,379</b>              | <b>7,829</b>  |
| <b>DEPRECIATIONS AND IMPAIRMENT LOSSES 2016</b> |                       |                            |                           |               |
| <b>BALANCE AS PER 1 JANUARY 2016</b>            | <b>3,029</b>          | <b>421</b>                 | <b>4,379</b>              | <b>7,829</b>  |
| Changes during the financial year               |                       |                            |                           |               |
| Depreciations                                   | 30                    | 253                        | 923                       | 1,206         |
| Disposals                                       | 0                     | -12                        | -483                      | -495          |
| Translation differences                         | -99                   | -6                         | -94                       | -199          |
| <b>BALANCE AS PER 31 DECEMBER 2016</b>          | <b>2,960</b>          | <b>656</b>                 | <b>4,725</b>              | <b>8,341</b>  |
| <b>NET BOOK VALUE</b>                           |                       |                            |                           |               |
| <b>NET BOOK VALUE AS PER 31 DECEMBER 2015</b>   | <b>799</b>            | <b>485</b>                 | <b>2,820</b>              | <b>4,104</b>  |
| <b>NET BOOK VALUE AS PER 31 DECEMBER 2016</b>   | <b>746</b>            | <b>332</b>                 | <b>2,001</b>              | <b>3,079</b>  |

### 13. INTANGIBLE ASSETS (in thousands of USD)

|  | Concessions,<br>patents,<br>licences | Client portfolio | Total         |
|--|--------------------------------------|------------------|---------------|
| <b>COST 2015</b>                                 |                                      |                  |               |
| <b>BALANCE AS PER 1 JANUARY 2015</b>             | <b>2,044</b>                         | <b>8,599</b>     | <b>10,643</b> |
| Changes during the financial year                |                                      |                  |               |
| Acquisitions                                     | 571                                  | 0                | 571           |
| Disposals  | -17                                  | 0                | -17           |
| Translation differences                          | -286                                 | 0                | -286          |
| Transfer   | 307                                  | -307             | 0             |
| <b>BALANCE AS PER 31 DECEMBER 2015</b>           | <b>2,619</b>                         | <b>8,292</b>     | <b>10,911</b> |
| <b>COST 2016</b>                                 |                                      |                  |               |
| <b>BALANCE AS PER 1 JANUARY 2016</b>             | <b>2,619</b>                         | <b>8,292</b>     | <b>10,911</b> |
| Changes during the financial year                |                                      |                  |               |
| Acquisitions                                     | 213                                  | 0                | 213           |
| Disposals  | -6                                   | 0                | -6            |
| Translation differences                          | -58                                  | 0                | -58           |
| Change in consolidation scope (*)                | 18                                   | 2,877            | 2,895         |
| <b>BALANCE AS PER 31 DECEMBER 2016</b>           | <b>2,786</b>                         | <b>11,169</b>    | <b>13,955</b> |
| <b>AMORTISATIONS AND IMPAIRMENTS LOSSES 2015</b> |                                      |                  |               |
| <b>BALANCE AS PER 1 JANUARY 2015</b>             | <b>1,097</b>                         | <b>5,791</b>     | <b>6,888</b>  |
| Changes during the financial year                |                                      |                  |               |
| Depreciations                                    | 424                                  | 1,404            | 1,828         |
| Disposals  | -17                                  | 0                | -17           |
| Translation differences                          | -156                                 | 0                | -156          |
| Transfer   | 193                                  | -193             | 0             |
| <b>BALANCE AS PER 31 DECEMBER 2015</b>           | <b>1,541</b>                         | <b>7,002</b>     | <b>8,543</b>  |
| <b>AMORTISATIONS AND IMPAIRMENTS LOSSES 2016</b> |                                      |                  |               |
| <b>BALANCE AS PER 1 JANUARY 2016</b>             | <b>1,541</b>                         | <b>7,002</b>     | <b>8,543</b>  |
| Changes during the financial year                |                                      |                  |               |
| Depreciations                                    | 523                                  | 1,290            | 1,813         |
| Disposals  | -1                                   | 0                | -1            |
| Translation differences                          | -51                                  | 0                | -51           |
| <b>BALANCE AS PER 31 DECEMBER 2016</b>           | <b>2,012</b>                         | <b>8,292</b>     | <b>10,304</b> |
| <b>NET BOOK VALUE</b>                            |                                      |                  |               |
| <b>NET BOOK VALUE AS PER 31 DECEMBER 2015</b>    | <b>1,078</b>                         | <b>1,290</b>     | <b>2,368</b>  |
| <b>NET BOOK VALUE AS PER 31 DECEMBER 2016</b>    | <b>774</b>                           | <b>2,877</b>     | <b>3,651</b>  |

(\*) The change in consolidation scope relates to the 100% acquisition of CMC Belgiba, previously consolidated by the equity method. We refer to note 9 for further information.

## 14. EQUITY ACCOUNTED INVESTEEES (in thousands of USD)

|  | 2016           | 2015           |
|--|----------------|----------------|
| <b>EQUITY ACCOUNTED INVESTEEES</b>                               |                |                |
| <b>BALANCE AS PER 1 JANUARY</b>                                  | <b>132,816</b> | <b>172,575</b> |
| Changes during the financial year                                |                |                |
| Share in the profit/loss(-)                                      | 34,572         | 35,180         |
| Dividends paid   | -34,067        | -88,642        |
| Changes in scope (*)   | 11,681         | 0              |
| Allocation of negative net assets (**)                           | 408            | 15,459         |
| Conversion differences   | 1,067          | -731           |
| Changes in other comprehensive income equity accounted investees | 2,237          | -896           |
| Other  | -1,116         | -129           |
| <b>BALANCE AS PER 31 DECEMBER</b>                                | <b>147,598</b> | <b>132,816</b> |

(\*) The change in consolidation scope relates to the CMC Belgibo transaction for an amount of USD -0.6 million (see note 9 for more information in respect of this transaction) and the WARIBOKO transaction for an amount of USD 12.3 million (see note 10 for more information in respect of this transaction). The pressurized fleet transaction (see note 9 for more information in respect of this transaction) has no effect on the investments in equity accounted investees as the negative net assets had been allocated to the borrowings to equity accounted investees.

(\*\*) 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.

EXMAR has analysed the existing joint arrangements and has concluded that the existing 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 December 31, 2016, an amount of USD 602 million (2015: USD 614.8 million) was outstanding under such loan agreements, of which EXMAR has guaranteed USD 301 million (2015: USD 307.4 million). We refer in this respect also to note 28.

Following regulatory requirements or borrowing arrangements, our joint ventures or associates may be restricted to make cash distributions such as dividend payments or repayments of shareholder loans. Under the borrowing arrangements our joint ventures or associates may only make a distribution if no event of default or no breach of any covenant would result from such distribution. Under corporate law, dividend distributions are restricted if the net assets would be less than the amount of paid up capital plus any reserves that cannot be distributed.

For the jointly owned fleet, internal and external triggers are evaluated which indicate that the carrying value of this fleet should be tested for impairment. At the level of the joint ventures, the carrying amount of the fleet is compared to the recoverable amount, which is the higher of the fair value less cost to sell and the value in use. The fair value less costs to sell is based upon the average fair market value as determined by two independent ship brokers. The value in use is based upon the estimated future cash flows discounted to their present value and reflecting current market assessments relating to freight rate estimates, employment and operating expenses. The discounted cash flow model used by management includes cash flows for the remaining lifetime of the jointly owned fleet. Three year cash flow forecasts are estimated by management based upon the past experience as well as current market expectations regarding volumes and freight rates going forward. Freight rates as well as operating expenses subsequent to this three year period are expected to change in line with estimated inflation afterwards. The discount rate used is a weighted average cost of capital of 6.3%. No impairment indicators have been identified and no impairment tests have been performed.



## 15. FINANCIAL INFORMATION EQUITY ACCOUNTED INVESTEEES (in thousands of USD)

|  | 2016    | 2015    |
|--|---------|---------|
| <b>ASSETS</b>                            |         |         |
| Interest in joint ventures               | 140,364 | 127,645 |
| Interest in associates                   | 7,234   | 5,171   |
| Borrowings to equity accounted investees | 371,505 | 400,545 |
|  | 519,103 | 533,361 |
| <b>LIABILITIES</b>                       |         |         |
| Interest in joint ventures               | 0       | 0       |
| Interest in associates                   | 0       | 0       |
|  | 0       | 0       |

|                        | Segment  | JV partner        | Description activities  |
|------------------------|----------|-------------------|---|
| <b>JOINT VENTURES</b>  |          |                   |   |
| Estrela Ltd            | Offshore | ASS               | Owner of 1 accommodation barge  |
| Excelsior NV           | LNG      | EXCELERATE ENERGY | Owner of 1 LNGRV  |
| Excelsior BVBA         | LNG      | TEEKAY            | Owner of 1 LNGRV  |
| Exmar Gas Shipping Ltd | LPG      | TEEKAY            | Owner of 2 midsize vessels of which 1 vessel held for sale                                |
| Exmar LPG BVBA         | LPG      | TEEKAY            | Holding company for Exmar-Teekay LPG activities   |
| Exmar Shipping BVBA    | LPG      | TEEKAY            | Owner of 19 midsize carriers of which 4 under construction, 1 carrier under finance lease |
| Explorer NV            | LNG      | EXCELERATE ENERGY | Owner of 1 LNGRV  |
| Express NV             | LNG      | EXCELERATE ENERGY | Owner of 1 LNGRV  |
| Good Investment Ltd    | LPG      | TEEKAY            | Time-charter agreement 1 VLGC   |
| Monteriggioni Inc      | LNG      | MOL               | Owner of 1 LNG carrier  |
| Reslea NV              | Services | CMB               | Owner of investment property  |
| Solaia Shipping Llc    | LNG      | TEEKAY            | Owner of 1 LNG carrier  |

The companies included in EXMAR's pressurized fleet are no longer classified as joint ventures due to the acquisition of 100% of the shares. As a consequence, these companies are no longer included in above list of joint ventures (we refer to note 9 for more information).

|                          | Segment  | Description activities                             |
|--------------------------|----------|--|
| <b>ASSOCIATES</b>        |          |  |
| Bexco NV                 | Services | Rope manufacturer for marine and offshore industry |
| Marpos NV                | Services | Provides waste solutions for marine industry       |
| Electra Offshore Ltd     | Offshore | Owner of 1 accommodation barge                     |
| Exview Hong Kong Ltd     | Offshore | Bareboat owner of 1 accommodation barge            |
| Springmarine Nigeria Ltd | Offshore | Time-charter agreement 1 accommodation barge       |

CMC Belgibo is no longer included in above list of associates. As of the end of 2016, CMC Belgibo is a 100% group company. (we refer to note 9 for further information).

Electra Offshore, Exview Hong Kong and Springmarine Nigeria are included under associates as of 2016 (see note 10 for more information).

The financial information presented below represents the IFRS financial statements of the joint ventures or associates and not EXMAR's share of those amounts. For the capital commitments, contingencies and operating lease obligations of the joint ventures, we refer to note 29, 30 and 31.

| JOINT VENTURE PARTNER   | WAH KWONG      | TEEKAY         | EELP           | MOL            | TEEKAY        |
|---|----------------|----------------|----------------|----------------|---------------|
| SEGMENT   | LPG<br>(*)     | LPG            | LNG            | LNG            | LNG           |
| PERCENTAGE OWNERSHIP INTEREST   | 100%           | 50%            | 50%            | 50%            | 50%           |
| <b>31 DECEMBER 2016</b>   |                |                |                |                |               |
| Non-current assets  |                | 577,652        | 557,561        | 93,725         | 181,370       |
| Current assets  |                | 85,491         | 14,226         | 15,311         | 52,239        |
| <i>Of which Cash and cash equivalents</i>   |                | 32,394         | 10,989         | 13,651         | 50,177        |
| Non-current liabilities   |                | 473,830        | 556,930        | 121,563        | 148,830       |
| <i>Of which Borrowings</i>  |                | 346,700        | 0              | 0              | 148,750       |
| <i>Of which Other Borrowings</i>  |                | 117,735        | 556,930        | 121,563        | 0             |
| Current liabilities   |                | 70,981         | 57,525         | 1,365          | 15,318        |
| <i>Of which Borrowings</i>  |                | 55,536         | 0              | 0              | 8,750         |
| <i>Of which Other Borrowings</i>  |                | 0              | 43,443         | 0              | 0             |
| Revenue   |                | 157,065        | 105,658        | 20,030         | 49,538        |
| Depreciations, amortizations & impairment losses  |                | 33,929         | 21,120         | 5,008          | 10,621        |
| Interest income   |                | 1,233          | 30             | 22             | 14            |
| Interest expense  |                | 17,173         | 35,266         | 2,062          | 6,912         |
| Income tax expense  |                | 0              | 1              | 0              | 0             |
| <b>RESULT FOR THE PERIOD</b>  |                | <b>33,140</b>  | <b>5,876</b>   | <b>4,965</b>   | <b>20,324</b> |
| Other comprehensive result for the period   |                | 3,893          | 0              | 0              | 368           |
| <b>TOTAL COMPREHENSIVE RESULT FOR THE PERIOD</b>  |                | <b>37,033</b>  | <b>5,876</b>   | <b>4,965</b>   | <b>20,692</b> |
| <b>NET ASSETS (100%)</b>  |                | <b>118,332</b> | <b>-42,668</b> | <b>-13,892</b> | <b>69,461</b> |
| <b>EXMAR'S SHARE OF NET ASSETS</b>  |                | <b>59,166</b>  | <b>-21,334</b> | <b>-6,946</b>  | <b>34,731</b> |
| <b>SHARE IN THE NET ASSETS OF EQUITY ACCOUNTED INVESTEEES AT 1 JANUARY 2016</b>                 | <b>-11,632</b> | <b>56,699</b>  | <b>-24,272</b> | <b>-9,429</b>  | <b>31,885</b> |
| Share in total comprehensive income   | -826           | 18,517         | 2,938          | 2,483          | 10,346        |
| Dividends paid/received   | 0              | -15,000        | 0              | 0              | -7,500        |
| Other   | 0              | -1,050         | 0              | 0              | 0             |
| <b>SHARE IN THE NET ASSETS OF EQUITY ACCOUNTED INVESTEEES AT 31 DECEMBER 2016</b>               | <b>-12,458</b> | <b>59,166</b>  | <b>-21,334</b> | <b>-6,946</b>  | <b>34,731</b> |
| <b>NETTING NEGATIVE EQUITY</b>  | <b>12,458</b>  | <b>2,753</b>   | <b>46,434</b>  | <b>6,946</b>   | <b>0</b>      |
| <b>SHARE IN THE NET ASSETS OF EQUITY ACCOUNTED INVESTEEES AT 31 DECEMBER 2016 AFTER NETTING</b> | <b>0</b>       | <b>61,919</b>  | <b>25,101</b>  | <b>0</b>       | <b>34,731</b> |

(\*) At the end of June 2016, Exmar reached an agreement for the acquisition of 50% of the pressurized fleet held by Wah kwong. We refer to note 9 of this annual report. As a consequence, these companies are no longer considered as joint ventures and are no longer consolidated as an equity accounted investee.

