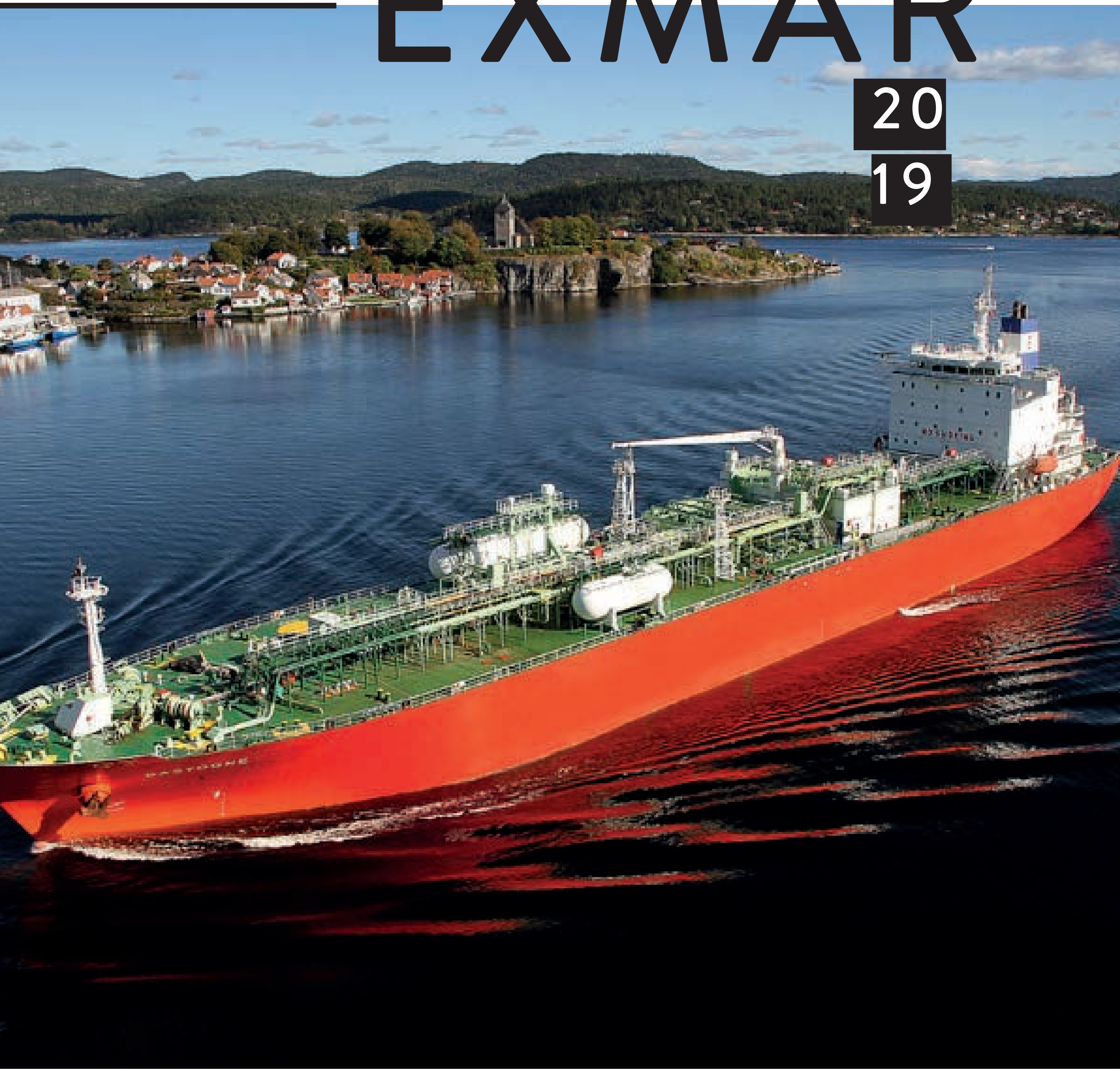
EXMAR

2019



FINANCIAL OVER-VIEW

CONSOLIDATED KEY FIGURES

	International Financial Reporting Standards (IFRS 11) (Note 1)		Management reporting based on proportionate consolidation (Note 2)	
	31/12/2019	31/12/2018 (*)	31/12/2019	31/12/2018 (*)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS (IN MILLION USD)				
Turnover	136.7	87.7	225.0	171.6
EBITDA	47.3	27.5	100.9	67.4
Depreciations and impairment losses	-31.9	-19.0	-66.5	-45.4
Operating result (EBIT)	15.4	8.5	34.4	22.0
Net finance result	-26.0	-21.0	-43.3	-36.6
Share in the result of equity accounted investees (net of income tax)	1.7	-1.6	0.2	0.6
Result before tax	-8.9	-14.2	-8.7	-14.0
Tax	-4.3	-1.9	-4.5	-2.1
Consolidated result after tax	-13.2	-16.1	-13.2	-16.1
of which group share	-13.2	-15.9	-13.2	-15.9
INFORMATION PER SHARE (IN USD PER SHARE)				
Weighted average number of shares of the period	57,226,737	57,045,439	57,226,737	57,045,439
EBITDA	0.83	0.48	1.76	1.18
EBIT (operating result)	0.27	0.15	0.60	0.39
Consolidated result after tax	-0.23	-0.28	-0.23	-0.28
INFORMATION PER SHARE (IN EUR PER SHARE)				
Exchange rate	1.1213	1.1838	1.1213	1.1838
EBITDA	0.74	0.41	1.57	1.00
EBIT (operating result)	0.24	0.13	0.54	0.33
Consolidated result after tax	-0.21	-0.24	-0.21	-0.24

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

Note2: The figures in these columns show joint ventures applying the proportionate consolidation method instead of applying the equity method. The amounts in these columns correspond with the amounts in the 'Total' column of Note 2 Segment Reporting in the Financial Report per 31 December 2019. A reconciliation between the amounts applying the proportionate method and the equity method is shown in Note 3 in the Financial Report per 31 December 2019.

(*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect to the accounting policies section E and to note 31.

Key ratio's

in MUSD on 31.12.2019
(based on proportionate consolidation method)