(\*\*) At the end of 2016, Exmar acquired the remaining 50,10% in CMC Belgibo. We refer to note 9 of this annual report. As a result of this transaction, CMC Belgibo is fully consolidated in the balance sheet per 31 December 2016 instead of presented as an equity accounted investee.

(\*\*\*) At the end of May 2016, Exmar has sold part of its ownership (60%) in the WARIBOKO barge to its Nigerian partner Springview. We refer to note 10 of this annual report. The remaining investment is remeasured at fair value and consolidated using the equity consolidation method.

(\*\*\*\*) The allocation of the negative net assets has been allocated to the respective equity accounted investee.

| ASS      | CMB      | ASSOCIATES        |                                 |                    | OFFSHORE                       | OTHER |                                   | TOTAL     |
|----------|----------|-------------------|---------------------------------|--------------------|--------------------------------|-------|-----------------------------------|-----------|
| Offshore | Services | Services<br>Bexco | Services<br>CMC Belgibo<br>(**) | Services<br>Marpos | WARIBOKO<br>companies<br>(***) |       |                                   |           |
| 50%      | 50%      | 45%               | 49,90%                          | 45%                | 40%                            | 50%   | Allocation<br>negative net assets |           |
| 26,614   | 17,739   | 8,744             |                                 | 129                | 16,291                         |       |                                   | 1,479,825 |
| 9,673    | 12,532   | 7,467             |                                 | 726                | 17,973                         |       |                                   | 215,638   |
| 7,791    | 323      | 258               |                                 | 381                | 5,736                          |       |                                   | 121,700   |
| 6,184    | 19,312   | 5,327             |                                 | 0                  | 14,081                         |       |                                   | 1,346,057 |
| 6,000    | 19,248   | 4,852             |                                 | 0                  | 0                              |       |                                   | 525,550   |
| 0        | 0        | 0                 |                                 | 0                  | 14,081                         |       |                                   | 810,309   |
| 4,576    | 2,743    | 3,000             |                                 | 449                | 14,486                         |       |                                   | 170,443   |
| 4,000    | 1,476    | 998               |                                 | 0                  | 0                              |       |                                   | 70,760    |
| 0        | 0        | 0                 |                                 | 0                  | 4,593                          |       |                                   | 48,036    |
| 15,251   | 1,926    | 22,070            |                                 | 1,731              | 47,862                         |       |                                   | 421,131   |
| 2,969    | 1,044    | 1,466             |                                 | 61                 | 1,847                          |       |                                   | 78,065    |
| 24       | 1        | 0                 |                                 | 0                  | 0                              |       |                                   | 1,324     |
| 508      | 353      | 177               |                                 | 3                  | 1,643                          |       |                                   | 64,097    |
| 0        | 105      | 1                 |                                 | 0                  | 0                              |       |                                   | 107       |
| 3,981    | 967      | -610              | 0                               | 112                | 8,071                          |       |                                   | 76,826    |
| 213      | 0        | 0                 | 0                               | 0                  | 0                              |       |                                   | 4,474     |
| 4,194    | 967      | -610              | 0                               | 112                | 8,071                          |       |                                   | 81,300    |
| 25,527   | 8,216    | 7,884             | 0                               | 406                | 5,696                          |       |                                   |           |
| 12,764   | 4,108    | 3,541             | 0                               | 183                | 2,278                          |       |                                   |           |
| 10,667   | 3,736    | 3,931             | 1,103                           | 139                | 0                              | 66    | 69,925 (****)                     | 132,816   |
| 2,097    | 484      | -274              | -464                            | 51                 | 1,458                          | 0     |                                   | 36,809    |
| 0        | 0        | 0                 | 0                               | 0                  | -11,567                        | 0     |                                   | -34,067   |
| 0        | -112     | -116              | -639                            | -7                 | 13,622                         | -66   |                                   | 11,632    |
| 12,764   | 4,108    | 3,541             | 0                               | 183                | 3,513                          | 0     |                                   | 77,266    |
| 0        | 0        | 0                 | 0                               | 0                  | 1,741                          | 0     |                                   | 70,332    |
| 12,764   | 4,108    | 3,541             | 0                               | 183                | 5,254                          | 0     |                                   | 147,598   |

| JOINT VENTURE PARTNER  | WAH KWONG      | TEEKAY         | EELP           | MOL            |
|--|----------------|----------------|----------------|----------------|
| SEGMENT  | LPG            | LPG            | LNG            | LNG            |
| PERCENTAGE OWNERSHIP INTEREST  | 100%           | 50%            | 50%            | 50%            |
| <b>31 DECEMBER 2015</b>  |                |                |                |                |
| Non-current assets   | 134,546        | 572,070        | 578,681        | 96,932         |
| Current assets   | 8,578          | 102,306        | 25,676         | 12,713         |
| <i>Of which Cash and cash equivalents</i>  | 5,824          | 74,014         | 15,810         | 8,041          |
| Non-current liabilities  | 152,191        | 511,000        | 585,821        | 125,563        |
| <i>Of which Borrowings</i>   | 152,191        | 508,848        | 585,820        | 125,563        |
| Current liabilities  | 14,197         | 49,979         | 67,079         | 2,939          |
| <i>Of which Borrowings</i>   | 8,983          | 39,339         | 46,109         | 0              |
| Revenue  | 23,648         | 173,247        | 97,682         | 22,213         |
| Depreciations, amortizations & impairment losses                                 | 35,723         | 30,942         | 21,120         | 5,407          |
| Interest income  | 9              | 968            | 18             | 0              |
| Interest expense   | 1,759          | 11,716         | 35,016         | 1,728          |
| Income tax expense   | 0              | 55             | 0              | 0              |
| <b>RESULT FOR THE PERIOD</b>   | <b>-30,788</b> | <b>64,826</b>  | <b>4,391</b>   | <b>7,413</b>   |
| Other comprehensive result for the period  | 0              | -2,152         | 0              | 0              |
| <b>TOTAL COMPREHENSIVE RESULT FOR THE PERIOD</b>                                 | <b>-30,788</b> | <b>62,674</b>  | <b>4,391</b>   | <b>7,413</b>   |
| <b>NET ASSETS (100%)</b>   | <b>-23,264</b> | <b>113,397</b> | <b>-48,543</b> | <b>-18,857</b> |
| <b>EXMAR'S SHARE OF NET ASSETS</b>   | <b>-11,632</b> | <b>56,699</b>  | <b>-24,272</b> | <b>-9,429</b>  |
| <b>SHARE IN THE NET ASSETS OF EQUITY ACCOUNTED INVESTEEs AT 1 JANUARY 2015</b>   | <b>3,762</b>   | <b>80,490</b>  | <b>-26,467</b> | <b>-13,135</b> |
| Share in total comprehensive income  | -15,394        | 31,337         | 2,196          | 3,707          |
| Dividends paid/received  | 0              | -55,000        | 0              | 0              |
| Other  | 0              | -128           | 0              | 0              |
| <b>SHARE IN THE NET ASSETS OF EQUITY ACCOUNTED INVESTEEs AT 31 DECEMBER 2015</b> | <b>-11,632</b> | <b>56,699</b>  | <b>-24,272</b> | <b>-9,429</b>  |

(\*\*\*\*\*) Part of the allocation of the negative net assets has been allocated to Teekay LNG,

| TEEKAY        | ASS           | CMB          | ASSOCIATES        |                         |                    | OTHER      |                                   | TOTAL          |
|---------------|---------------|--------------|-------------------|-------------------------|--------------------|------------|-----------------------------------|----------------|
| LNG           | Offshore      | Services     | Services<br>Bexco | Services<br>CMC Belgibo | Services<br>Marpos |            |                                   |                |
| 50%           | 50%           | 50%          | 45%               | 49,90%                  | 45%                | 50%        | Allocation<br>negative net assets |                |
| 191,622       | 30,283        | 19,287       | 4,133             | 1,041                   | 159                | 0          |                                   | 1,628,754      |
| 45,266        | 5,642         | 2,824        | 13,803            | 1,270                   | 473                | 136        |                                   | 218,687        |
| 42,512        | 5,605         | 181          | 151               | 964                     | 215                | 0          |                                   | 153,317        |
| 157,580       | 10,397        | 12,132       | 752               | 4                       | 0                  | 4          |                                   | 1,555,444      |
| 157,500       | 10,000        | 12,075       | 698               | 0                       | 0                  | 4          |                                   | 1,552,699      |
| 15,538        | 4,195         | 2,507        | 8,432             | 96                      | 323                | 0          |                                   | 165,285        |
| 8,750         | 4,000         | 1,709        | 2,766             | 0                       | 0                  | 0          |                                   | 111,656        |
| 49,845        | 14,803        | 2,030        | 22,990            | 1,201                   | 1,231              | 0          |                                   | 408,890        |
| 10,353        | 2,969         | 1,050        | 1,230             | 1,041                   | 73                 | 0          |                                   | 109,908        |
| 5             | 4             | 1            | 0                 | 9                       | 1                  | 1          |                                   | 1,016          |
| 6,748         | 677           | 342          | 153               | 9                       | 3                  | 0          |                                   | 58,151         |
| 0             | 0             | 306          | 1                 | 86                      | 1                  | 0          |                                   | 449            |
| <b>26,466</b> | <b>3,276</b>  | <b>361</b>   | <b>743</b>        | <b>-1,035</b>           | <b>-278</b>        | <b>13</b>  |                                   | <b>75,388</b>  |
| 101           | 257           | 0            | 0                 | 0                       | 0                  | 0          |                                   | -1,794         |
| <b>26,567</b> | <b>3,533</b>  | <b>361</b>   | <b>743</b>        | <b>-1,035</b>           | <b>-278</b>        | <b>13</b>  |                                   | <b>73,594</b>  |
| <b>63,770</b> | <b>21,333</b> | <b>7,472</b> | <b>8,752</b>      | <b>2,211</b>            | <b>309</b>         | <b>132</b> |                                   |                |
| <b>31,885</b> | <b>10,667</b> | <b>3,736</b> | <b>3,931</b>      | <b>1,103</b>            | <b>139</b>         | <b>66</b>  |                                   |                |
| <b>50,101</b> | <b>10,900</b> | <b>3,825</b> | <b>3,963</b>      | <b>1,685</b>            | <b>291</b>         | <b>201</b> | <b>56,959</b>                     | <b>172,575</b> |
| 10,792        | 1,767         | 181          | 334               | -514                    | -125               | 7          |                                   | 34,284         |
| -31,500       | -2,000        | 0            | 0                 | 0                       | 0                  | -142       |                                   | -88,642        |
| 2,492         | 0             | -270         | -366              | -68                     | -27                | 0          | 12,966 (*****)                    | 14,599         |
| <b>31,885</b> | <b>10,667</b> | <b>3,736</b> | <b>3,931</b>      | <b>1,103</b>            | <b>139</b>         | <b>66</b>  | <b>69,925</b>                     | <b>132,816</b> |



## 16. BORROWINGS TO EQUITY ACCOUNTED INVESTEEES (in thousands of USD)

|   | LPG            | LNG            | Offshore | Services | Total          |
|---|----------------|----------------|----------|----------|----------------|
| <b>BORROWINGS TO EQUITY ACCOUNTED INVESTEEES 2015</b> |                |                |          |          |                |
| <b>AS PER 1 JANUARY</b>                               | <b>123,228</b> | <b>359,148</b> | <b>0</b> | <b>0</b> | <b>482,376</b> |
| New loans and borrowings                              | 1,262          | 250            |          |          | 1,512          |
| Repayments  | -25,500        | -19,815        |          |          | -45,315        |
| Change in allocated negative net assets (*)           | -15,880        | 421            |          |          | -15,459        |
| Capitalised interests                                 | 523            | 88             |          |          | 611            |
| Other (**)  | 0              | -23,180        |          |          | -23,180        |
| <b>AS OF 31 DECEMBER</b>                              | <b>83,633</b>  | <b>316,912</b> | <b>0</b> | <b>0</b> | <b>400,545</b> |
| <b>MORE THAN 1 YEAR</b>                               | <b>83,633</b>  | <b>292,775</b> | <b>0</b> | <b>0</b> | <b>376,408</b> |
| <b>LESS THAN 1 YEAR</b>                               | <b>0</b>       | <b>24,137</b>  | <b>0</b> | <b>0</b> | <b>24,137</b>  |

|   | LPG           | LNG            | Offshore      | Services | Total          |
|---|---------------|----------------|---------------|----------|----------------|
| <b>BORROWINGS TO EQUITY ACCOUNTED INVESTEEES 2016</b> |               |                |               |          |                |
| <b>AS PER 1 JANUARY</b>                               | <b>83,633</b> | <b>316,912</b> | <b>0</b>      | <b>0</b> | <b>400,545</b> |
| New loans and borrowings                              | 1,245         | 0              | 3,994         |          | 5,239          |
| Repayments  | 0             | -18,774        | 0             |          | -18,774        |
| Change in allocated negative net assets (*)           | 1,150         | 183            | -1,741        |          | -408           |
| Capitalised interests                                 | 673           | 131            | 1,198         |          | 2,002          |
| Change in consolidation scope (***)                   | -30,582       | 0              | 13,483        |          | -17,099        |
| <b>AS OF 31 DECEMBER</b>                              | <b>56,119</b> | <b>298,452</b> | <b>16,934</b> | <b>0</b> | <b>371,505</b> |
| <b>MORE THAN 1 YEAR</b>                               | <b>56,119</b> | <b>275,452</b> | <b>12,341</b> | <b>0</b> | <b>343,912</b> |
| <b>LESS THAN 1 YEAR</b>                               | <b>0</b>      | <b>23,000</b>  | <b>4,593</b>  | <b>0</b> | <b>27,593</b>  |

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

(\*\*) The other movement relates to the FSRU which has been reclassified from the borrowings to equity accounted investees towards the vessels under construction. In the second half of 2015, EXMAR acquired full ownership over the FSRU.

(\*\*\*) The change in consolidation scope for the LPG segment is explained in note 9 of this annual report. The change in consolidation scope of the Offshore segment is explained in note 10 of this annual report.

The activities and assets of certain of our joint ventures are financed by shareholder borrowings made by the company to the respective joint ventures. The current portion of such borrowings and the working capital facilities are presented as other receivables. The balances mentioned below between brackets represent the outstanding balances including netting of negative net assets.

### Excelsate NV - USD 41.7 million (2015: USD 50.2 million)

In 2004, Excelsate NV issued 258 subordinated bonds each to EXMAR and Taurus Charitable Income Trust, an affiliated company of Excelsate Energy. The bonds bear a fixed interest rate of 5.25%. Each bond represents an amount of USD 398.400. The bonds mature in 2018. The bonds include mandatory repayment clauses upon the occurrence of certain contingent events, as well as voluntary repayment options. EXMAR is entitled to a first priority mortgage on the vessel Excelsate but passed on the benefit of such first priority mortgage to its Lenders. The bonds are pledged as a security for the related underlying liabilities. We refer to note 23 for more information in respect of these underlying liabilities. Both shareholders of Excelsate NV have also extended a credit facility up to USD 8 million to finance Excelsate NV's working capital. The applicable interest rate on this working capital facility amounts to LIBOR USD 3 months + 0.60%.

### Explorer NV - USD 99.3 million (2015: USD 106 million) & Express NV - USD 103.6 million (2015: USD 107.3 million)

EXMAR granted two shareholder loans to Explorer NV and Express NV, respectively in 2008 and 2009. The shareholder loans are split into a variable interest rate bearing loan (LIBOR USD 3 months + 0.90%) and a fixed interest rate bearing loan (15%). These loans are repaid over a period of 25 years in quarterly installments. The shareholder loans include mandatory repayment clauses based on the occurrence of certain contingent events, including the sale or total loss of the vessels. EXMAR is entitled to a first priority mortgage on the vessels Explorer & Express, but passed on the benefit of such first priority mortgage to its Lenders. The shareholder's loans are pledged as a security for the related underlying liabilities. We refer to note 23 for more information in respect of these underlying liabilities.

EXMAR NV and Excelsate Energy LP also agreed a facility up to USD 15 million to finance the working capital of Explorer NV. This working capital facility bears interest at a rate of LIBOR USD 3 months + 0.60%.

**Exmar LPG - USD 56.1 million (2015: USD 53.5 million)**

Both shareholders have granted shareholder loans to EXMAR LPG in 2013. Repayment occurs based on availability of cash and only if such repayment would not result in a breach of the covenants applicable on the bank borrowings to EXMAR LPG. The applicable interest rate on these loans amounts to LIBOR USD 3 months + 0.50%.

**Monteriggioni Inc - USD 53.8 million (2015: USD 53.4 million)**

Both shareholders have granted shareholder loans to Monteriggioni Inc in 2001. Repayment occurs based on availability of cash. These shareholders loans bear interest at a rate of LIBOR USD 6 months + 1%.

**Electra Offshore Ltd - USD 16.9 million (2015: USD 0)**

EXMAR Netherlands has granted a loan to Electra Offshore Ltd. As a consequence of the change in consolidation scope, the receivable towards Electra Offshore Ltd is no longer eliminated in the consolidated accounts of 2016. The related loan has been renegotiated as a result of the partial sale. The loan is repaid based on availability of cash. The interest rate applicable on the loan is a fixed percentage of 12%.

**17. AVAILABLE-FOR-SALE FINANCIAL ASSETS** (in thousands of USD)

|                                  | 2016         | 2015         |
|----------------------------------|--------------|--------------|
| <b>SHARES AVAILABLE-FOR-SALE</b> |              |              |
| Unquoted shares (*)              | 1,454        | 1,526        |
| Quoted shares (**)               | 2,154        | 1,961        |
|                                  | <b>3,608</b> | <b>3,487</b> |

(\*) The unquoted shares include the 149 shares of Sibelco, which were acquired during 2014.

(\*\*) The quoted shares include the 149,089 shares of Teekay (ISIN code MHY8564M1057) quoted at USD 14.45.

As a result of a significant and prolonged decline in the fair value of the Teekay and Sibelco shares, the fair value reserve in respect of these shares from prior periods of USD 4 million has been recycled to the statement of profit or loss. The current year's positive change in fair value of USD 0.1 million has also been registered in the statement of profit or loss.

**18. TRADE AND OTHER RECEIVABLES** (in thousands of USD)

|   | 2016          | 2015          |
|---|---------------|---------------|
| <b>TRADE AND OTHER RECEIVABLES</b>                        |               |               |
| Trade receivables   | 23,548        | 23,970        |
| Cash guarantees   | 323           | 270           |
| Borrowings to equity accounted investees less than 1 year | 27,593        | 24,137        |
| Other receivables   | 5,230         | 6,139         |
| Deferred charges (*)                                      | 5,076         | 9,145         |
| Accrued income (*)  | 953           | 1,008         |
|   | <b>62,723</b> | <b>64,669</b> |
| <b>OF WHICH FINANCIAL ASSETS (NOTE 28)</b>                | <b>54,152</b> | <b>51,788</b> |

(\*) 'Deferred charges' comprise expenses already invoiced relating to the next accounting year, e.g. hire, insurances, commissions, bunkers,...

'Accrued income' comprises uninvoiced revenue related to the current accounting period, e.g. interests,...

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in note 28.

## 19. DEFERRED TAX ASSETS AND LIABILITIES (in thousands of USD)

|   | Assets           | Liabilities | Assets           | Liabilities |
|---|------------------|-------------|------------------|-------------|
|   | 31 December 2016 |             | 31 December 2015 |             |
| DEFERRED TAX ASSETS AND LIABILITIES IN DETAIL |                  |             |                  |             |
| Provisions                                    | 618              | 0           | 613              |             |
| Employee benefits                             | 5,151            | 0           | 4,767            |             |
| Client portfolio (*)                          | 0                | 978         | 0                |             |
| DEFERRED TAX ASSETS / LIABILITIES             | 5,769            | 978         | 5,380            | 0           |
| Tax assets not recognised (**)                | -5,769           | 0           | -5,380           |             |
|   | 0                | 978         | 0                | 0           |

|  |        |   |        |   |
|--|--------|---|--------|---|
| <b>DEFERRED TAX ASSETS AND LIABILITIES NOT RECOGNISED (**)</b> |        |   |        |   |
| Deductible temporary differences (33.99%)                      | 5,769  |   | 5,380  |   |
| Unused tax losses and investment tax credits (***)             | 58,391 |   | 57,109 |   |
|  | 64,160 | 0 | 62,489 | 0 |

(\*) A deferred tax liability has been booked on the registered client portfolio as a consequence of the CMC Belgibo transaction (see note 9 for more information in this respect).

(\*\*) These deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom or because the future taxable profits can not be measured on a reliable basis.

(\*\*\*) The unused tax losses and the main part of the investment tax credits do not expire in time.

## 20. RESTRICTED CASH AND CASH AND CASH EQUIVALENTS (in thousands of USD)

|  | 2016           | 2015 (*)       |
|--|----------------|----------------|
| <b>RESTRICTED CASH AND CASH AND CASH EQUIVALENTS</b> |                |                |
| <b>RESTRICTED CASH</b>                               | <b>34,891</b>  | <b>42,332</b>  |
| Bank (**)  | 105,385        | 128,210        |
| Cash in hand   | 168            | 158            |
| Short-term deposits                                  | 15,543         | 1,601          |
| <b>NET CASH AND CASH EQUIVALENTS</b>                 | <b>121,096</b> | <b>129,969</b> |

(\*) The presentation of cash and cash equivalents in respect of 2015 has been changed. The amount of USD 172,3 million has been split in restricted cash and cash and cash equivalents.

The restricted cash relates to the Explorer/ Express credit facility (see also note 23) and financial instrument agreements regarding to the NOK bond (see also note 23 and 28).

## 21. SHARE CAPITAL AND RESERVES (in thousands of USD)

### SHARE CAPITAL AND SHAR PREMIUM

|   | 2016       | 2015       |
|---|------------|------------|
| <b>NUMBER OF ORDINARY SHARES (PAID IN FULL)</b> |            |            |
| Issued shares as per 1 January                  | 59,500,000 | 59,500,000 |
| Issued shares as per 31 December - paid in full | 59,500,000 | 59,500,000 |

The issued shares have no a nominal value. The holders of ordinary shares are entitled to dividends and are entitled to one vote per share during the General Shareholders' Meetings of the Company.

### DIVIDENDS

In September 2016, the Board of Directors approved the payment of an interim dividend of 0.10 EUR per share. The proposed dividend for 2015 of 0.2 EUR per share was approved by the General Shareholders' Meeting in May 2016. Both dividends were recognised as a distribution to owners of the Company during 2016.

|  | 2016   | 2015   |
|--|--------|--------|
| <b>DIVIDEND PAID (IN THOUSANDS OF USD)</b>                               |        |        |
| Gross interim dividend/share (in EUR)                                    | 0.10   | 0.10   |
| Rate used:   | 1,1132 | 1,1215 |
| Interim dividend payment (in thousands of USD)                           | 6,317  | 6,370  |
| Dividend payment (in thousands of USD)                                   | 12,942 | 19,083 |
| <b>TOTAL DISTRIBUTION TO OWNERS OF THE COMPANY (IN THOUSANDS OF USD)</b> | 19,259 | 25,453 |

After the balance sheet date the board of directors made a final dividend proposal for 2016 of 0.10 EUR per share (0.10 EUR per share of which 0.10 EUR per share was paid as interim dividend). The proposal for a final dividend has not yet been approved by the General Shareholders' Meeting.

|   | 2016   | 2015   |
|---|--------|--------|
| <b>PROPOSED DIVIDEND (IN THOUSANDS OF USD)</b>  |        |        |
| Gross dividend/share (in EUR)                   | 0      | 0.20   |
| Rate used:                                      | 1,0541 | 1,0887 |
| Proposed dividend payment (in thousands of USD) | 0      | 12,956 |

### TREASURY SHARES

The reserve for treasury shares comprises the cost of the Company's shares held by the Group.

|  | 2016      | 2015      |
|--|-----------|-----------|
| <b>TREASURY SHARES</b>                                   |           |           |
| Number of treasury shares held as of 31 December (*)     | 2,677,433 | 2,774,133 |
| Bookvalue of treasury shares held (in thousands USD)     | 52,236    | 54,123    |
| Average cost price per share (in EUR) - historical value | 14,1507   | 14,1507   |

(\*) 96,700 treasury shares have been sold during 2016 for the share options exercised during the year.

## TRANSLATION RESERVE

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations and the financial statements of consolidated companies not reporting in USD as functional currency.

## FAIR VALUE RESERVE

The fair value reserve includes the cumulative net change in the fair value of available-for-sale financial assets until derecognition.

As a result of a significant and prolonged decline in the fair value of the Teekay and Sibelco shares, the fair value reserve in respect of these shares from prior periods of USD 4 million has been recycled to the statement of profit or loss. The current year's positive change in fair value of USD 0.1 million has also been registered in the statement of profit or loss.

## HEDGING RESERVE

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to the hedged transactions that have not yet occurred.

In 2014 EXMAR entered into a cross currency interest rate swap (CCIRS) to cover its exposure on the issued bond in NOK. In July 2015, a new CCIRS was closed on the additional amount of NOK 300 million that has been issued in 2015 (see also note 23 and 28 in this respect).

In certain of our equity accounted investees, interest rate swaps (IRS) contracts have been closed to cover exposure on variable interest rates.

## MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

The consolidated financial statements have been prepared on a going concern basis. In making this assessment, the Board of Directors has considered the following material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern:

- \* Capital commitment with regard to CFLNG amounting to USD 200.5 million and current financing status, which is subject to Sinasure approval, as disclosed in Note 23;
- \* Maturity of the Bond in July 2017 whereby EXMAR is actively pursuing several alternatives for its refinancing, as disclosed in Note 23;
- \* Capital commitment and financing status with regard to FSRU, as disclosed in Note 30.

The Board of Directors is confident that it will be able to successfully manage these uncertainties based on ongoing initiatives described in note 23 and therefore has prepared these consolidated financial statements on a going concern basis. However, because the outcome of these initiatives is uncertain as of the date of these financial statements, these events or conditions may require management to take a number of alternative measures to ensure that the Group can continue to operate as a going concern. Management is currently assessing different options that are at various levels of development and is confident that, if needed, these options can be executed and work effectively to either resolve or mitigate the effects of the above mentioned uncertainties.

## 22. EARNINGS PER SHARE

|   | 2016       | 2015       |
|---|------------|------------|
| <b>BASIC EARNINGS PER SHARE IN USD</b>  |            |            |
| Result for the period (in USD)  | 35,786,012 | 11,211,371 |
| Issued ordinary shares as per 31 December                                       | 59,500,000 | 59,500,000 |
| Effect of treasury shares   | -2,748,708 | -2,729,739 |
| Weighted average number of ordinary shares as per 31 December                   | 56,751,292 | 56,770,261 |
|   | 0.63       | 0.20       |
| <b>DILUTED EARNINGS PER SHARE IN USD (*)</b>                                    |            |            |
| Result for the period (in USD)  | 35,786,012 | 11,211,371 |
| Weighted average number of ordinary shares as per 31 December                   | 56,751,292 | 56,770,261 |
| Average closing rate of one ordinary share during the year (in EUR) (a)         | 7.19       | 9.58       |
| Average exercise price for shares under option during the year (in EUR) (b)     | 4.96       | 5.12       |
| • Option plan 1: EUR 6.12 for 65,378 shares under option                        |            |            |
| • Option plan 6: EUR 4.85 for 188,272 shares under option                       |            |            |
| • Option plan 7: EUR 4.71 for 225,345 shares under option                       |            |            |
| Number of shares under option (c)   | 478,995    | 598,671    |
| Number of shares that would have been issued at average market price: (c*b) / a | -330,433   | -319,958   |
| Weighted average number of ordinary shares during the year including options    | 56,899,854 | 57,048,974 |
|   | 0.63       | 0.20       |

(\*) As option plan 2, 3, 4, 8, 9 and 10 are anti-dilutive as per 31 December 2016, they are not included in the calculation of the diluted earnings per share.



## 23. BORROWINGS (in thousands of USD)

|   | Bank loans     | Other loans    | Total          |
|---|----------------|----------------|----------------|
| <b>BORROWINGS AS PER 31 DECEMBER 2015</b> |                |                |                |
| <b>AS OF 1 JANUARY 2015</b>               | <b>315,288</b> | <b>91,420</b>  | <b>406,708</b> |
| New loans                                 | 500            | 39,520         | 40,020         |
| Scheduled repayments                      | -14,774        | 0              | -14,774        |
| Amortized transaction costs               | 0              | 992            | 992            |
| Translation differences                   | -143           | -20,217        | -20,360        |
| <b>AS OF 31 DECEMBER 2015</b>             | <b>300,871</b> | <b>111,715</b> | <b>412,586</b> |
| More than 1 year                          | 285,710        | 111,715        | 397,425        |
| Less than 1 year                          | 15,161         | 0              | 15,161         |
| <b>AS OF 31 DECEMBER 2015</b>             | <b>300,871</b> | <b>111,715</b> | <b>412,586</b> |
| LPG                                       | 0              | 0              | 0              |
| LNG                                       | 299,898        | 0              | 299,898        |
| Offshore                                  | 0              | 0              | 0              |
| Services                                  | 973            | 111,715        | 112,688        |
| <b>AS OF 31 DECEMBER 2015</b>             | <b>300,871</b> | <b>111,715</b> | <b>412,586</b> |

|   | Bank loans     | Other loans    | Total          |
|---|----------------|----------------|----------------|
| <b>BORROWINGS AS PER 31 DECEMBER 2016</b> |                |                |                |
| <b>AS OF 1 JANUARY 2016</b>               | <b>300,871</b> | <b>111,715</b> | <b>412,586</b> |
| New loans                                 | 100            | 0              | 100            |
| Scheduled repayments                      | -19,716        | -2,000         | -21,716        |
| Amortized transaction costs               | 0              | 1,096          | 1,096          |
| Translation differences                   | -8             | 2,639          | 2,631          |
| Change in consolidation scope (*)         | 73,040         | 2,000          | 75,040         |
| <b>AS OF 31 DECEMBER 2016</b>             | <b>354,287</b> | <b>115,450</b> | <b>469,737</b> |
| More than 1 year                          | 329,590        | 0              | 329,590        |
| Less than 1 year                          | 24,697         | 115,450        | 140,147        |
| <b>AS OF 31 DECEMBER 2016</b>             | <b>354,287</b> | <b>115,450</b> | <b>469,737</b> |
| LPG                                       | 68,493         | 0              | 68,493         |
| LNG                                       | 285,316        | 0              | 285,316        |
| Offshore                                  | 0              | 0              | 0              |
| Services                                  | 478            | 115,450        | 115,928        |
| <b>AS OF 31 DECEMBER 2016</b>             | <b>354,287</b> | <b>115,450</b> | <b>469,737</b> |

|                                 | 2016   | 2015   |
|---------------------------------|--------|--------|
| <b>UNUSED CREDIT FACILITIES</b> |        |        |
| Unused credit facilities        | 22,400 | 23,135 |
|                                 | 22,400 | 23,135 |

(\*) For the change in consolidation scope relating to the bank loans, we refer to note 9 for further information in respect of the LPG pressurized fleet transaction. For the other loans, this movement relates to an intercompany loan which is no longer eliminated in consolidation as a consequence of a change in consolidation scope (WARIBOKO transaction). We refer to note 10 for more information relating to this transaction. This loan has been repaid in the second half of 2016.