363.2
MARKET CAP

1,229.6
TOTAL ASSETS

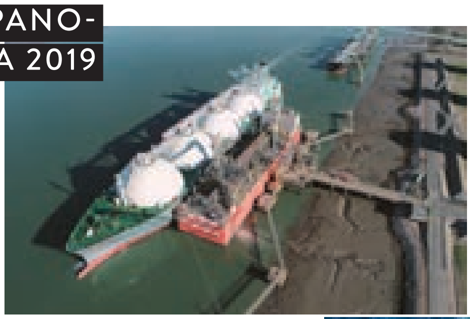
100.9
EBIDTA

563.6
NET DEBT

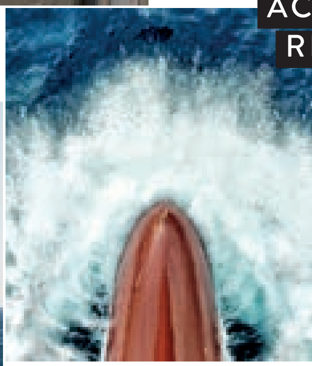
36.51%
EQUITY RATIO

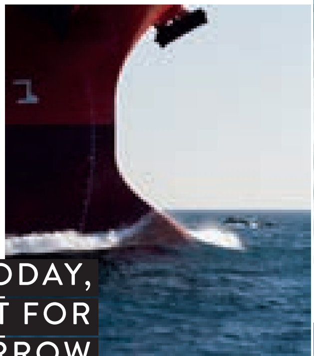
CONTENT

#01 PANORAMA 2019

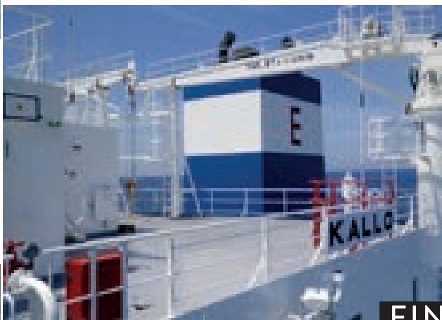


#02 ACTIVITY REPORT

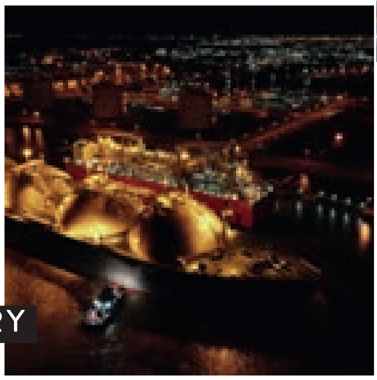




#03 CARE FOR TODAY, RESPECT FOR TOMORROW



#04 FINANCIAL REPORT



#05 GLOSSARY

IN MEMORIAM

BARON PHILIPPE BODSON

After three weeks of fighting COVID-19, Baron Philippe Bodson, Chairman of the Board of Directors of EXMAR, passed away in Brussels on the 4th of April 2020. He was born in Liège on the 2nd of November 1944.

He obtained a degree in Civil Engineering in Liège and a Master's in Business Administration (MBA) at INSEAD in Fontainebleau / France.

In 1977, Philippe Bodson joined Glaverbel where he was Managing Director and Chairman from 1980 till 1989. As from 1989 till 1999, he was Managing Director of Tractebel and Chairman of Electrabel and Distrigaz. From 1999 till 2003, he was senator in the Belgian Senate.
Thereafter and until last week, Philippe continued his impressive career.
He was Chairman of the Board of Directors of Floridienne and Hamon, Chairman of Free Fair Post Initiative (NGO), member of the Board of Directors of AEI (Houston), Bluesky, Cobepa and advisor of Credit Suisse, and Chairman of the International Polar Foundation.

Since 2002 he was member of the Board of EXMAR and in 2005 he was appointed Chairman of the Board of Directors of EXMAR.

Philippe was at his best in crisis and difficult situations. Baron Bodson liked to walk in the Hautes Fagnes (Ardennes), often alone. It gave him strength and inspiration.

At EXMAR Philippe understood and inspired the company. He was a great supporter of innovation, both in technical solutions and operational processes. Our Chairman did not need explanations, he was thinking with the company.
In the years where EXMAR had some financial difficulties (bankruptcy of PRE), he brought serenity to the table.

Baron Philippe Bodson was an exceptional personality, admired and loved for his unconditional dedication to life, and to the EXMAR Group.

The human, Baron Philippe Bodson, was a man made of granite. An enormous concentration of human qualities in one human being, his enthusiasm, was contagious.
With Philippe people became better, stronger, provoking, with a touch of humour. Bringing consensus without obligating.
Philippe was impetuous but also had the ability to listen to others.

Baron Bodson has left us with a great legacy. We shall continue to promote his wisdom and love for the entrepreneurship in innovation.

On a personal note, I have lost a great and dear friend, an example and a source of inspiration. I shall continue to be inspired by his life and shall always follow his drive to find solutions to problems and be an innovative and cost-efficient shipowner.

Nicolas Saverys

#01

PANO-
RAMA 2019

Colophon

Board of Directors
Baron Philippe Bodson – Chairman († 4 April 2020)
Nicolas Saverys – Executive Chairman
Francis Mottrie
Jalcos NV – represented by Ludwig Criel
Wouter De Geest
Michel Delbaere
Ariane Saverys
Barbara Saverys
Pauline Saverys
Baron Philippe Vlerick
Isabelle Vleurinck

Executive Committee
Francis Mottrie –CEO
Patrick De Brabandere – Chief Financial Officer
Jonathan Raes – Executive Director Infrastructure
Jens Ismar – Executive Director Shipping
Carl-Antoine Saverys – Secretary to the Executive Committee
Nicolas Saverys

Auditor
Deloitte Auditors
Represented by Mr. Gert Vanhees

EXMAR NV
De Gerlachekaai 20
2000 Antwerp
Tel: +32(0)3 247 56 11
Fax: +32(0)3 247 56 01
Business registration number: 0860.409.202
RPR Antwerp – section Antwerp
Website: www.exmar.be
E-mail: corporate@exmar.be

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

MIX
Paper from responsible sources
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FSC
www.fsc.org

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, owns, leases and operates specialized, floating maritime infrastructure for this purpose. As well as it aims for the highest standards in performing commercial, technical, quality assurance and administrative management for the entire maritime energy industry.

LETTER TO OUR SHAREHOLDERS

Dear shareholder,

This annual report is marked by the loss of our chairman Baron Philippe Bodson, unexpectedly deceased at the age of 75 of COVID-19. The Board of Directors pays tribute to this exceptional personality, admired and loved for his unconditional dedication to life, and to the EXMAR Group.

The world faces an unprecedented public health crisis. COVID-19 will induce a devastating economic crisis which causes a high level of uncertainty.

After some stormy years, EXMAR successfully concluded various challenges resulting in stability for the Group. EXMAR is doing well, in this turbulent period. All our assets are performing as per contract. Several operational measures on-shore and on-board have been taken to ensure the safety and wellbeing of our personnel and continuity of our operations.

The Board of Directors has appointed Nicolas Saverys as Executive Chairman of the Board. Francis Mottrie has been co-opted as Member of the Board and has been appointed CEO of EXMAR.

2019 has also been a transformational year for EXMAR. At corporate level, a simplified business unit structure has been set-up: *EXMAR Shipping* and *EXMAR Infrastructure*. EXMAR also has a new Executive Committee:

Francis Mottrie,
CEO and Chairman of the Executive Committee

Patrick De Brabandere,
CFO

Jens Ismar,
Managing Director Shipping

Jonathan Raes,
Managing Director Infrastructure

Carl-Antoine Saverys,
Secretary to the Executive Committee

Nicolas Saverys

The growth in US LPG production and export, improved the freight for both VLGCs and midsize tonnage throughout the year. Despite the Corona-crisis, the 2020 prospects remain stable.

In 2019, the *TANGO FLNG* was commissioned and started a ten-year contract with YPF. Four LNG cargos were exported out of Argentina in 2019. The performance is well above design capacity. All other Infrastructure assets have been performing as per contract.

We would like to thank all those involved in EXMAR - on shore and at sea - for their contribution and hard work.

We wish you a pleasant reading of our annual report.