## BANK LOANS

The bank loans mainly relate to the Excelerate facility, the Explorer/ Express facility and the LPG pressurized facilities.

### Excelerate facility - USD 55.2 million (2015: USD 62.2 million)

In 2005, EXMAR entered into a secured loan facility (the "Excelerate Facility") for the acquisition of certain bonds issued or to be issued by Excelerate NV to assist in financing the construction and acquisition of the vessel Excelerate. The Excelerate Facility consists of three tranches. A first tranche of up to USD 85 million that bears interest at an annual fixed rate of 5.515%. The principal amount is repayable in 24 consecutive equal semi-annual installments of approximately USD 3.5 million, ending on October 20, 2018. The other two tranches of respectively USD 22 million and USD 19 million which are referred to collectively as the "commercial loans", bear interest at an annual rate of three-month LIBOR plus 1% at all times when the *Excelerate* is under an acceptable charter and an annual rate of three-month LIBOR plus 1.1% at all other times. The principal amount of the commercial loans is repayable in full at maturity on October 20, 2018. EXMAR may prepay principal amounts owed pursuant to the Excelerate Facility at any time, with 30 days' written notice, without any penalty or premium. The Excelerate Facility includes mandatory repayment clauses based on the occurrence of certain contingent events, including the sale or total loss of the *Excelerate*.

### Explorer & Express facility - USD 230.1 million (2015: USD 237.7 million)

In May 2006, EXMAR entered into a secured loan facility totaling USD 280 million, consisting of two tranches of USD 140 million each, for the financing of the Explorer and the Express (the "Explorer & Express Facility"). The facility bears interest at an annual floating rate of three-month LIBOR plus 0.9%. The principal amount of the Explorer & Express Facility is repayable in 48 quarterly installments ranging from approximately USD 0.62 million USD to USD 1.2 million for each tranche with a balloon payment of USD 98.7 million for each tranche payable at the maturity date of the loan. The maturity dates of the facility are April 2020 and April 2021 for Explorer and Express, respectively. EXMAR may prepay principal amounts owed pursuant to the Explorer & Express Facility at any time, with 14 days' written notice, without any penalty or premium. The Explorer and Express Facility include mandatory repayment clauses based on the occurrence of certain contingent events, including the sale or total loss of the vessels.

### LPG pressurized facilities - USD 68.5 million (2015: USD 0)

In October 2008, EXMAR closed a senior secured loan facility of USD 29.6 million for the financing of 2 pressurized LPG vessels. The loan is repayable in quarterly tranches and the applicable interest percentage amounts to three-month LIBOR plus 1%. The last repayment is foreseen end of March 2019. In December 2008, EXMAR closed 2 other senior secured loan facilities of respectively USD 67.2 million and USD 42.8 million for the financing of 8 pressurized LPG vessels. The loan is repayable in quarterly tranches and the applicable interest percentage amounts to three-month LIBOR plus 3%. The last repayment is foreseen at the latest in December 2020.

## OTHER LOANS

The other loans relate to a NOK 700 million senior unsecured bond issue (initially equivalent to USD 114 million).

This bond was closed in July 2014 by EXMAR Netherlands BV ("issuer"), a 100% subsidiary of EXMAR NV. The bonds shall be repaid for the full amount on the final maturity date, being July 7, 2017. The bonds bear interest at a floating rate of three months NIBOR plus 4.50%, the interest is payable on a quarterly basis. All obligations of the issuer are guaranteed by EXMAR NV ("guarantor"). The bond trustee (on behalf of the bondholders), may make a demand to the guarantor for immediate payment of any due and unpaid amount. EXMAR NV has to maintain direct or indirect a 100% ownership in the issuer. A cross currency interest rate swap (CCIRS) has been closed in this respect. We refer to note 28 for more information.

During 2015, an additional amount of NOK 300 million has been issued (second tranche on the original NOK 700 million bond). This additional drawdown is presented in the above roll forward schedule as an amount of KUSD 39,520, composed of KUSD 40,128 original drawdown reduced with KUSD 608 banking fees and legal fees paid in respect of the drawdown.

The total nominal amount outstanding amounts to NOK 1,000 million with maturity date in July 2017.

In July 2015, a new CCIRS was closed on the additional amount of NOK 300 million that has been issued in 2015. The translation differences presented in the above roll forward schedule relate to the translation of the NOK bond in USD which is fully hedged with the cross currency interest rate swaps.

As the bond matures in July 2017, the bond and the related CCIRS-contracts have been presented on short term in the statement of financial position. EXMAR is actively pursuing several alternatives for the refinancing of this bond.

During 2016, the financing agreement with the Industrial and Commercial Bank of China Ltd (ICBC) for the CFLNG project has been cancelled. Deferred financing costs for an amount of USD 4.5 million have been taken in the statement of profit or loss (see also note 7 in this respect). Immediately after the cancellation by ICBC, EXMAR has entered into negotiations with the Bank of China (BoC). Following the signature of a term sheet in November 2016 with BoC and the approval of terms by the latter's credit committees in December 2016 and January 2017, EXMAR has subsequently finalized the documentation required to enable parties to sign the credit agreement. This final credit agreement of BoC is subject to the approval of the credit insurer, Sinosure. EXMAR expects this approval to be available by mid-April 2017.

The agreement with BoC provides a repayment period of 12 years. There is a requirement for EXMAR to deposit an amount equal to 24 months principal plus interest, i.e. an amount of approximately USD 55 million, on an escrow account until acceptable long-term employment is secured.

Early March 2017, EXMAR and Wison (the shipyard), have agreed that the latter has fulfilled all its obligations in the framework of the construction of the CFLNG on 31 January 2017 and that the final instalment of USD 200.5 million will have to be paid by EXMAR on or before 28 April 2017, failure of which will be considered as EXMAR being in default of its obligation to pay the final instalment. In case EXMAR is not able to provide the necessary funds by 28 April 2017 from BoC credit facility discussed above, EXMAR has agreed to pay the final instalment from any sources by 12 May 2017. Failure by EXMAR to pay the final instalment by 28 April, and the absence of any other alternative solution under negotiation will put EXMAR in default under the EPCIC Contract, as from that date.

The agreement with Wison includes complementary support from Wison Shipyard during the lay-up period at the yard until the unit will be towed to its place of employment as well as a loan provided by Wison to EXMAR for an amount of USD 55 million, secured by a second mortgage or alternative security, still to be agreed upon.

Discussions on future employment with different parties are progressing. However, no revenues are expected before early 2018. The barge will be layed-up at the shipyard until the unit will be towed to its place of employment.

In general, the borrowings held by EXMAR and its equity accounted investees are secured by a mortgage on the underlying assets owned by the equity accounted investees. Furthermore, different pledges and other types of guarantees exist to secure the borrowings. In addition, dividend restrictions may exist.

EXMAR has pledged financial assets as collateral for liabilities. We refer to note 20 where the amount of restricted cash in respect of financing agreements and financial instruments is disclosed. We refer to note 16 where the carrying amount of borrowings to equity accounted investees is disclosed. The Excelerate bonds and the Explorer/ Express shareholder loans have been pledged as a security for the above detailed related underlying liabilities.

Also different debt covenants exist that require compliance with certain financial ratio's. These ratio's are calculated based on EXMAR's consolidated figures (proportionate consolidation method). In case of non-compliance with these covenants, early repayment of related borrowings might occur. As of December 31, 2016 EXMAR was compliant with all covenants with more than sufficient headroom. EXMAR is continuously monitoring compliance with all applicable covenants.

|   | LPG facilities   | LNG facilities  | Bond              | Other                                    |
|---|--|---|-------------------|--|
| <b>APPLICABLE COVENANTS</b>                     |  |   |                   |  |
| Current assets versus current liabilities ratio | NA   | >1  | NA                | NA                                       |
| Book equity ratio                               |  | ≥ USD 200 million +<br>50% of cumulative<br>positive net income<br>as from 01/01/2006 | ≥ USD 300 million | ≥ USD 300 million +<br>50% of net income |
| Free liquid assets                              | NA   | ≥ USD 35 million  | NA                | ≥ USD 30 million                         |
| Cash in hand ratio                              | NA   | ≥ USD 25 million  | NA                | ≥ USD 25 million                         |
| Free cash ratio                                 | NA   | NA  | ≥ USD 25 million  | NA                                       |
| Equity ratio                                    | NA   | NA  | ≥ 25%             | NA                                       |
| Interest Coverage ratio                         | NA   | NA  | min 2:1           | NA                                       |
| Working capital ratio                           | NA   | NA  | min positive      | min positive                             |
| Minimum security coverage ratio of              | 110% for facility regarding 2 LPG vessels<br>120% for facility regarding 8 LPG vessels | 100% for Explorer/<br>Express facility<br>125% for Excelerate facility                | NA                | NA                                       |

## 24. SHARE BASED PAYMENTS (in thousands of USD)

The Group established a share option plan program that entitles certain employees to register for a number of shares. The share options are only exercisable after a period of three years and for employees still in service after this three year period. Each share option entitles the holder of the option to one EXMAR share.

The fair value of services received in return for share options granted are measured by reference to the exercise price of the granted share options. The estimated fair value of the services received is measured based on a binomial lattice model. The contractual life of the option is used as an input into this model.

|  | Plan 10      | Plan 9       | Plan 8       | Plan 7       | Plan 6        | Plan 4        | Plan 3        | Plan 2        | Plan 1        |
|--|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
| <b>GRANT DATE FAIR VALUE OF SHARE OPTIONS AND ASSUMPTIONS AT INCEPTION</b> |              |              |              |              |               |               |               |               |               |
| Number of options outstanding at year-end (*)                              | 415,250      | 422,850      | 515,100      | 225,345      | 188,272       | 224,529       | 396,855       | 312,705       | 65,378        |
| Fair value at grant date (in EUR)  | 3.21         | 2.32         | 3.36         | 1.35         | 2.29          | 5.64          | 7.38          | 5.25          | 2.50          |
| Share price at grant date (in EUR)   | 9.62         | 10.00        | 11.33        | 5.28         | 5.75          | 16.80         | 23.84         | 18.47         | 9.24          |
| Exercise price at inception (in EUR) (*)                                   | 9.62         | 10.54        | 10.54        | 4.71         | 4.85          | 14.64         | 15.96         | 10.73         | 6.12          |
| Expected volatility (**) (in %)  | 40.70%       | 30.60%       | 31.40%       | 39.70%       | 38.16%        | 25.78%        | 31.10%        | 24.50%        | 24.21%        |
| Option life at inception (***)   | 8 years      | 8 years      | 8 years      | 8 years      | 8 years       | 8 years       | 8 years       | 8 years       | 8 years       |
| Maturity date  | 2023         | 2022         | 2021         | 2018         | 2017          | 2020          | 2019          | 2018          | 2017          |
| Expected dividends (in eur/y)  | 0.3<br>eur/y | 0.3<br>eur/y | 0.4<br>eur/y | 0.4<br>eur/y | 0.49<br>eur/y | 0.50<br>eur/y | 0.66<br>eur/y | 0.66<br>eur/y | 0.19<br>eur/y |
| Risk-free interest rate  | 0.53%        | 0.62%        | 1.87%        | 3.61%        | 3.22%         | 4.29%         | 3.85%         | 3.90%         | 3.27%         |

(\*) The number of options granted and the exercise prices for option plans have been adjusted due to the dilutive effect of the capital increase (adjustment ratio of 0.794) of November 2009, extraordinary dividend distributions (adjustment ratio of 0.929) of May 2012 and extraordinary dividend distributions (adjustment ratio of 0.9364) of September 2013. The number of options granted and the exercise price mentioned above reflect the adjusted amounts.

(\*\*) The expected volatility is based on the historical volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

(\*\*\*) The board of directors of 23th March 2009 decided to extend the exercise period for option plans 1 - 4 by 5 years, in virtue of the decision by the Belgian Government to extend the Act of 26 March 1999 regarding stock options. At modification date additional fair value calculations were made based on the remaining and extended life time of the options.

Plan 5 has been removed from above table as the plan matured at the end of 2016. 76.811 options have been exercised in respect of this plan during 2016 and 25.606 options have forfeited as a consequence of the maturity of the plan.

|  | number of<br>options | weighted<br>average exercise<br>price | number of<br>options | weighted<br>average<br>exercise price |
|--|----------------------|---------------------------------------|----------------------|---------------------------------------|
|  | 2016                 |                                       | 2015                 |                                       |
| <b>RECONCILIATION OF OUTSTANDING SHARE OPTIONS</b> |                      |                                       |                      |                                       |
| <b>OUTSTANDING AT 1 JANUARY</b>                    | <b>2,897,469</b>     | <b>10.39</b>                          | <b>2,823,770</b>     | <b>10.05</b>                          |
| New options granted                                | 0                    | 0.00                                  | 421,454              | 9.55                                  |
| Changes during the year                            |                      |                                       |                      |                                       |
| Options exercised                                  | -92,577              | 5.75                                  | -257,224             | 4.93                                  |
| Options forfeited                                  | -38,608              | 8.12                                  | -90,531              | 11.34                                 |
| <b>OUTSTANDING AT 31 DECEMBER</b>                  | <b>2,766,284</b>     | <b>10.58</b>                          | <b>2,897,469</b>     | <b>10.39</b>                          |
| <b>EXERCISABLE AT 31 DECEMBER</b>                  | <b>1,963,184</b>     | <b>10.77</b>                          | <b>1,539,269</b>     | <b>10.49</b>                          |

The weighted average remaining contractual life of the outstanding options at the end of December 2016, amounts to 4,1 years.

|   |                | 2016      | 2015      |
|---|----------------|-----------|-----------|
| <b>SHARE OPTIONS</b>                      |                |           |           |
| Total number of share options outstanding |                | 2,766,284 | 2,897,469 |
| Included in personnel expenses            | option plan 8  | 677       | 557       |
|   | option plan 9  | 389       | 394       |
|   | option plan 10 | 491       | 0         |
|   |                | 1,557     | 951       |

## 25. EMPLOYEE BENEFITS (in thousands of USD)

### LIABILITY FOR DEFINED BENEFIT PLAN AND SIMILAR LIABILITIES

The group provides pension benefits for most of its employees, either directly or through a contribution to an independent fund. The pension benefits for management staff employed before 1 January 2008 are provided under a defined benefit plan. This plan is a defined benefit plan organized as a final pay program.