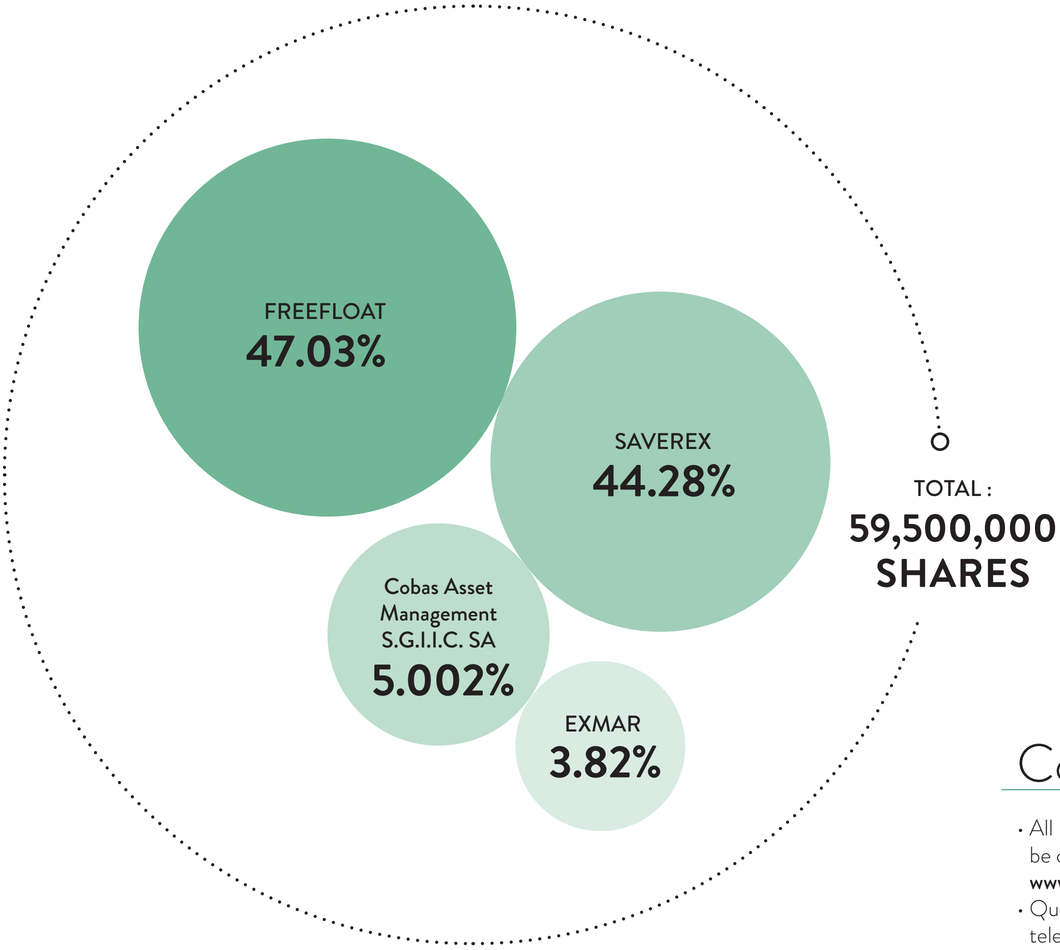
Nicolas Saverys
Francis Mottrie

INFORMATION FOR OUR SHAREHOLDERS

SHARE INFORMATION

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

Participation as per 31 December 2019:



FINANCIAL CALENDAR

Results 1st quarter 2020	30 April 2020
Annual shareholders meeting	19 May 2020
Final results 1st semester 2020	11 September 2020
Results 3rd quarter 2020	29 October 2020

Contact

- All EXMAR press releases can be consulted on the website: **www.exmar.be**
- Questions can be asked by telephone at +32(0)3 247 56 11 or by e-mail to **corporate@exmar.be**, for the attention of Patrick De Brabandere (CFO) or Mathieu Verly (secretary).
- In case you wish to receive our printed annual or half year report please mail: **annualreport@exmar.be**

EXMAR IN THE WORLD

CREW AT SEA

20 nationalities at sea

American, Argentinean, Australian, Belgian, Bengalese, Chinese, Croatian, French, Greek, Indian, Irish, Jamaican, Latvian, Netherlander, Nigerian, Polish, Singaporean, Spanish, Ukrainian, Venezuelan

HEADQUARTERS PERSONNEL BY GENDER AND AGE

MEN

8 20-30 years
37 30-40 years
18 40-50 years
30 50-60 years
8 60-64 years

total
101

total
95

Average age (all):
40

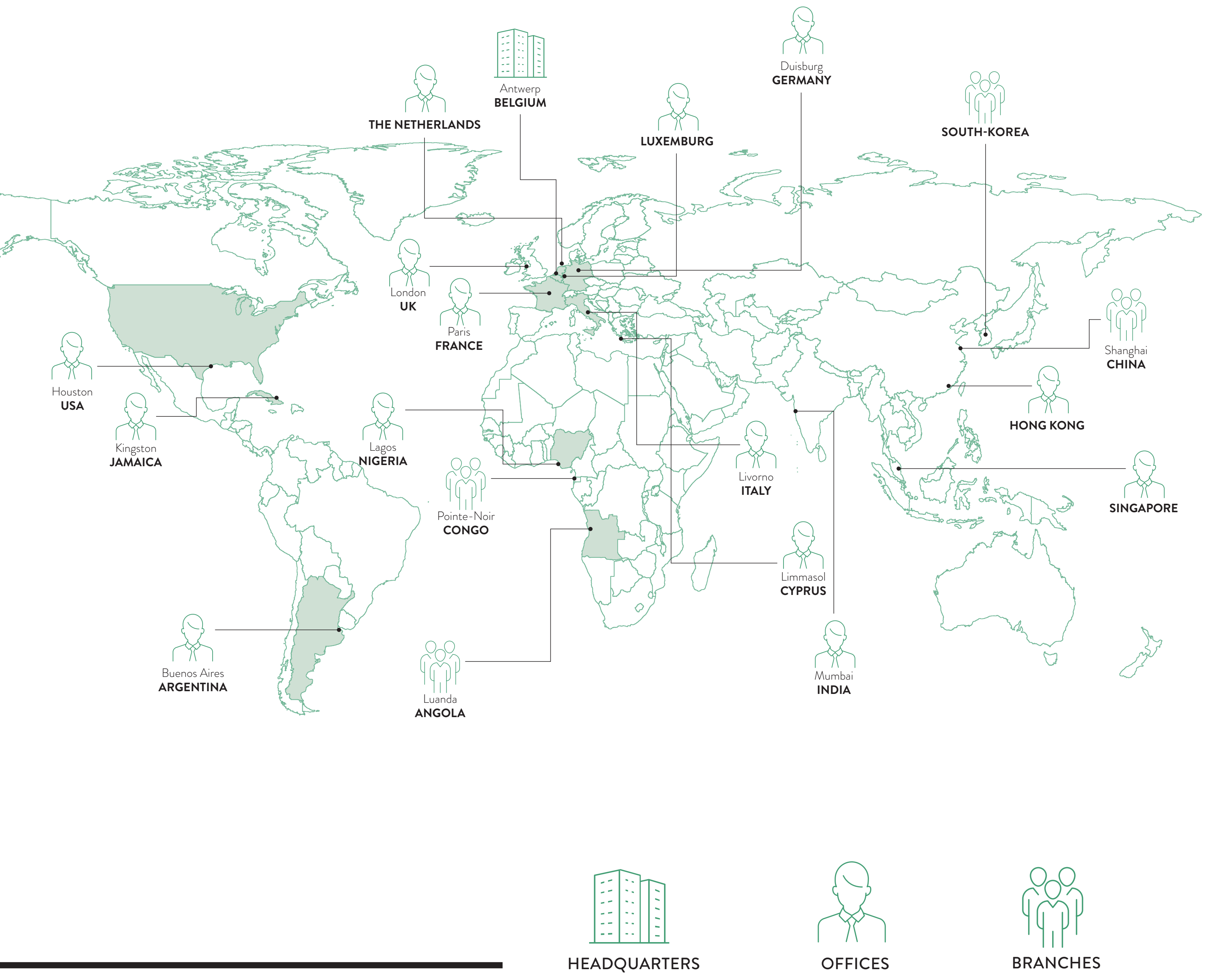
WOMEN

11 20-30 years
32 30-40 years
21 40-50 years
24 50-60 years
7 60-64 years

EMPLOYEES LOCATED AT EXMAR HEADQUARTERS

male
51.53%

female
48.47%


Antwerp
BELGIUM
THE NETHERLANDS
LUXEMBURG
Duisburg
GERMANY
SOUTH-KOREA
London
UK
Paris
FRANCE
Houston
USA
Kingston
JAMAICA
Lagos
NIGERIA
Pointe-Noir
CONGO
Livorno
ITALY
Shanghai
CHINA
HONG KONG
SINGAPORE
Limmasol
CYPRUS
Mumbai
INDIA
Buenos Aires
ARGENTINA
Luanda
ANGOLA
HEADQUARTERS
OFFICES
BRANCHES

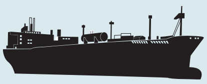
#02

ACTIVITY REPORT

SHIPPING

SHIPPING PORTFOLIO

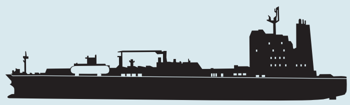
2 NEWBUILDS



VLGC JIANGNAN H2667
owned

VLGC JIANGNAN H2668
owned

21 MIDSIZE GAS CARRIERS



TOURAINE
joint venture

EUPEN
joint venture

LIBRAMONT
joint venture

SOMBEKE
joint venture

WAASMUNSTER
joint venture

WARISOULX
joint venture

WARINSART
joint venture

WAREGEM
joint venture

BRUSSELS
joint venture

BASTOGNE
joint venture

ANTWERPEN
time chartered

KAPRIJKE
joint venture

KNOKKE
joint venture

KONTICH
joint venture

KORTRIJK
joint venture

KALLO
joint venture

KRUIBEKE
joint venture

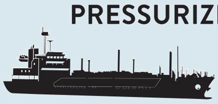
KAPELLEN
joint venture

KOKSIJDE
joint venture

SYLVIE
time chartered

WEPION
joint venture

10 PRESSURIZED



SABRINA
bareboat

HELANE
bareboat

FATIME
bareboat

ELISABETH
bareboat

MAGDALENA
bareboat

ANNE
bareboat

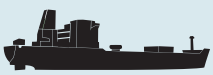
ANGELA
bareboat

JOAN
bareboat

MARIANNE
bareboat

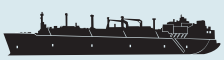
DEBBIE
bareboat

1 SEMI-REFRIGERATED



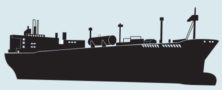
TEMSE
joint venture

1 LNG CARRIER



EXCALIBUR
joint venture

1 VERY LARGE GAS CARRIER



BW TOKYO
time chartered

	Total per 31/12/2019	Total per 31/12/2018 (*)
RESULTS 2019 - PROPORTIONATE CONSOLIDATION (IN MILLION USD)		
Turnover	122.4	114.4
EBITDA	60.4	68.0
REBITDA (**)	60.4	36.2
Operating result (EBIT)	14.5	37.9
Consolidated result after tax	-7.2	18.9
Vessels (including vessels under construction)	520.5	492.9
Financial debts	437.0	393.7

(*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect to the accounting policies section E and to note 31. The right-of-use assets and the right-of-use liabilities as a consequence of the implementation of IFRS 16 are included in the above reported vessels and financial debts per 31/12/2019.

(**) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations (including impairment). Following items are excluded from EBITDA in 2018: sale COURCHEVILLE (Shipping: USD 0.9 million) and sale of the company EXCELSIOR (Shipping: USD 30.9 million).

EBIT for the Shipping Business Unit in the full year 2019 was USD 14.5 million compared to USD 37.9 million for the full year 2018 (including a capital gain of USD 0.9 million on the sale of the COURCHEVILLE and including a capital gain of USD 30.9 million on the sale of the company EXCELSIOR).

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

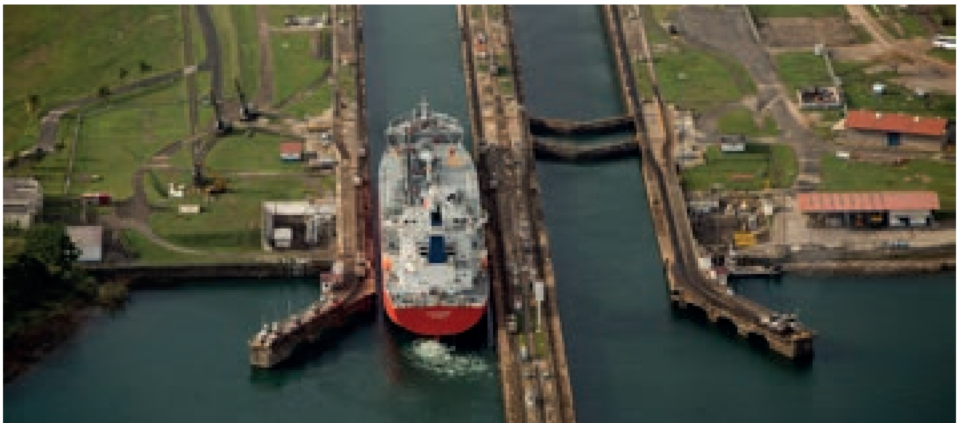
HIGHLIGHTS 2019 AND OUTLOOK

VERY LARGE GAS CARRIERS (VLGC)

Buoyed by increasing LPG export volumes out of the US, VLGC rates surged during the second quarter to about USD 1.3 million per month in the period freight market. The United States managed to export record LPG volumes of nearly 40 million tonnes, seven million more than last year. This puts the US on a par with the Middle East in terms of LPG exports. The US resurgence has taken place due to the confluence of low commodity prices, more loading slots thanks to infrastructure upgrades combined with an overall improvement in US LPG export capacity.

With increased demand for cargo destined for Far Eastern destinations-with China reaching record breaking LPG imports of 19 million tonnes - additional ton-miles were generated. This had a strong bearing on vessel availability as of the second quarter of 2019, with spot earnings consequently averaging around USD 1,800k/month.

The influx of VLGC newbuild deliveries scheduled during the course of 2020 and the effect of COVID-19 will have a negative influence on the freight rates and increase future uncertainties but healthy fundamentals, more LPG supplies globally and a persistent regime of long-haul volume distribution would result in a market recovery. Moreover, the increased capacity of the Marcus Hook terminal on the US East Coast will ensure cargoes not only head to Asian ports, but also to European off-takers.



EXMAR has currently only one vessel employed in the VLGC segment, the 84,000 m³ *BW TOKYO*, which benefited from the rise in the Baltic Gas Index and was secured -at the end of 2019 for a period charter with a longterm partner.

MIDSIZE GAS CARRIERS (MGC)

Driven by prosperous LPG markets, the midsize segment has seen a boost in the freight rates during the second half of 2019. For the first time since 2016, Time Charter Equivalent (TCE) levels in excess of USD 800,000 per month were reached on a modern 38,000 m³ vessel.

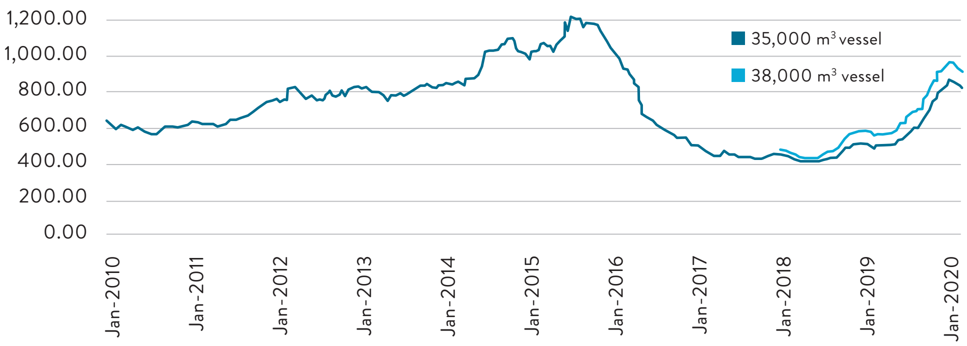
The main products carried remain split between LPG (65%) and Ammonia (35%). EXMAR maintains its strong position in both segments with 14 vessels trading LPG and seven vessels trading Ammonia. Three decades in the midsize market has meant that EXMAR has been able to enter into long-term commercial relationships with blue chip customers. This remains the case today. The EXMAR fleet profile is young with an average age of nine years for the owned fleet of 17 MGC carriers.