For the management staff employed as from 1 January 2008, the management staff promoted to management as from 1 January 2008 and the management staff who reached the age of 60, the pension benefits are provided under a defined contribution plan. Belgian defined contribution plans are subject to the Law of April 28, 2003 on supplementary pensions (WAP). According to article 24 of this law, the employer has to guarantee a fixed minimum return of 3.25% on employer contributions and of 3.75% on employee contributions and this for contributions paid until 31/12/2015. As from January 2016, the employer has to guarantee an average minimum return of 1.75% on both employer and employee contributions (as changed by the Law of 18 December 2015). This guaranteed minimum return generally exceeds the return that is normally guaranteed by the insurer. Because the employer has to guarantee the statutory minimum return on these plans, not all actuarial and investment risks relating to these plans are transferred to the insurance company managing the plans. Therefore these plans do not meet the definition of defined contribution plan under IFRS and have to be classified by default as defined benefit plans. An actuarial calculation has been performed in accordance with IAS 19 based on the projected unit credit method. This calculation resulted in a defined benefit obligation of 69 KUSD which has been registered in the consolidated accounts through the statement of Other Comprehensive Income (see table below for composition of the net obligation). The contributions recognised in the profit or loss statement in respect of this defined contribution plan amount to USD 0.8 million (2015: USD 0.7 million).

### EMPLOYEE BENEFITS

|   | 2016          | 2015          | 2014          | 2013          | 2012          |
|---|---------------|---------------|---------------|---------------|---------------|
| <b>EMPLOYEE BENEFITS - DEFINED BENEFIT PLAN</b> |               |               |               |               |               |
| Present value of funded obligations             | -11,297       | -11,662       | -14,063       | -12,919       | -13,594       |
| Fair value of the defined plan assets           | 7,098         | 7,217         | 7,852         | 8,519         | 8,776         |
| <b>PRESENT VALUE OF NET OBLIGATIONS</b>         | <b>-4,198</b> | <b>-4,445</b> | <b>-6,211</b> | <b>-4,400</b> | <b>-4,818</b> |

|  | 2016          | 2015          | 2014          | 2013          | 2012          |
|--|---------------|---------------|---------------|---------------|---------------|
| <b>EMPLOYEE BENEFITS - DEFINED CONTRIBUTION PLAN</b> |               |               |               |               |               |
| Present value of funded obligations                  | -3,845        |               |               |               |               |
| Fair value of the defined plan assets                | 3,777         |               |               |               |               |
| <b>PRESENT VALUE OF NET OBLIGATIONS</b>              | <b>-69</b>    | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      |
| <b>TOTAL EMPLOYEE BENEFITS</b>                       | <b>-4,267</b> | <b>-4,445</b> | <b>-6,211</b> | <b>-4,400</b> | <b>-4,818</b> |



## DEFINED BENEFIT PLAN

|   | 2016            | 2015            |
|---|-----------------|-----------------|
| <b>CHANGES IN LIABILITY DURING THE PERIOD</b>                             |                 |                 |
| <b>LIABILITY AS PER 1 JANUARY</b>   | <b>11,662</b>   | <b>14,063</b>   |
| Distributions   | -778            | -777            |
| Actual employee's contributions   | 92              | 101             |
| Interest cost   | 173             | 138             |
| Current service cost  | 549             | 629             |
| Actual taxes on contributions paid (excluding interest)                   | -87             | -98             |
| Actuarial gains/losses  | 59              | -965            |
| Translation differences   | -372            | -1,430          |
| <b>LIABILITY AS PER 31 DECEMBER</b>                                       | <b>11,297</b>   | <b>11,662</b>   |
| <b>CHANGES OF FAIR VALUE OF PLAN ASSETS</b>                               |                 |                 |
| <b>PLAN ASSETS AS PER 1 JANUARY</b>                                       | <b>7,217</b>    | <b>7,852</b>    |
| Contributions   | 809             | 910             |
| Distributions   | -778            | -777            |
| Return on plan assets   | 112             | 80              |
| Actuarial gain/loss   | 113             | 122             |
| Actual taxes on contributions paid (excluding interest)                   | -87             | -98             |
| Actual administration costs   | -51             | -57             |
| Translation differences   | -237            | -814            |
| <b>PLAN ASSETS AS PER 31 DECEMBER (*)</b>                                 | <b>7,098</b>    | <b>7,217</b>    |
| <b>EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS</b>              |                 |                 |
| Current service expenses  | -549            | -629            |
| Interest expense  | -173            | -138            |
| Expected return on plan assets  | 112             | 80              |
| Administration cost   | -51             | -57             |
| <b>TOTAL PENSION COST RECOGNISED IN THE INCOME STATEMENT (SEE NOTE 6)</b> | <b>-660</b>     | <b>-744</b>     |
| <b>EXPENSE RECOGNISED IN OTHER COMPREHENSIVE INCOME</b>                   |                 |                 |
| Recognition of actuarial gains and losses                                 | 54              | 1,087           |
| <b>TOTAL PENSION COST RECOGNISED IN OTHER COMPREHENSIVE INCOME</b>        | <b>54</b>       | <b>1,087</b>    |
| <b>MOST SIGNIFICANT ASSUMPTIONS, EXPRESSED IN WEIGHTED AVERAGES</b>       |                 |                 |
| Discount rate at 31 December  | 0.75%           | 1.50%           |
| Expected return on assets at 31 December                                  | 0.75%           | 1.50%           |
| Future salary increases (including inflation)                             | (salary scales) | (salary scales) |
| Mortality tables  | Belgian (MR/FR) | Belgian (MR/FR) |
| Inflation   | 2%              | 2%              |
| <b>EXPECTED NEXT YEAR CONTRIBUTIONS</b>                                   |                 |                 |
| Best estimate of contributions expected to be paid during next year       | 836             | 941             |
| <b>DETAIL PLAN ASSETS INVESTMENTS</b>                                     |                 |                 |
| Shares  | 5%              | 6%              |
| Bonds & loans   | 86%             | 86%             |
| Property investments  | 6%              | 6%              |
| Cash  | 3%              | 2%              |

(\*) The plan assets do not include any shares issued by EXMAR or property occupied by EXMAR.

## 26. PROVISIONS (in thousands of USD)

|                               | 2016         | 2015         |
|-------------------------------|--------------|--------------|
| <b>PROVISIONS</b>             |              |              |
| Long-term provisions (*)      | 2,522        | 2,395        |
| Short-term provisions         | 0            | 0            |
| <b>AS PER 1 JANUARY</b>       | <b>2,522</b> | <b>2,395</b> |
| New provisions                | 0            | 127          |
| Reversal of unused provisions | -88          | 0            |
| <b>AS PER 31 DECEMBER</b>     | <b>2,434</b> | <b>2,522</b> |
| Long-term provisions (*)      | 2,434        | 2,522        |
| Short-term provisions         | 0            | 0            |
| <b>AS PER 31 DECEMBER</b>     | <b>2,434</b> | <b>2,522</b> |

(\*) Following the partial demerger from CMB, EXMAR provided for 39% of the estimated exposure relating to the PSA claim against CMB. The amount and timing of possible outflows related to this provision are uncertain. In 2016 the updated risk assessment did not result in an adjustment of the provision.

## 27. TRADE AND OTHER PAYABLES (in thousands of USD)

|   | 2016          | 2015          |
|---|---------------|---------------|
| <b>TRADE AND OTHER PAYABLES</b>         |               |               |
| Trade payables                          | 30,519        | 41,055        |
| Other payables                          | 12,870        | 7,788         |
| Accrued expenses and deferred income(*) | 7,855         | 6,972         |
|   | <b>51,244</b> | <b>55,815</b> |
| <b>OF WHICH FINANCIAL LIABILITIES</b>   | <b>43,275</b> | <b>48,495</b> |

(\*) 'Accrued expenses' comprise expenses not invoiced yet, but to be allocated to the current accounting year, e.g. commissions, port expenses, interests,...  
'Deferred income' comprises already invoiced revenue, related to the next accounting year, e.g. freight, hire,...

## 28. FINANCIAL RISKS AND FINANCIAL INSTRUMENTS (in thousands of USD)

During the normal course of its business, EXMAR is exposed to strategic, operational and financial risks as described in more detail in the Corporate Governance Statement, section internal control and risk management systems. EXMAR is exposed to credit, interest, currency and liquidity risks and in order to hedge this exposure, EXMAR uses various financial instruments such as exchange rate and interest rate hedges. EXMAR applies hedge accounting for all hedging relations which meet the conditions to apply hedge accounting (formal documentation and high effectiveness at inception and on an ongoing basis). Financial instruments are recognised initially at fair value. Subsequent to initial recognition, the effective portion of changes in fair value of the financial instruments qualifying for hedge accounting, is recognised in other comprehensive income. Any ineffective portion of changes in fair value and changes in fair value of financial instruments not qualifying for hedge accounting are recognised immediately in profit or loss.

### DERIVATIVE FINANCIAL INSTRUMENTS

|                                   | 2016          | 2015          |
|-----------------------------------|---------------|---------------|
| <b>ASSETS</b>                     |               |               |
| <b>TOTAL ASSETS</b>               | <b>0</b>      | <b>0</b>      |
| <b>NON-CURRENT LIABILITIES</b>    |               |               |
| Interest rate swaps               | 0             | 0             |
| Cross currency interest rate swap | 0             | 41,229        |
| <b>CURRENT LIABILITIES</b>        |               |               |
| Interest rate swaps               | 0             | 0             |
| Cross currency interest rate swap | 36,182        | 0             |
| <b>TOTAL LIABILITIES</b>          | <b>36,182</b> | <b>41,229</b> |

## FAIR VALUE HIERARCHY

|  | Level 1      | Level 2       | Level 3  | Total         |
|--|--------------|---------------|----------|---------------|
| <b>31 DECEMBER 2016</b>                                  |              |               |          |               |
| Equity securities - available-for-sale                   | 2,154        | 1,454         |          | 3,608         |
| <b>TOTAL FINANCIAL ASSETS CARRIED AT FAIR VALUE</b>      | <b>2,154</b> | <b>1,454</b>  | <b>0</b> | <b>3,608</b>  |
| Cross currency interest rate swap used for hedging       |              | 36,182        |          | 36,182        |
| <b>TOTAL FINANCIAL LIABILITIES CARRIED AT FAIR VALUE</b> | <b>0</b>     | <b>36,182</b> | <b>0</b> | <b>36,182</b> |

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

As a result of a significant and prolonged decline in the fair value of the Teekay shares (which are presented as available-for-sale financial assets in the accounts and detailed in above overview under level 1) and the Sibelco shares (which are presented as available-for-sale financial assets in the accounts and detailed in above overview under level 2), the fair value reserve in respect of these shares from prior periods of USD 4 million has been recycled to the statement of profit or loss. The current year's positive change in fair value of USD 0.1 million has also been registered in the statement of profit or loss.

EXMAR actively manages its interest exposure by means of various instruments to cover rising interest rates for a significant part of its debt portfolio. In 2014, a cross currency interest rate swap ("CCIRS") was entered into in order to hedge the currency and floating interest exposure on the issued NOK 700 million senior unsecured bonds. In July 2015, a new CCIRS was closed for an additional amount of NOK 300 million that has been issued in 2015. The fixed USD equivalent of the first CCIRS amounts to USD 114 million and the applicable fixed interest rate percentage is 5,72%. For the second CCIRS, the fixed USD equivalent amounts to USD 38 million and the applicable interest rate percentage is three-month LIBOR (USD) plus 4,8%. The interest percentage applicable on the NOK bonds equals to three-month NIBOR plus 4,5%.

## CREDIT RISK

### Credit risk policy

Credit risk is monitored closely on an ongoing basis by the Group and creditworthiness controls are carried out if deemed necessary. At year-end no significant creditworthiness problems were noted. A considerable part of the income of our LNG joint ventures is dependent on the performance of one important client, Excelerate Energy. No creditworthiness issues have been identified in this context. The borrowings to equity accounted investees consist of shareholder loans to our joint ventures that own or operate an LPG vessel, LNG vessel or Offshore platform. As all vessels are operational and generate income, we do not anticipate any recoverability issues for the outstanding borrowings to equity accounted investees. 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. For the jointly owned fleet, internal and external triggers are evaluated which indicate that the carrying value of this fleet should be tested for impairment. No impairment indicators have been identified and no impairment tests have been performed. We also refer to note 14 in this respect. The term of the shareholder loan's and the related securities held are discussed in note 16 of this annual report.

## EXPOSURE TO RISK

|   | 2016           | 2015           |
|---|----------------|----------------|
| <b>CARRYING AMOUNTS OF FINANCIAL ASSETS</b> |                |                |
| Borrowings to equity accounted investees    | 371,505        | 400,545        |
| Available-for-sale financial assets         | 3,608          | 3,487          |
| Trade and other receivables                 | 26,559         | 27,651         |
| Restricted cash                             | 34,891         | 42,332         |
| Cash and cash equivalents                   | 121,096        | 129,969        |
|   | <b>557,660</b> | <b>603,984</b> |

The carrying amounts of the financial assets represent the maximum credit exposure.

### Impairment losses

As past due outstanding receivable balances are immaterial, no ageing analysis is disclosed. No important impairment losses have occurred and at reporting date, no significant allowances for impairment have been recorded.

## INTEREST RISK

### Interest risk policy

The interest-bearing loans are mainly negotiated with variable interest rates. In order to monitor this interest risk, the Group makes use of interest hedging instruments available on the market (mainly IRS contracts). The Group applies hedge accounting when the conditions to apply hedge accounting are met. In case no hedge accounting is applied, the changes in fair value are recorded in the statement of profit or loss.

|  | 2016    | 2015    |
|--|---------|---------|
| <b>INTEREST RATE SWAPS</b>   |         |         |
| Nominal amount of interest rate swaps and cross currency interest rate swaps | 152,000 | 152,000 |
| Net fair value of interest rate swaps and cross currency interest rate swaps | -36,182 | -41,229 |
| Maximum maturity date  | 2017    | 2017    |

In 2014, a cross currency interest rate swap ("CCIRS") was entered into in order to hedge the currency and floating interest exposure on the issued NOK 700 million senior unsecured bonds. In July 2015, a new CCIRS was closed on the additional amount of NOK 300 million that has been issued in 2015.

### Exposure to risk

|  | 2016           | 2015           |
|--|----------------|----------------|
| <b>EXPOSURE TO INTEREST RATE RISK</b>                    |                |                |
| Total borrowings   | 469,737        | 412,586        |
| with fixed interest rate                                 | -14,167        | -21,250        |
| with variable interest rate: gross exposure              | 455,570        | 391,336        |
| Interest rate financial instruments (nominal amount) (*) | -114,000       | -114,000       |
| <b>NET EXPOSURE</b>                                      | <b>341,570</b> | <b>277,336</b> |

(\*) The second CCIRS which was closed in respect of the bond only hedges the currency risk and not the interest risk. Hence, the second CCIRS has not been taken into account in the determination of the amount mentioned under "Interest rate financial instruments (nominal amount)".