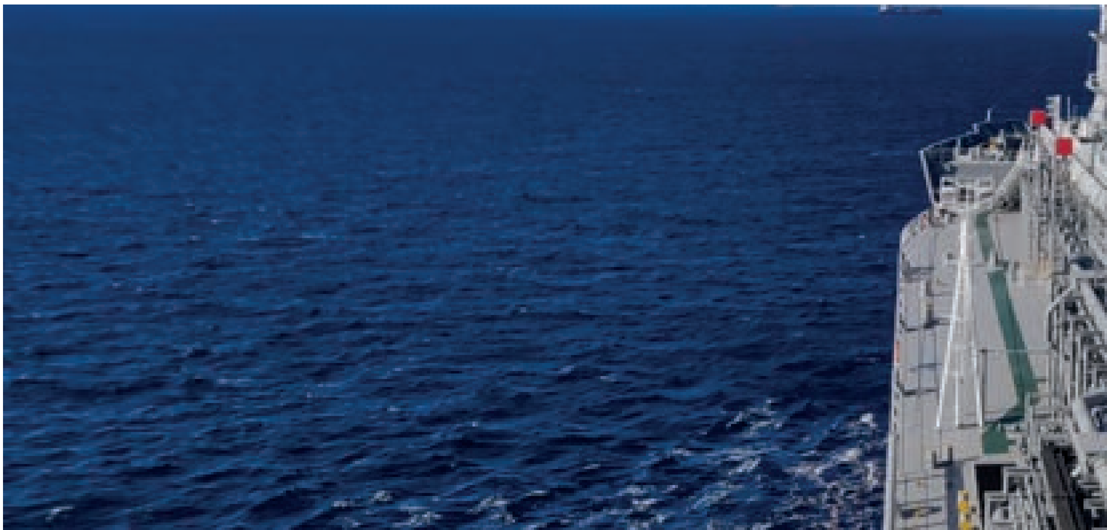
With a total global midsize fleet of 97 vessels and a limited order book (OB) for seven vessels at year-end of 2019, the future looks promising. With the upward trend in long-haul business and the impact of scale, EXMAR's share of 21 vessels in the midsize market means that the Company is well-placed to service the market in the coming years.

Global growth in demand for LPG volumes is expected to continue to support the midsize market. For example, Africa and Latin-America is expected to receive additional butane out of the United States. Developing countries switching to lower-priced LPG to satisfy their energy needs will positively support further growth in the MGC segment.

MGC 1 year timecharter rate
(x 1,000 $/month)

Source: Clarkson Research Services Limited 2020





The previous trend for stable ammonia seaborne volumes during the last few years is likely to change looking ahead to future years. A volume growth of about 1.6% per annum between 2019 and 2022 is foreseen thanks to new ammonia capacity coming online and markets opening up in China and Turkey. According to Argus, China's import growth now makes it the sixth largest ammonia import market, evolving from 203,000 to 1 million tonnes between 2014 and 2019.

EXMAR has managed to benefit from stronger freight markets and as such been able to attract better overall contract freight agreements compared to 2018. With a diverse customer portfolio and a fleet coverage of 81% for 2020, EXMAR continues to maintain its strong foothold in this segment.

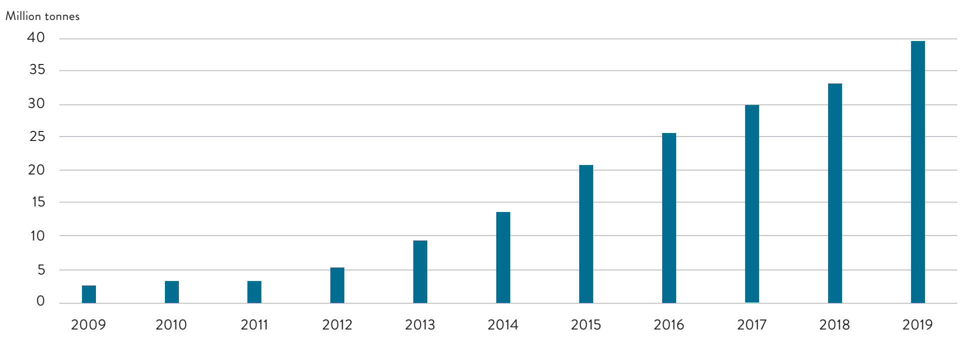
PRESSURIZED

The pressurized market has remained stable both East and West of Suez. The middle of 2019 saw buoyant freight markets thanks to significant LPG redistribution and occasional seasonal spikes in market demand. These vessels serve as small-scale LPG suppliers given their ability to access shallow draft and smaller ports. At the same time pressurized vessels can be flexibly deployed as workhorses to open up new energy markets.

EXMAR has a fleet of 10 vessels: seven have a capacity of 3,500 m^3 and three vessels have a capacity of 5,000 m^3. The trading area of the fleet is equally divided, with five vessels engaged in European coastal trades, while five are deployed in the Far East.

LNG SHIPPING

The LNG/c carrier *EXCALIBUR* is under long time charter contract until early 2022.



US LPG

(million tonnes)

Source: IHS Waterborne LPG

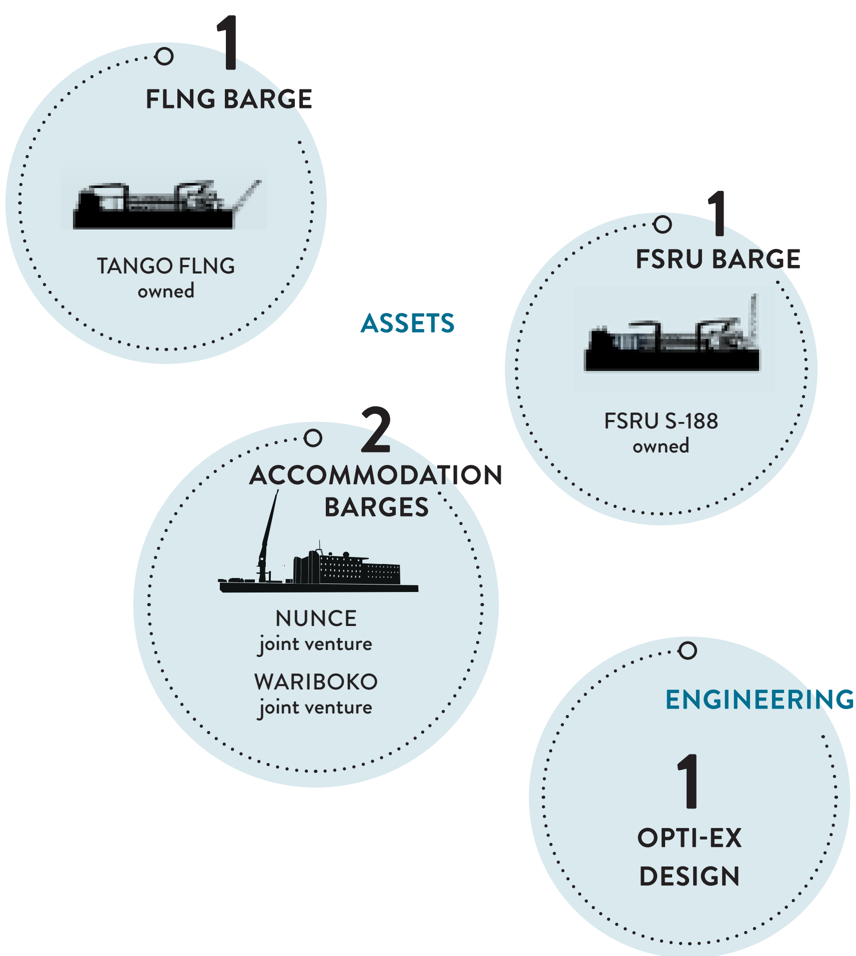
INFRA-STRUCTURE

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

Backed by decades of maritime and gas handling expertise within the EXMAR Group and a registered production semisubmersible design, our fully-fledged engineering and project development teams specialize in the design and development of Floating Production Systems (FPS) at a very competitive total cost.

Our operations & maintenance people take care of the day-to-day operations and maintenance of the floating infrastructure assets entrusted to as per highest quality and sustainability standards.

INFRASTRUCTURE PORTFOLIO



RESULTS 2019 - PROPORTIONATE CONSOLIDATION (IN MILLION USD)	Total per 31/12/2019	Total per 31/12/2018 (*)
Turnover	71.8	32.1
EBITDA	20.6	0.7
REBITDA (**)	19.1	-2.7
Operating result (EBIT)	2.0	-13.4
Consolidated result after tax	-45.2	-49.3
Vessels (including vessels under construction)	466.1	469.7
Financial debts	248.1	300.6

(*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect to the accounting policies section E and to note 31. The right-of-use lease liabilities as a consequence of the implementation of IFRS 16 are included in the above reported financial debts per 31/12/2019.

(**) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations (including impairment). Following items are excluded from EBITDA in 2019: license fee (Infrastructure: USD 1.5 million). Following items are excluded from EBITDA in 2018: license fee (Infrastructure: USD 3.4 million).

The EBIT for the Infrastructure Business Unit for the full year 2019 was USD 2.0 million compared to USD -13.4 million for the full year 2018. This increase in the Infrastructure segment is mainly due to invoicing towards Gunvor for the FSRU which started in the last quarter of 2018. The standby revenues generated by *TANGO FLNG* since May 2019 are only recognised in P&L as from start of operations in September 2019 (in accordance with IFRS 15).

HIGHLIGHTS 2019

2019 has been an important year for the EXMAR Infrastructure business unit. We have delivered the main target for the EXMAR Group, being the startup of the *TANGO FLNG* for commercial operations in Argentina. *TANGO FLNG* is EXMAR's largest and most complex investment to date. This milestone has been achieved in a record time and in a very safe way due to an excellent cooperation between our technical and operational teams on one side and our customer on the other. Now the unit is fully operational and performing above expectation and is expected to contribute significantly to the revenue and cash flow of our Group in the coming years.

In order to implement our strategy and the solutions we offer to our customers in a successful way, our teams at various locations in the world, have to join forces more than ever before. In order to take advantage of the synergies existing both in engineering, project development and effective operations, both LNG and Offshore infrastructure activities have been consolidated into "EXMAR Infrastructure." With the new structure and in cooperation with EXMAR supporting services, the Infrastructure business unit covers a strong global network and a unique range of solutions and expertise for the commercialization of our existing assets and new prospects.

FLOATING LIQUEFACTION

TANGO FLNG is now fully operational, receives natural gas from the Vaca Muerta gas field in Bahia Blanca Argentina and is forecasted to produce 500,000 tonnes of LNG per annum for export purposes. After having signed the charter agreement with YPF for the deployment in November 2018, 2019 commenced with the mobilization to and the commissioning of the unit in Bahia Blanca. The performance acceptance test met contract obligations foreseen within less than four months from arrival. The acceptance of the unit by YPF triggered monthly standby revenue, while operations prepared effective startup and operations after the Argentinian winter period.

On 14 September 2019 the 10-year term of the contract effectively commenced. As of today, 475,000 m^3 LNG have been delivered, already resulting in four shipments by YPF.

With *TANGO FLNG* now providing monthly revenues, the financiers of the unit have approved the release of approximately USD 40 million from the cash collateral under the loan facility.

The *TANGO FLNG* is the third commercially operational FLNG worldwide. The unit has attracted interest from other parties in EXMAR's floating liquefaction solutions. Leveraging EXMAR's unique expertise in the field of floating liquefaction, several other projects are under study.

FLOATING REGASIFICATION

FSRU S188, EXMAR's barge-based floating regasification unit, has been performing in line with

it's ongoing 10-year charter. In September 2019, Gunvor gave notice of dispute under the Charter and has commenced arbitration. Meanwhile the charter remains in full force.
The envisaged sale and lease back of the barge by CSSC shipping announced last year was not completed.

FLOATING ACCOMMODATION

Since July 2019, *NUNCE* has been continuously under contract to SONANGOL, offshore Angola. It remains employed until June 2022 and is contributing as anticipated to EXMAR's result.

WARIBOKO was redelivered in 2019 from TOTAL, offshore Nigeria. Following successful interim employment, EXMAR has entered into a new contract with TOTAL Exploration & Production Nigeria in March, commencing in August 2020 for a duration of 18 months.

ENGINEERING

EXMAR's engineering office in Houston, US, has registered high engineering utilization levels in 2019, and has contributed positively to the Group result.
EXMAR Offshore Company (EOC) has been working on a third semisubmersible floating production system using EXMAR's proprietary OPTI® design for the KING's QUAY project of Murphy Oil. Murphy Oil Corporation is one of the top five producing operators in the Gulf of Mexico and has acquired this unit under construction from the LLOG group in June 2019. Hull engineering and construction supervision services are being performed successfully. The unit will be deployed in the Gulf of Mexico, where also the two other existing OPTI designs are performing as per expectations.

Beyond the KING's QUAY project, EOC has performed additional early engineering work on potential new OPTI projects in the Gulf of Mexico.

DESIGN BUILD OWN COMMISSION OPERATE

EOC expects that these studies and additional work related to its OPTI design will continue in 2020.

DVO

For DV Offshore (DVO), our independent firm of consulting engineers specialized in all the technical aspects of marine engineering and operations, 2019 has confirmed to be a transition year with registered engineering levels in line with expectations and a growing focus on renewables.

OUTLOOK

EXMAR Infrastructure strives to be the preferred business partner of oil & gas exploration and production companies in the valorization of their existing or discovered oil & gas reserves.
The significant advantages of independent leasing and operation of oil & gas infrastructure assets has been proven to the industry over the past decades. Indeed, it allows the customer to focus on the monetization of the molecule, while enabling them at the same time to reduce the required upfront investment and the technical risk on the project development.

After having been a pioneer in the development of ship based floating regasification, the (re-) deployment of *TANGO FLNG* as the third FLNG in operation in the world has confirmed EXMAR's capabilities to successfully deliver innovative, fast track and cost competitive floating oil and gas infrastructure projects.

For new FLNG projects we are confident that we can leverage on the experience of our competent and motivated experts from the various domains and on the lessons learned of *TANGO FLNG* to provide a well performing floating liquefaction solution at a competitive life cycle cost and backed by appropriate financing.

The same goes for floating infrastructure opportunities we are working with LNG regasification and storage, oil production and storage, or in other aspects of the value chain.

The opportunities that match the globally ongoing energy transition and the technology for this purpose are very much existing. We strongly believe that the challenge in floating infrastructure projects is in tailoring this existing technology into quick to market one stop-shop solutions and that at the same time are a best fit for the specific project and location.

EXMAR, with its in-house project development and operational resources and expertise, is perfectly geared to take full responsibility of such projects, coordinating modifications, upgrades or any re-deployment tailored to the project in a fast track way. And our continued involvement in the ownership and operations and maintenance after delivery and start of operations is a commitment for performance as per expectations.

Floating infrastructure solutions being capital intensive, we are constantly developing our network of financiers and equity partners to support the prospects and projects in our portfolio. Here again EXMAR's 40 years of experience and track record in project development and execution is of key importance.

SUPPORTING SERVICES

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

The EBIT for the Supporting Services in the full year 2019 was USD 18.0 million compared to USD -2.5 million for the full year 2018. On June 29, 2019, EXMAR signed an agreement with Compagnie Maritime Belge ("CMB") for the sale of its 50% share in RESLEA. The sale resulted in a gain of USD 19.2 million.