## Sensitivity analysis

In case the interest rate would increase/decrease with 50 basis points, the financial statements would be impacted with the following amounts (assuming that all other variables remain constant):

|   | 2016          |              | 2015          |              |
|---|---------------|--------------|---------------|--------------|
|   | + 50 bp       | - 50 bp      | + 50 bp       | - 50 bp      |
| <b>SENSITIVITY ANALYSIS</b>                       |               |              |               |              |
| Interest-bearing loans (variable interest rate)   | -2,278        | 2,278        | -1,956        | 1,956        |
| Interest rate swaps and cross currency rate swaps | 570           | -570         | 570           | -570         |
| <b>SENSITIVITY (NET)</b>                          | <b>-1,708</b> | <b>1,708</b> | <b>-1,386</b> | <b>1,386</b> |
| Impact in profit and loss                         | -1,708        | 1,708        | -1,386        | 1,386        |
| Impact in equity                                  | 380           | -380         | 1,140         | -1,140       |
| <b>TOTAL IMPACT</b>                               | <b>-1,328</b> | <b>1,328</b> | <b>-246</b>   | <b>246</b>   |

A significant portion of EXMAR's interest income is derived from borrowings to equity accounted investees with variable interest rates. Any increase/decrease in the interest rate would result in an increase/decrease of interest income but would mainly be offset by an increase/decrease in the interest expense recognized by the equity accounted investee for a corresponding amount. Accordingly, any increase/decrease in the variable interest rate applied on the borrowings to equity accounted investees would have no impact on the net result of the Group. Therefore, borrowings to equity accounted investees have not been included in the above sensitivity analysis.

## CURRENCY RISK

### Currency risk policy

The Group's currency risk is historically mainly affected by the EUR/USD ratio for manning its fleet, paying salaries and all other personnel-related expenses. In order to monitor the EUR currency risk, the Group uses a varied range of foreign currency rate hedging instruments. As per 31 December 2016 and 2015, no forward exchange contracts were outstanding to cover the EUR/USD exposure. In 2014, a NOK 700 million senior unsecured bond was issued (initially equivalent to USD 114 million). The NOK/USD exposure was covered by a cross currency interest rate swap that matches the debt profile of the bond. During 2015, an additional amount of NOK 300 million has been issued (second tranche on the original NOK 700 million bond). In July 2015, a new CCIRS was closed to cover the NOK/USD exposure.

### Exposure to risk

Exposure to currency risk, based on notional amounts in thousands of foreign currency:

|                               | 2016           |                   |             | 2015          |                   |             |               |
|-------------------------------|----------------|-------------------|-------------|---------------|-------------------|-------------|---------------|
|                               | EUR            | NOK               | SGD         | EUR           | NOK               | LYD         | CAD           |
| Receivables                   | 12,116         | 29                | 1,898       | 16,447        | 0                 | 0           | 0             |
| Payables                      | -25,731        | -66               | -2,291      | -22,434       | 0                 | -433        | -9,070        |
| Interest-bearing loans        | -522           | -1,000,000        | 0           | -626          | -1,000,000        | 0           | 0             |
| <b>BALANCE SHEET EXPOSURE</b> | <b>-14,137</b> | <b>-1,000,037</b> | <b>-393</b> | <b>-6,613</b> | <b>-1,000,000</b> | <b>-433</b> | <b>-9,070</b> |
| <b>IN THOUSANDS OF USD</b>    | <b>-14,902</b> | <b>-116,004</b>   | <b>-272</b> | <b>-7,200</b> | <b>-113,371</b>   | <b>-321</b> | <b>-6,532</b> |

## Sensitivity analysis

As per 31 December 2016 an increase in the year-end USD/EUR rate of 10% would affect the income statement with USD - 1.5 million (2015: USD -0.7 million), excluding the effect on any forward exchange contracts. A 10% decrease of the USD/EUR rate would impact the profit or loss statement with the same amount (opposite sign).

The NOK/USD exposure on the outstanding NOK 1.000 million bond is fully covered by the CCIRS entered into that matches the terms and conditions of the outstanding bond. Any impact of an increase/decrease of the NOK/USD exchange rate on the outstanding bond would be offset by a decrease/increase in the fair value of the CCIRS for a corresponding amount.



## LIQUIDITY RISK

### Liquidity risk policy

The Group manages the liquidity risk in order to meet financial obligations as they fall due. The risk is managed through a continuous cash flow projection follow-up, monitoring balance sheet liquidity ratio's against internal and regulatory requirements and maintaining a diverse range of funding sources with adequate back-up facilities.

Different debt covenants exist that require compliance with certain financial ratio's. As of December 31, 2016 EXMAR was compliant with all covenants. We also refer in this respect to note 23 in respect of borrowings and to note 30 in respect of capital commitments.

More specifically, we refer to the liquidity risk that currently exists in respect of the Caribbean FLNG and the FSRU.

With respect to the Caribbean FLNG, reference is made to Note 23, in which it is explained that EXMAR has to pay the final instalment of USD 200.5 million to Wison on 28 April 2017 at the latest, whereas the financing agreement with BoC is still subject to conditions. In case EXMAR is not in a position to pay the final instalment by 28 April 2017 at the latest, EXMAR is considered as being in default under the EPCIC Contract, as from that date.

With respect to the FSRU, reference is made to Note 30.

In addition, as explained in Note 23, EXMAR is actively pursuing several alternatives for the refinancing of the Bond which matures in July 2017 (NOK 1.000 million).

### Maturity analysis of financial liabilities, borrowings to equity accounted investees and financial guarantees

Our current financial liabilities such as trade and other payables are expected to be paid within the next twelve months and are therefore not included in below tables. The contractual maturities of our financial liabilities and our borrowings to equity accounted investees, including estimated interest payments, are detailed in the tables below. The contractual maturities of our financial liabilities are based on the contractual amortization tables of the facilities. The contractual maturities of our borrowings to equity accounted investees are based on the contractual amortization tables of the loans for the Excelerate loan and the Explorer/ Express loans and on the cash flow projections for future years for the other shareholder's loans. EXMAR has also provided guarantees to financial institutions that have provided credit facilities to her equity accounted investees. The amount that EXMAR could have to pay if the guarantee is called on, is disclosed below under financial guarantees.

|   | Contractual cash flows |                |           |                 |          |             |           |           |           |
|---|------------------------|----------------|-----------|-----------------|----------|-------------|-----------|-----------|-----------|
|   | Currency               | Interest rates | Maturity  | Carrying amount | Total    | 0-12 months | 1-2 years | 2-5 years | > 5 years |
| AS PER 31 DECEMBER 2015                   |                        |                |           |                 |          |             |           |           |           |
| NON-DERIVATIVE FINANCIAL LIABILITIES:     |                        |                |           |                 |          |             |           |           |           |
| Bank loans                                | USD                    | libor + 1%     | 2018      | -40,900         | -43,222  | -683        | -805      | -41,734   | 0         |
| Bank loans                                | USD                    | 5.515%         | 2018      | -21,250         | -23,333  | -8,176      | -7,776    | -7,381    | 0         |
| Bank loans                                | USD                    | libor + 0.9%   | 2020-2021 | -237,748        | -260,434 | -11,641     | -12,945   | -134,889  | -100,959  |
| Bond                                      | NOK                    | Nibor + 4.5%   | 2017      | -111,715        | -124,291 | -6,988      | -117,303  | 0         | 0         |
| Other bank loans                          | EUR                    |                |           | -973            | -1,008   | -544        | -464      | 0         | 0         |
|   |                        |                |           | -412,586        | -452,288 | -28,032     | -139,293  | -184,004  | -100,959  |
| DERIVATIVE FINANCIAL INSTRUMENTS (CCIRS): | USD                    |                |           | -41,229         | -41,229  | -1,780      | -39,449   | 0         | 0         |
| BORROWING TO EQUITY ACCOUNTED INVESTEES   | USD                    |                |           | 400,545         | 700,569  | 49,056      | 80,610    | 170,913   | 399,990   |
| FINANCIAL GUARANTEES                      | USD                    |                |           | 0               | -307,382 | -31,319     | -31,394   | -171,006  | -73,663   |

|   |          |                |           |                 | Contractual cash flows |             |           |           |           |
|---|----------|----------------|-----------|-----------------|------------------------|-------------|-----------|-----------|-----------|
|   | Currency | Interest rates | Maturity  | Carrying amount | Total                  | 0-12 months | 1-2 years | 2-5 years | > 5 years |
| AS PER 31 DECEMBER 2016                   |          |                |           |                 |                        |             |           |           |           |
| NON-DERIVATIVE FINANCIAL LIABILITIES:     |          |                |           |                 |                        |             |           |           |           |
| Bank loans                                | USD      | libor + 1%     | 2018      | -41,000         | -42,751                | -861        | -41,890   | 0         | 0         |
| Bank loans                                | USD      | 5.515%         | 2018      | -14,167         | -15,157                | -7,776      | -7,381    | 0         | 0         |
| Bank loans                                | USD      | libor + 0.9%   | 2020-2021 | -230,149        | -248,600               | -12,752     | -13,332   | -222,516  | 0         |
| Bank loans                                | USD      | libor + 3%     | 2019-2020 | -57,163         | -63,086                | -9,479      | -9,261    | -44,346   | 0         |
| Bank loans                                | USD      | libor + 1%     | 2018-2019 | -11,330         | -11,786                | -2,112      | -5,440    | -4,234    | 0         |
| Bond                                      | NOK      | Nibor + 4.5%   | 2017      | -115,450        | -120,911               | -120,911    | 0         | 0         | 0         |
| Other bank loans                          | EUR      |                |           | -478            | -485                   | -485        | 0         | 0         | 0         |
|   |          |                |           | -469,737        | -502,776               | -154,376    | -77,304   | -271,096  | 0         |
| DERIVATIVE FINANCIAL INSTRUMENTS (CCIES): | USD      |                |           | -36,182         | -36,182                | -36,182     | 0         | 0         | 0         |
| BORROWING TO EQUITY ACCOUNTED INVESTEEES  | USD      |                |           | 371,505         | 595,576                | 54,956      | 97,079    | 145,753   | 297,788   |
| FINANCIAL GUARANTEES                      | USD      |                |           | 0               | -300,987               | -35,941     | -28,162   | -236,884  | 0         |

## FAIR VALUES

### Carrying amounts versus fair values

|  | Fair value hierarchy (*) | 2016            |            | 2015            |            |
|--|--------------------------|-----------------|------------|-----------------|------------|
|  |                          | Carrying amount | Fair value | Carrying amount | Fair value |
| CARRYING AMOUNTS VERSUS FAIR VALUES          |                          |                 |            |                 |            |
| Borrowings to equity accounted investees     | 2                        | 371,505         | 453,386    | 400,545         | 488,701    |
| Available-for-sale financial assets          | 1/2                      | 3,608           | 3,608      | 3,487           | 3,487      |
| Interest-bearing loans                       | 1/2                      | -469,737        | -459,462   | -412,586        | -401,467   |
| Derivative financial instruments liabilities | 2                        | -36,182         | -36,182    | -41,229         | -41,229    |
|  |                          | -130,806        | -38,650    | -49,783         | 49,492     |

(\*) The financial assets and liabilities carried at fair value are analysed and a hierarchy in valuation method has been defined: level 1 being quoted bid prices in active markets for identical assets or liabilities, level 2 being inputs in other than quoted prices included in level 1 that are observable for the related assets and liabilities, either directly (as prices) or indirectly (derived from prices), level 3 being inputs for the asset or liability that are not based on observable market data. The breakdown between level 1 and 2 of the available-for-sales financial assets is shown in the beginning of this note. In respect of the interest-bearing loans, the fair value of the bond is based on a level 1 valuation. The carrying amount of the bond amounts to USD 115.5 million, whereas the fair value amounts to USD 113.6 million. The other interest-bearing loans are based on a level 2 valuation.

| BASIS FOR DETERMINING FAIR VALUES:        |   |
|---|---|
| Available-for-sale financial assets:      | quoted closing bid price at reporting date for Teekay shares / non quoted closing fixing price at reporting date through a public auction via Euronext for Sibelco shares |
| Derivative financial instruments:         | present value of future cash flows, discounted at the market rate of interest at reporting date   |
| Interest-bearing loans:                   | quoted closing bid price at reporting date for NOK bond/ present value of future cash flows, discounted at the market rate of interest at reporting date                  |
| Borrowings to equity accounted investees: | present value of future cash flows, discounted at the market rate of interest at reporting date   |

For certain financial assets and liabilities (trade and other receivables, cash and cash equivalents and trade and other payables) not carried at fair value, no fair value is disclosed because the carrying amounts are a reasonable approximation of the fair values.

## CAPITAL MANAGEMENT

The board's policy is to maintain a strong capital base as to maintain investor, creditor and market confidence and to sustain future development of the business. The balance between a higher return that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position is monitored on a continuing basis. The board monitors the return on capital and the level of dividends to ordinary shareholders.

## 29. OPERATING LEASES (in thousands of USD)

### LEASE OBLIGATIONS

EXMAR leases a number of assets using operating lease agreements. The agreements don't impose restrictions such as additional debt and further leasing. The expense for 2016 relating to the operating lease agreements amounts to USD 11 million (2015: USD 16.1 million) of which USD 8.9 million is born by our equity accounted investees (2015: USD 12.8 million). No payments for non-cancellable subleases were received. The future minimum lease payments for our subsidiaries and equity accounted investees are as follows:

|   | Subsidiaries | Equity<br>accounted<br>investees | Subsidiaries | Equity<br>accounted<br>investee |
|---|--------------|----------------------------------|--------------|---------------------------------|
|   | 2016         |                                  | 2015         |                                 |
| <b>OPERATING LEASE OBLIGATIONS (LEASES AS LESSEE)</b> |              |                                  |              |                                 |
| Less than 1 year                                      | 1,667        | 8,859                            | 1,667        | 8,859                           |
| Between 1 and 5 years                                 | 5,835        | 24,799                           | 6,668        | 28,249                          |
| More than 5 years                                     | 0            | 12,621                           | 834          | 18,030                          |
|   | 7,502        | 46,279                           | 9,169        | 55,138                          |

The amounts disclosed for the equity accounted investees represent our share in the lease obligations. The average duration of the lease agreements amount to 4.6 years. The group has for some of the leased assets purchase options, some contracts foresee extension options. Such extension options have not been taken into account for determining above lease obligations.

### LEASE RIGHTS

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

The income in 2016 relating to operating leases amounts to USD 197.4 million (2015: USD 179.2 million) of which USD 174.4 million is earned by our equity accounted investees (2015: USD 150.5 million). The future minimum rental receipts are as follows:

|  | Subsidiaries | Equity<br>accounted<br>investees | Subsidiaries | Equity<br>accounted<br>investee |
|--|--------------|----------------------------------|--------------|---------------------------------|
|  | 2016         |                                  | 2015         |                                 |
| <b>OPERATING LEASE RIGHTS (LEASES AS LESSOR)</b> |              |                                  |              |                                 |
| Less than 1 year                                 | 20,992       | 130,855                          | 19,377       | 149,108                         |
| Between 1 and 5 years                            | 3,201        | 382,337                          | 22,669       | 406,119                         |
| More than 5 years                                | 0            | 516,394                          | 0            | 598,678                         |
|  | 24,193       | 1,029,586                        | 42,046       | 1,153,905                       |

The amounts disclosed for the equity accounted investees s represent our share in the lease rights. The average duration of the lease agreements amounts to 3.81 years. The Group has granted for some of these vessels purchase options and some contracts foresee a possible extension at the end of the lease agreement. Such extension options have not been taken into account for determining above lease rights.

### 30. CAPITAL COMMITMENTS (in thousands of USD)

As per December 31, 2016 the capital commitments are as follows:

|             | Subsidiaries | Equity accounted investees |
|-------------|--------------|----------------------------|
| LPG-segment | 0            | 74,144                     |
| LNG-segment | 284,100      | 0                          |
|             | 284,100      | 74,144                     |

The amounts disclosed for the equity accounted investees represent our share in the equity accounted investees. The capital commitments relate to the midsize carriers under construction (LPG segment) as well as to the committed investments in the LNG segment. The payments of these commitments will be spread over the next 2 years.

For the capital commitments relating to the LPG segment, the necessary financing agreements are in place.

The capital commitments for the LNG segment relate to the Caribbean FLNG and the floating storage and regasification unit (FSRU).

The delivery of the Caribbean FLNG is expected end of April 2017. We refer to Note 23 for more information. At this moment, EXMAR will need to pay the remaining balance of USD 200.5 million. EXMAR has finalised the documentation for the USD 200 million financing of the CFLNG with the Bank of China and a leading European financial institution. The loan will be repayable over a period of 12 years. The signing of the loan, subject prior to Sinosure approval, is foreseen mid April 2017. Discussions on future employment with different parties are progressing. However, no revenues are expected before early 2018. The barge will be layed-up at the shipyard until the unit will be towed to its place of employment.

Given the current market conditions, the order for the second FLNG has been cancelled.

The construction of the floating storage and regasification unit (FSRU) under construction at Wison Offshore & Marine has resumed in full force after some backlog suffered in 2016. EXMAR is actively negotiating employment and expects to close a long term agreement in this respect. Three commercial leads are being actively developed which foresee mobilization and commissioning on site after delivery from the yard. At the moment of delivery of the platform which is expected mid 2017, a payment obligation of USD 83.6 million exists. Different financing possibilities are being explored by EXMAR.

### 31. CONTINGENCIES

Several of the Group's companies are involved in a number of minor legal disputes arising from their daily management. The directors do not expect the outcome of these procedures to have any material effect on the Group's financial position.

A vessel held by one of our joint ventures was party to a lease arrangement whereby the lessor could claim tax depreciation on the capital expenditures it incurred to acquire these vessels. As is typical in these leasing arrangements, tax and change of law risks are assumed by the lessee. Our joint venture terminated this lease arrangement in 2013. However, in case of a successful challenge by the UK tax authority ("HMRC") of the tax treatment of the lease by the UK lessor, we can be required to compensate the lessor for any tax amounts to be paid. At this point in time, the Board of Directors is not able to calculate the possible outflow as a consequence of this matter.

## 32. RELATED PARTIES

We also refer in this respect to the remuneration report (for remuneration policy) and to the Board of Directors report (for information relating to conflicts of interests).

### IDENTITY OF RELATED PARTIES

The Company has a related party relationship with its subsidiaries, joint ventures & associates and with its directors and executive officers.

### TRANSACTIONS WITH CONTROLLING SHAREHOLDER AND WITH CONTROLLING SHAREHOLDER RELATED PARTIES

Saverbel NV and Saverex NV, controlled by Mr. Nicolas Saverys (CEO of EXMAR) charged KEUR 480 to the Group (2015: KEUR 170) for services provided during 2016. The outstanding amount at year end in respect of these services amounts to KEUR 138.

Per 31/12/2016, a receivable of KEUR 259 was outstanding towards Mr Nicolas Saverys as a consequence of recharged private expenses.

### ULTIMATE CONTROLLING PARTY

Saverex nv, the major shareholder of EXMAR nv prepares financial statements available in Belgium.

### TRANSACTIONS WITH JOINT VENTURES AND ASSOCIATED COMPANIES

EXMAR provides general, accounting, corporate, site supervision and shipmanagement services to its joint ventures and associates. For these services, fees are charged based on contractual agreements between all parties involved. Below table gives an overview of the significant receivables per 31/12/2016, significant payables per 31/12/2016 and the related P&L amount of services provided for 2016.

|  | Receivables per<br>31/12/2016 | Payables per<br>31/12/2016 | Services<br>provided<br>(P&L 2016) |
|--|-------------------------------|----------------------------|------------------------------------|
| <b>SERVICES (IN THOUSANDS OF EUR)</b>      |                               |                            |                                    |
| Shipmanagement services                    | 5,603                         | 1,503                      | 20,514                             |
| General, accounting and corporate services | 227                           | 5,194                      | 727                                |
| Site supervision services                  | 683                           | 0                          | 2,367                              |

EXMAR also provides borrowings to its joint ventures and associates for which an interest income is recognised in the financial statements. We refer to note 16 for an overview of these borrowings and to note 7 for the total amount of interest income.

### TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

#### Board of directors

|   | 2016 | 2015 |
|---|------|------|
| <b>BOARD OF DIRECTORS (IN THOUSANDS OF EUR)</b> |      |      |
| Chairman  | 100  | 100  |
| Other members                                   | 50   | 50   |
| Total paid (*)                                  | 500  | 481  |

(\*) The total amount paid to the members of the board of directors represents the total payments to all non-executive and independent directors for the activities as members of the board of directors. The directors who are member of the executive committee and were paid accordingly, have foregone the director's payment. No loans or advances were granted to them.

#### Audit committee

|  | 2016 | 2015 |
|--|------|------|
| <b>AUDIT COMMITTEE (IN THOUSANDS OF EUR)</b> |      |      |
| Chairman                                     | 20   | 20   |
| Other members                                | 10   | 10   |
| Total paid                                   | 50   | 50   |



## Nomination and remuneration committee

|  | 2016 | 2015 |
|--|------|------|
| <b>NOMINATION AND REMUNERATION COMMITTEE (IN THOUSANDS OF EUR)</b> |      |      |
| Members  | 10   | 10   |
| Total paid   | 30   | 30   |

## Executive Committee

The remuneration of the members of the Executive Committee is determined annually by the Board of Directors on the basis of a proposal of the Nomination and Remuneration Committee. In 2016 the Executive Committee, excluding the CEO, consisted of 6 members on average. Six members of the Executive Committee (including the CEO) have a self-employed status. In the event of termination of their appointment, they have no right to any form of severance compensation, except for the agreement with Lara Consult NV represented by Bart Lavent and the agreement with Chirmont NV represented by Miguel de Potter. In the event of termination, Lara Consult BVBA would be entitled to a compensation equivalent of seven month's salary and Chirmont NV to a compensation equivalent to three month's salary. David Lim is employed through an agreement under United States law. The remuneration consists of a fixed component and a variable component. The variable component is partly determined in function of the financial result of the Group.

|   | 2016  | 2015  |
|---|-------|-------|
| <b>EXECUTIVE COMMITTEE, EXCLUDING CEO (IN THOUSANDS OF EUR)</b> |       |       |
| TOTAL FIXED REMUNERATION  | 2,763 | 2,869 |
| of which for insurance and pension plan                         | 326   | 320   |
| of which value of share options                                 | 0     | 192   |
| TOTAL VARIABLE REMUNERATION                                     | 0     | 1,150 |

|   | 2016  | 2015  |
|---|-------|-------|
| <b>CEO (IN THOUSANDS OF EUR)</b>        |       |       |
| TOTAL FIXED REMUNERATION                | 1,036 | 1,096 |
| of which for insurance and pension plan | 212   | 212   |
| of which value of share options         | 0     | 61    |
| TOTAL VARIABLE REMUNERATION             | 0     | 350   |

No loans were granted to the members of the executive committee in 2016. Per 31/12/2016, a receivable of KEUR 259 was outstanding towards Mr Nicolas Saverys as a consequence of recharged private expenses.

The members of the executive committee are among the beneficiaries of the 9 share option plans approved by the board of directors. The accumulated number of options (plan 1 to 4 and plan 6 to 10) allocated to the members of the executive committee are as follows:

|                                   | 2016      | 2015      |
|-----------------------------------|-----------|-----------|
| <b>NUMBER OF SHARES ALLOCATED</b> |           |           |
| Nicolas Saverys                   | 405,181   | 425,430   |
| Patrick De Brabandere             | 198,807   | 198,807   |
| Pierre Dincq                      | 119,829   | 119,829   |
| Marc Nuytemans                    | 148,928   | 148,928   |
| Bart Lavent                       | 92,975    | 92,975    |
| Miguel de Potter                  | 93,488    | 93,488    |
| David Lim                         | 146,158   | 146,158   |
|                                   | 1,205,366 | 1,225,615 |

### 33. GROUP ENTITIES

|                                       | Country of<br>incorporation | Company id   | Consolidation<br>method | Ownership |         |
|---------------------------------------|-----------------------------|--------------|-------------------------|-----------|---------|
|                                       |                             |              |                         | 2016      | 2015    |
| CONSOLIDATED COMPANIES                |                             |              |                         |           |         |
| JOINT VENTURES                        |                             |              |                         |           |         |
| Blackbeard Shipping Ltd (*)           | Hong Kong                   |              | Equity                  | 0.00%     | 50.00%  |
| Estrela Ltd                           | Hong Kong                   |              | Equity                  | 50.00%    | 50.00%  |
| Excelerate NV                         | Belgium                     | 0870.910.441 | Equity                  | 50.00%    | 50.00%  |
| Excelsior BVBA                        | Belgium                     | 0866.482.687 | Equity                  | 50.00%    | 50.00%  |
| Exmar Gas Shipping Ltd                | Hong Kong                   |              | Equity                  | 50.00%    | 50.00%  |
| Exmar LPG BVBA                        | Belgium                     | 0501.532.758 | Equity                  | 50.00%    | 50.00%  |
| Exmar Shipping BVBA                   | Belgium                     | 0860.978.334 | Equity                  | 50.00%    | 50.00%  |
| Explorer NV                           | Belgium                     | 0896.311.177 | Equity                  | 50.00%    | 50.00%  |
| Express NV                            | Belgium                     | 0878.453.279 | Equity                  | 50.00%    | 50.00%  |
| Good Investment Ltd                   | Hong Kong                   |              | Equity                  | 50.00%    | 50.00%  |
| Marching Prospects (*)                | Hong Kong                   |              | Equity                  | 0.00%     | 50.00%  |
| Monteriggioni Inc                     | Liberia                     |              | Equity                  | 50.00%    | 50.00%  |
| Reslea NV                             | Belgium                     | 0435.390.141 | Equity                  | 50.00%    | 50.00%  |
| Solaia Shipping Llc                   | Liberia                     |              | Equity                  | 50.00%    | 50.00%  |
| Splendid Ltd (*)                      | Hong Kong                   |              | Equity                  | 0.00%     | 50.00%  |
| ASSOCIATES                            |                             |              |                         |           |         |
| Bexco NV                              | Belgium                     | 0412.623.251 | Equity                  | 44.91%    | 44.91%  |
| Electra Offshore Ltd (**)             | Hong Kong                   |              | Full/ Equity            | 40.00%    | 100.00% |
| Exview Hong Kong Ltd (**)             | Hong Kong                   |              | Full/ Equity            | 40.00%    | 100.00% |
| Marpos NV                             | Belgium                     | 0460.314.389 | Equity                  | 45.00%    | 45.00%  |
| Springmarine Nigeria Ltd (**)         | Nigeria                     |              | Full/ Equity            | 40.00%    | 100.00% |
| SUBSIDIARIES                          |                             |              |                         |           |         |
| Belgibo NV                            | Belgium                     | 0416.986.865 | Full                    | 100.00%   | 100.00% |
| Best Progress International Ltd (***) | Hong Kong                   |              | Equity/ Full            | 100.00%   | 50.00%  |
| Caribbean FLNG SAS (*)                | Colombia                    |              | Full                    | 0.00%     | 100.00% |
| CMC Belgibo BVBA (****)               | Belgium                     | 0456.815.263 | Equity/ Full            | 100.00%   | 49.90%  |
| Croxford Ltd (***)                    | Hong Kong                   |              | Equity/ Full            | 100.00%   | 50.00%  |
| DV Offshore SAS                       | France                      |              | Full                    | 100.00%   | 100.00% |
| ECOS SRL                              | Italy                       |              | Full                    | 60.00%    | 60.00%  |

|  | Country of<br>incorporation | Company id   | Consolidation<br>method | Ownership |         |
|--|-----------------------------|--------------|-------------------------|-----------|---------|
|  |                             |              |                         | 2016      | 2015    |
| CONSOLIDATED COMPANIES                 |                             |              |                         |           |         |
| SUBSIDIARIES CONTINUED                 |                             |              |                         |           |         |
| Exmar Energy Hong Kong Ltd             | Hong Kong                   |              | Full                    | 100.00%   | 100.00% |
| Exmar Energy Netherlands BV            | Netherlands                 |              | Full                    | 100.00%   | 100.00% |
| Exmar General Partner Ltd              | Hong Kong                   |              | Full                    | 100.00%   | 100.00% |
| Exmar Holdings Ltd                     | Liberia                     |              | Full                    | 100.00%   | 100.00% |
| Exmar Hong Kong Ltd                    | Hong Kong                   |              | Full                    | 100.00%   | 100.00% |
| Exmar LNG Holding NV                   | Belgium                     | 0891.233.327 | Full                    | 100.00%   | 100.00% |
| Exmar LNG Infrastructure NV            | Belgium                     | 0555.660.441 | Full                    | 100.00%   | 100.00% |
| Exmar LNG Investments Ltd              | Liberia                     |              | Full                    | 100.00%   | 100.00% |
| Exmar Lux SA                           | Luxembourg                  |              | Full                    | 100.00%   | 100.00% |
| Exmar Marine NV                        | Belgium                     | 0424.355.501 | Full                    | 100.00%   | 100.00% |
| Exmar Netherlands BV                   | Netherlands                 |              | Full                    | 100.00%   | 100.00% |
| Exmar NV                               | Belgium                     | 0860.409.202 | Full                    | 100.00%   | 100.00% |
| Exmar Offshore Company                 | USA                         |              | Full                    | 100.00%   | 100.00% |
| Exmar Offshore Ltd                     | Bermuda                     |              | Full                    | 100.00%   | 100.00% |
| Exmar Offshore Services SA             | Luxembourg                  |              | Full                    | 100.00%   | 100.00% |
| Exmar Offshore NV                      | Belgium                     | 0882.213.020 | Full                    | 100.00%   | 100.00% |
| Exmar Opti Ltd                         | Hong Kong                   |              | Full                    | 100.00%   | 100.00% |
| Exmar Singapore Pte Ltd                | Singapore                   |              | Full                    | 100.00%   | 100.00% |
| Exmar Shipmanagement NV                | Belgium                     | 0442.176.676 | Full                    | 100.00%   | 100.00% |
| Exmar Shipmanagement India Private Ltd | India                       |              | Full                    | 100.00%   | 100.00% |
| Exmar Shipping USA Inc                 | USA                         |              | Full                    | 100.00%   | 100.00% |
| Exmar (UK) Shipping Company Ltd        | Great-Britain               |              | Full                    | 100.00%   | 100.00% |
| Exmar Yachting NV                      | Belgium                     | 0546.818.692 | Full                    | 100.00%   | 100.00% |
| Export LNG Ltd                         | Hong Kong                   |              | Full                    | 100.00%   | 100.00% |
| Farnwick Shipping Ltd (***)            | Liberia                     |              | Equity/ Full            | 100.00%   | 50.00%  |
| Franship Offshore Lux SA               | Luxembourg                  |              | Full                    | 100.00%   | 100.00% |
| Fertility Development Co. Ltd (***)    | Hong Kong                   |              | Equity/ Full            | 100.00%   | 50.00%  |
| Glory Transportation Ltd (***)         | Hong Kong                   |              | Equity/ Full            | 100.00%   | 50.00%  |
| Hallsworth Marine Co. (***)            | Liberia                     |              | Equity/ Full            | 100.00%   | 50.00%  |
| Internationaal Maritiem Agentschap NV  | Belgium                     | 0404.507.915 | Full                    | 99.03%    | 99.03%  |
| Kellett Shipping Inc                   | Liberia                     |              | Full                    | 100.00%   | 100.00% |
| Laurels Carriers Inc (***)             | Liberia                     |              | Equity/ Full            | 100.00%   | 50.00%  |
| Talmadge Investments Ltd (***)         | British Virgin Islands      |              | Equity/ Full            | 100.00%   | 50.00%  |
| Tecto Cyprus Ltd                       | Cyprus                      |              | Full                    | 100.00%   | 100.00% |
| Tecto Luxembourg SA                    | Luxembourg                  |              | Full                    | 100.00%   | 100.00% |
| Travel Plus NV                         | Belgium                     | 0442.160.147 | Full                    | 100.00%   | 100.00% |
| Universal Crown Ltd (***)              | Hong Kong                   |              | Equity/ Full            | 100.00%   | 50.00%  |
| Vine Navigation Co. (***)              | Liberia                     |              | Equity/ Full            | 100.00%   | 50.00%  |

(\*) The companies indicated with a (\*) have been liquidated during the accounting year.