RESULTS 2019 - PROPORTIONATE CONSOLIDATION (IN MILLION USD)	Total per 31/12/2019	Total per 31/12/2018 (*)
Turnover	42.3	37.9
EBITDA	19.9	-1.3
REBITDA (**)	0.9	-1.3
Operating result (EBIT)	18.0	-2.5
Consolidated result after tax	39.2	14.3
Vessels (including vessels under construction)	0.0	0.0
Financial debts	24.7	9.7

(*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect to the accounting policies section E and to note 31. The right-of-use lease liabilities as a consequence of the implementation of IFRS 16 are included in the above reported financial debts per 31/12/2019.

(**) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations (including impairment). Following items are excluded from EBITDA in 2019: sale RESLEA and BIM (Services: USD 19 million).

EXMAR SHIP MANAGEMENT

EXMAR Ship Management provides high quality ship management and related services to LPG carriers, fruit juice carriers, bulk carriers, FLNGs, FSRUs, FSUs, FSOs and accommodation barges.

The past decade EXMAR Ship Management has matured from an in-house ship management services provider to a known Operations and Maintenance (O&M) services provider in niche segments in the oil and gas industry. In alignment with the EXMAR Group, during 2019 the O&M activities of EXMAR Ship Management have been grouped into two distinct Business Units: (i) Shipping, and (ii) Infrastructure. This new organizational structure improves the flexibility and customer focus of the fleet teams and enables operational teams to efficiently align with international industry standards and best practices.

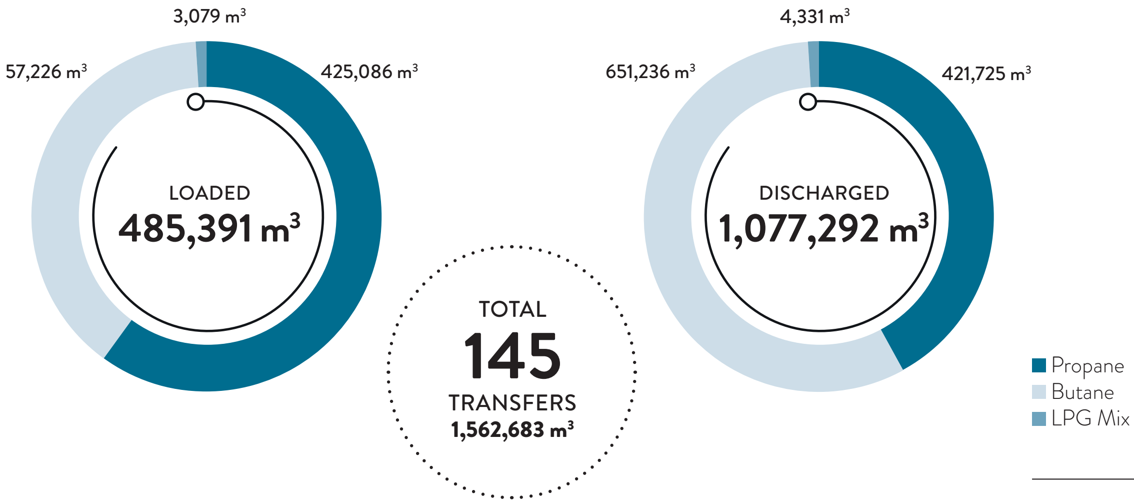
Industry requirements

A major contributing factor to the overall improvement in ship management operations and safety over the last three decades has been the gradual tightening of oil major requirements through stringent vetting regimes and the Tanker Manager Self-Assessment (TMSA) declaration. TMSA was developed by the Oil Companies Marine International Forum (OCIMF) to assist ship managers in assessing their safety management systems (SMS), required under the International Safety Management (ISM) Code. Using TMSA, owners can measure and improve upon any aspect in their SMS that might be sub-standard or weak. EXMAR Ship Management continuously maintains an updated TMSA that is reviewed regularly by different oil majors.

As our seafarers are the cornerstone to the success of the EXMAR Group, one of the action items is to further strengthen the good relationship between shore- and sea-based employees. The developed action plan includes a variety of updated targets ranging from increased vessel visits by shore personnel to more coaching on board of the vessels. For many years, our global crew conferences have been hosted in order to spread the Company values, to start a dialogue with our seafarers, to train our crew on industry best practices and to inform them on latest developments in the industry and EXMAR Group. These conferences are organized on a global scale and will remain a very strong element in building a constructive, safe and performing work environment.

SHIP TO SHIP TRANSFER

SUMMARY LPG STS OPERATIONS 2019



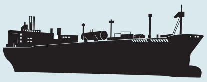
EXMAR Ship Management has always had a varied portfolio of vessel and infrastructure owners active in the oil and gas industry. 2019 has been a challenging year for the shipping division with four newbuild VLGCs and one MGC entering into management. The Infrastructure division commenced commercial operations of *TANGO FLNG* in Argentina. The unit was commissioned by the customer in June 2019, with commercial operations commencing in mid-September and the first LNG cargo being transported by mid-November. This fast track solution is unique and a great achievement by all parties involved, especially the O&M team ashore and on board of the unit.

2020 will be another interesting year with the preparations for the management of two VLGCs ordered by EXMAR at the Jiangnan shipyard in China and the start of AEX LNG Management.

EXMAR and Anglo-Eastern Univan Group joined forces and established a joint-venture named AEX LNG Management. The start-up will be dedicated to LNG newbuilding supervision and vessel management of LNG carriers for third-party owners. Based in Singapore and combining the LNG expertise of EXMAR Ship Management with the global scale and systems of Anglo-Eastern, AEX LNG Management successfully completed its first interim Document of Compliance audit in December 2019. In 2020, focus will turn to bringing the first LNG conventional carrier into management and subsequently expanding its scope of business.

Excelerate Energy announced in 2019 the launch of their own ship management division Excelerate Technical Management. They plan to transition their entire fleet to this division before the end of 2020.