(\*\*) The companies indicated with a (\*\*) are part of the WARIBOKO transaction. At the end of May 2016, EXMAR has sold part of its ownership (60%) in the WARIBOKO barge to its Nigerian partner Springview. See note 10 for more information.

(\*\*\*) The companies indicated with a (\*\*\*) are part of the pressurized fleet transaction and are 100% companies as of the end of June 2016. See note 9 for further information.

(\*\*\*\*) As from the end of 2016, CMC Belgibo is a 100% group company. See note 9 for further information.

## 34. MAJOR EXCHANGE RATES USED

|                       | Closing rates |        | Average rates |        |
|-----------------------|---------------|--------|---------------|--------|
|                       | 2016          | 2015   | 2016          | 2015   |
| <b>EXCHANGE RATES</b> |               |        |               |        |
| USD                   | 1.0541        | 1.0887 | 1.1061        | 1.1150 |
| GBP                   | 0.8562        | 0.7340 | 0.8125        | 0.7279 |
| HKD                   | 8.1751        | 8.4376 | 8.5845        | 8.6438 |

All exchange rates used are expressed with reference to the EURO.

## 35. FEES STATUTORY AUDITOR

The worldwide audit and other fees in respect of services provided by KPMG Bedrijfsrevisoren or companies or persons related to the auditors, can be detailed as follows:

|                               | 2016 | 2015 |
|-------------------------------|------|------|
| <b>FEES STATUTORY AUDITOR</b> |      |      |
| Audit services                | 432  | 430  |
| Audit related services        | 35   | 48   |
| Tax services                  | 101  | 179  |
|                               | 568  | 657  |

For 2016 and 2015, the non-audit fees do not exceed the audit fees.

## 36. SUBSEQUENT EVENTS

On January 10, 2017, the LPG vessel BRUGGE VENTURE was sold. This vessel has been classified as held for sale in the segment reporting (see note 2 in this respect). The sale resulted in a gain of USD 0,6 million.

On March 28, 2017, the KALLO was delivered. The KALLO is one of the four LPG newbuilding carriers, registered in EXMAR Shipping (equity accounted investee).

The offshore barge KISSAMA is intended to be sold during April 2017. The estimated surplus value on the sale amounts to approximately USD 1 million.

## 37. OTHER

In September 2016, EXMAR and VOPAK started exploratory discussions on the possible acquisition of EXMAR's share in its floating LNG storage and regasification business (FRSU's) by VOPAK. These discussions resulted in EXMAR and VOPAK signing an agreement on 21 December 2016 for the acquisition of the FRSU business of EXMAR by VOPAK and the cooperation between EXMAR and VOPAK in future projects. This agreement is subject to certain conditions being fulfilled and approvals being obtained from multiple stakeholders. EXMAR and VOPAK are working on the implementation of this transaction. The timing of its closing is unclear.

# STATEMENT ON THE TRUE AND FAIR VIEW

### OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE FAIR OVERVIEW OF THE MANAGEMENT REPORT

The Board of Directors, represented by Nicolas Saverys and Patrick De Brabandere, and the Executive Committee, represented by Nicolas Saverys and Miguel de Potter, hereby certifies on behalf and for the account of the company, that to their knowledge,

- the consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards 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 annual report on the consolidated financial statements includes a fair overview of the development and performance of the business and the position of the company, and the entities included in the consolidation, together with a description of the principal risks and uncertainties which they are exposed to.

# REPORT OF THE STATUTORY AUDITOR

## STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF EXMAR NV AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report includes our report on the consolidated financial statements as of and for the year ended December 31, 2016, as defined below, as well as our report on other legal and regulatory requirements.

### Report on the consolidated financial statements - Unqualified opinion

We have audited the consolidated financial statements of EXMAR NV ("the Company") and its subsidiaries (jointly "the Group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statement of profit and loss and consolidated statement of other comprehensive income and the consolidated statement of changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to KUSD 999.964 and the consolidated statement of profit or loss and consolidated statement of other comprehensive income shows a profit for the year of KUSD 35.818.

### Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs) as adopted in Belgium. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the Company's officials and the board of directors the explanations and information necessary for performing our audit.

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

### Unqualified opinion

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and consolidated financial position as at December 31, 2016 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

### Emphasis of Matter

We draw attention to Note 21 of the consolidated financial statements, which states that the Group is faced with a number of events and conditions, which indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter and remains unqualified.

### Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the annual report on the consolidated financial statements.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statement which does not modify the scope of our opinion on the consolidated financial statements:

- The annual report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Kontich, April 14, 2017 - KPMG Réviseurs d'Entreprises / Bedrijfs-revisoren

Statutory Auditor represented by S. Cosijns  
Réviseur d'Entreprises / Bedrijfsrevisor



# STATUTORY ACCOUNTS

The statutory accounts of EXMAR nv are disclosed hereafter in summarised version. The full version will be filed with the National Bank of Belgium. The full version is available on the Company's website ([www.exmar.be](http://www.exmar.be)) and a copy can be obtained free of charge on request. An unqualified audit opinion has been expressed by the statutory auditor, an emphasis of matter paragraph has been included in the statutory audit report. This paragraph is similar to the paragraph included in the consolidated audit report which has been included in this brochure.

## BALANCE SHEET

|                                      | 31/12/16       | 31/12/15       |
|--------------------------------------|----------------|----------------|
| <b>ASSETS</b>                        |                |                |
| <b>FIXED ASSETS</b>                  | <b>681,164</b> | <b>668,115</b> |
| (In-)tangible assets                 | 987            | 1,432          |
| Financial assets                     | 680,177        | 666,683        |
| <b>CURRENT ASSETS</b>                | <b>210,106</b> | <b>236,961</b> |
| Amounts receivable after one year    | 28,548         | 37,511         |
| Amounts receivable within one year   | 61,688         | 72,911         |
| Investments                          | 51,396         | 50,553         |
| Cash and cash equivalents            | 67,648         | 75,374         |
| Accrued income and deferred charges  | 826            | 612            |
| <b>TOTAL ASSETS</b>                  | <b>891,270</b> | <b>905,076</b> |
| <b>EQUITY AND LIABILITIES</b>        |                |                |
| <b>EQUITY</b>                        | <b>537,994</b> | <b>548,198</b> |
| Capital                              | 88,812         | 88,812         |
| Share premium                        | 209,902        | 209,902        |
| Reserves                             | 92,530         | 100,857        |
| Accumulated profits                  | 146,750        | 148,627        |
| <b>PROVISIONS AND DEFERRED TAXES</b> | <b>2,697</b>   | <b>2,697</b>   |
| Provisions and deferred taxes        | 2,697          | 2,697          |
| <b>LIABILITIES</b>                   | <b>350,579</b> | <b>354,181</b> |
| Amounts payable after one year       | 270,167        | 285,216        |
| Amounts payable within one year      | 79,093         | 67,872         |
| Accrued charges and deferred income  | 1,319          | 1,093          |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>891,270</b> | <b>905,076</b> |

## INCOME STATEMENT

|   | 01/01/2016<br>31/12/2016 | 01/01/2015<br>31/12/2015 |
|---|--------------------------|--------------------------|
| <b>INCOME STATEMENT</b>                 |                          |                          |
| Operating income                        | 3,606                    | 4,847                    |
| Operating expenses                      | -7,801                   | -23,484                  |
| <b>OPERATING RESULT</b>                 | <b>-4,195</b>            | <b>-18,637</b>           |
| Financial income                        | 41,319                   | 142,687                  |
| Financial expenses                      | -40,707                  | -66,726                  |
| <b>RESULT FOR THE YEAR BEFORE TAX</b>   | <b>-3,583</b>            | <b>57,324</b>            |
| Income tax                              | 2                        | -7                       |
| <b>RESULT FOR THE YEAR</b>              | <b>-3,581</b>            | <b>57,317</b>            |
| <b>APPROPRIATION OF RESULT</b>          |                          |                          |
| Result to be appropriated               | 145,046                  | 167,296                  |
| Transfer from/(to) capital and reserves | 8,327                    | 960                      |
| Result to be carried forward            | -146,750                 | -148,627                 |
| Distribution of result                  | -6,623                   | -19,629                  |



05

# COLOPHON, GLOSSARY





## COLOPHON

### BOARD OF DIRECTORS

Baron Philippe Bodson – Chairman  
Nicolas Saverys – CEO  
Ludwig Criel  
Patrick De Brabandere – COO  
Baron Philippe Vlerick  
Michel Delbaere  
Howard Gutman  
Jens Ismar  
Ariane Saverys  
Barbara Saverys  
Pauline Saverys

### EXECUTIVE COMMITTEE

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

### AUDITOR

KPMG – Auditors  
Represented by  
Mr. Serge Cosijns

### EXMAR NV

De Gerlachekaai 20  
2000 Antwerpen  
Tel: +32(0)3 247 56 11  
Fax: +32(0)3 247 56 01

Business registration number: 0860.409.202  
RPR Antwerp  
Website: [www.exmar.be](http://www.exmar.be)  
E-mail: [corporate@exmar.be](mailto:corporate@exmar.be)

### CONTACT

All EXMAR press releases can be consulted on  
the website: [www.exmar.be](http://www.exmar.be)

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

In case you wish to receive our annual or half year report please  
e-mail to [annualreport@exmar.be](mailto:annualreport@exmar.be)

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

### FINANCIAL CALENDER

|                                 |                  |
|---------------------------------|------------------|
| Shareholders' Meeting           | 16 May 2017      |
| Final Results 1st semester 2017 | 8 September 2017 |
| Results 3rd quarter 2017        | 26 October 2017  |

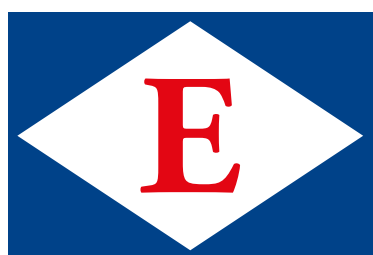
## GLOSSARY

|        |  |
|--------|--|
| BFI    | Baltic Freight Index   |
| BIC    | Belgibo Industry Cargo   |
| BIM    | Bureau International Maritime  |
| BOPD   | Barrels of Oil Per Day   |
| BTX    | Mixture of benzene, toluene and xylenes  |
| C4     | Crude betadine   |
| CEO    | Chief Executive Officer  |
| CFLNG  | Caribbean FLNG   |
| COA    | Coenzyme A   |
| CoA    | Contract of Affreightment  |
| DA     | Disbursement Accounts  |
| DVO    | DV Offshore  |
| EBIT   | Earnings before interest and taxes   |
| EBITDA | Earnings before interest, taxes, depreciation, and amortization                  |
| EE     | Excelerate Energy  |
| EOC    | Exmar Offshore Company   |
| ESM    | Exmar Ship Management  |
| FID    | Final Investment Decision  |
| FLNG   | Floating Liquefaction of Natural Gas   |
| FPS    | Floating Production System   |
| FPSO   | Floating Production Storage and Offloading-unit                                  |
| FSU    | Floating Storage Unit  |
| FSRU   | Floating Storage and Regasification Unit   |
| HHIC   | Hanjin Heavy Industries and Construction   |
| HSEEQ  | Health, Safety, Security, Environment and Quality                                |
| HYSIS  | Hyperspectral Instrument Simulator   |
| IAS    | International Accounting Standards   |
| IFRS   | International Financial Reporting Standards                                      |
| IGF    | International Code of Safety for Ships using Gases or other Low-flashpoint Fuels |
| ISO    | International Organization for Standardization                                   |
| JV     | Joint venture  |
| k      | 1,000  |
| LGC    | Large Gas Carrier  |
| LNG    | Liquefied Natural Gas  |
| LNG/C  | Liquefied Natural Gas Carrier  |



|          |   |
|----------|---|
| LNG/RV   | Liquefied Natural Gas Regasification Vessel                                 |
| LPG      | Liquefied Petroleum Gas   |
| MAS      | Marine Aviation Special Risks   |
| MCRM     | Maritime Crew Resource Management   |
| MGC      | Midsize Gas Carrier   |
| Midsize  | 20,000 m <sup>3</sup> to 40,000 m <sup>3</sup>                              |
| MMBOE    | Million barrels of oil equivalent   |
| MMCFD    | Million cubic feet per day  |
| MMSCFD   | Million standard cubic feet per day   |
| MT       | Metric tons   |
| MTPA     | Million tonnes per annum  |
| NH       | Ammonia   |
| NYSE     | New York Stock Exchange   |
| OB       | Order book  |
| OECD     | The Organization for Economic Co-operation and Development                  |
| OGIS     | Oil and Gas Infrastructure Services   |
| OLT      | Offshore LNG Toscana  |
| OPEC     | Organization of the Petroleum Exporting Countries                           |
| Petchems | Petrochemicals  |
| PEP      | Pacific Exploration and Production  |
| POB      | Persons on board  |
| PRE      | Pacific Rubiales Energy (now known as PEP)                                  |
| PVC      | Polyvinyl chloride  |
| REBITDA  | Recurring earnings before interests, taxes, depreciations and amortizations |
| SEEMP    | Ship Energy Efficiency Management Plan                                      |
| STCW     | Standards of Training, Certification and Watchkeeping                       |
| STS      | Ship-to-ship  |
| TO300    | Three o'clock in the morning  |
| TC       | Time chartered  |
| TCE      | Timecharter equivalent  |
| U/C      | Under Construction  |
| ULCV     | Ultra Large Container Vessel  |
| US       | United States   |
| USA      | United States of America  |
| USD      | United States Dollar  |
| VCM      | Vinyl Chloride Monomer  |
| VLGC     | Very Large Gas Carrier  |





EXMAR