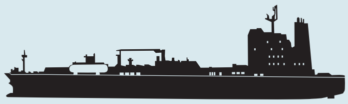
2 NEWBUILDS



VLGC JIANGNAN H2667
owned

VLGC JIANGNAN H2668
owned

20 MIDSIZE GAS CARRIERS



TOURAINE
joint venture

EUPEN
joint venture

LIBRAMONT
joint venture

SOMBEKE
joint venture

WAASMUNSTER
joint venture

WARISOULX
joint venture

WARINSART
joint venture

WAREGEM
joint venture

BRUSSELS
joint venture

BASTOGNE
joint venture

KAPRIJKE
joint venture

KNOKKE
joint venture

KONTICH
joint venture

KORTRIJK
joint venture

KALLO
joint venture

KRUIBEKE
joint venture

KAPELLEN
joint venture

KOKSIJDE
joint venture

WEPION
joint venture

JUNGFRAU EXPLORER
managed

5 PRESSURIZED

ELISABETH
bareboat

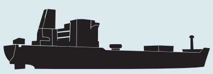
MAGDALENA
bareboat

ANGELA
bareboat

JOAN
bareboat

MARIANNE
bareboat

1 SEMI-REFRIGERATED



TEMSE
joint venture

1 FSU (VESSEL-BASED)

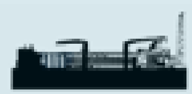
PORTOVYY
managed

2 ACCOMMODATION BARGES

NUNCE
joint venture

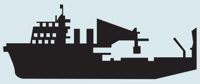
WARIBOKO
joint venture

1 FSRU BARGE



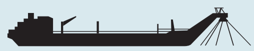
FSRU S-188
owned

1
MULTIPURPOSE SUPPLY VESSEL



GEO OCEAN II
managed

1
FSO

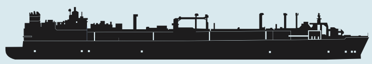


NKOSSA II
managed

1
FLNG BARGE

TANGO FLNG
owned

10
FSRU (VESSEL-BASED)



EXCELLENCE
managed

EXCELSIOR
managed

EXEMPLAR
managed

EXPEDIENT
managed

EXPLORER
managed

EXPRESS
managed

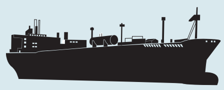
EXQUISITE
managed

FSRU TOSCANA
managed

SUMMIT LNG
managed

EXPERIENCE
managed

11
VERY LARGE GAS CARRIERS



LEVANT
managed

PASSAT
managed

SIROCCO
managed

AVANCE
managed

BREEZE
managed

MISTRAL
managed

MONSOON
managed

DOM EXPLORER
managed

EIGER EXPLORER
managed

MATTERHORN EXPLORER
managed

WEISSHORN EXPLORER
managed

5
FRUIT JUICE CARRIERS

CARLOS FISCHER
managed

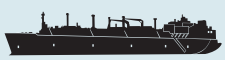
CITRUS VITA BRASIL
managed

OURO DO BRASIL
managed

PREMIUM DO BRASIL
managed

SOL DO BRASIL
managed

1
LNG CARRIER



EXCALIBUR
joint venture

BEXCO

BEXCO is a leading European manufacturer of synthetic mooring, towing and lifting ropes, made-to-measure for offshore, oil and gas, marine and industrial applications.

In 2019, BEXCO had its largest order ever intake for deep water mooring rope, with DeepRope tender wins for exploration projects reaching final investment decision (FID). BEXCO was also able to successfully deliver its first DeepRope project in China for national offshore producer CNOOC.

BEXCO significantly grew its market share in synthetic slings for offshore heavy lift operations, with notable reference gains for offshore wind installations. It also delivered specialized HMPE rope for FLNG jetty mooring and FSRU shallow water seabed mooring. Both these markets are expected to grow in demand during 2020.

BEXCO also consolidated its market share in Single Point Mooring solutions.

In the marine market, BEXCO retained its recurring mooring business with two of the world's leading liner shipping owners for their existing fleets as well winning tenders for their ultra-large containership newbuild programmes. BEXCO also made inroads into the cruise liner sector, having developed a specialized mooring solution for the segment. BEXCO will expand its activities in both LNG shipping and towing in 2020.

BEXCO expanded its presence in the US, with strong showings in the order book for inland marine and local offshore mooring, towing and heavy lift applications. In 2020, BEXCO will also establish direct representation in Australia.

January 2020 saw the appointment of Chief Commercial Officer Rudi Labeau as the new Chief Executive Officer of BEXCO.

TRAVEL PLUS

Travel PLUS is Belgium's largest independent travel agency, located in Antwerp. It differentiates by offering a high level of personal care towards its business and leisure travellers, combining tailor-made itineraries with exceptional after-sales service.

The revenue split of 70/30 between respective business and leisure segments is as per the previous year.

The result from 2019 is also in line with the previous year thanks to a decent performance in bookings from both existing and new clients.

Travel PLUS aims at retaining and further growing its clientele base by centralizing all its bookings onto a single platform and by focusing on profitable organic growth in 2020. The company has also entered into an exclusive partnership with the Travel Leaders Network, a community of travel professionals representing approximately 5,700 travel agency locations across the United States and Canada. This will provide access for the company to corporate travel whilst maintaining its PLUS Service value proposition (Professional Loyal Unbeatable Service).

It is expected that COVID-19 will have an impact on the results of 2020.

EXMAR YACHTING

With a fleet of luxury vessels under management, EXMAR Yachting assists both experienced and first-time owners in building, refitting, maintaining and chartering their luxury yachts. The team of highly experienced captains, technical superintendents, crewing managers and operations staff are on hand to provide a dedicated and personal service for each vessel.

#03

CARE FOR TODAY, RESPECT FOR TOMORROW

As a global energy supply chain solutions provider, EXMAR operates in an ever-changing world. Our business is to develop specialized solutions for clients who are looking to find innovative means of storing, transporting and transhipping hydrocarbons in both liquefied and gaseous states. In all activities we give the upmost priority to the health, safety and well-being of our people at sea and ashore, the quality of our assets and the protection of the environment. We want to demonstrate to the world "we care today because we respect tomorrow".

Our business principles

We do business with respect for the world in which we operate and we recognize that our operations impact our colleagues, customers, suppliers, partners and society as a world-class global provider of specialized services to the oil and gas industry.

- We respect the fundamental human rights and freedoms. We do not tolerate discrimination of any kind on grounds of race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.
- We undertake to be open, honest and accountable in our relationships with everyone we work with and with each other. This means that we will not tolerate any form of bribery, facilitation payments or fee-based recruitments made in the course of business or services related to our Company.
- We apply a zero-tolerance for modern slavery in our supply chain. This includes but is not limited to child labour, human trafficking and forced or bonded labour. Furthermore, we subscribe to fundamental labour rights: the ability to enter into employment and terminate it freely and voluntarily as per relevant collective agreements; freedom of association and collective bargaining; and access to information on rights and obligations during employment.
- We encourage and promote processes in our supply chain that minimize the impact on our natural resources, that reduce the release of greenhouse gasses and that have no negative consequences to the environment.
- We insist on maintaining the highest safety standards throughout our operations, our supply chain and in the services provided to us.

PEOPLE – OUR MOST VALUABLE ASSET

EXMAR employees are the key to our success: their skills, commitment and motivation make EXMAR competitive and fit for the future.

EXMAR places great importance on a healthy, competitive working environment and a well-defined organisational structure, and to the sense of belonging, motivation and team spirit of its employees, on every level.
All staff members are given the opportunity to extend their knowledge and experience further via courses and training, with participation in internal and external seminars and conferences.

SOCIAL RESPONSIBILITY INITIATIVES
EXMAR is also a patron to VZW ZachteKracht, which is a charity located at the Royal Yacht Club at the Belgian coast town of Nieuwpoort and which offers opportunities to young people with special needs to sail on a yacht at sea for a day.
EXMAR staff organizes an annual fairtrade breakfast in recent years and distributed Saint Nicholas chocolate which support the charity OXFAM.

TRANSITION OFFICE
Early 2019 an internal EXMAR survey took place. Up to 50 managers and employees from different business units in Antwerp Headquarters as well as from the Houston office were interviewed to give open feedback on the current status of the Company and the potential areas of improvement. The findings provided very useful input and resulted in a report with action points to prepare EXMAR for the future. A Transition Office team was installed to facilitate the implementation of the plan. Four focus areas were identified: the business model, organizational structure, financial performance management and the Company culture. This has led to a series of changes and initiatives which include:

- an adapted organisational structure
- increased interaction between the business units
- internal communication engagement with several information sessions, internal workshops and an EXMAR Conference for all staff
- HR policies for the various companies in the EXMAR Group were compared and prepared for alignment.

ENVIRONMENT AND SAFETY

SUSTAINABLE SHIPPING

The shipping sector has always been subject to increasing international, regional and local regulatory pressure for sustainable shipping and more lately an increased focus has been placed on improving efficiency and reducing CO_2 and greenhouse gas emissions.

As a ship manager, EXMAR Ship Management (ESM) aims to operate the vessels in compliance with all international regulations and requirements. Our ESM management system obtained external certifications such as ISO 14001 (environmental care), ISO 50001 (energy efficiency) and OHSAS 18001 (health and safety). ESM supports sustainability initiatives and is part of the Environmental Committee of Intertanko.

The commitment to lower emissions and to optimize fuel consumption is monitored via annual objectives. All energy efforts and fuel efficiency targets are also continuously monitored via technology that is supported by a leading classification society. EXMAR Ship Management voluntarily participates in the Environmental Ship Index system (ESI) whereby basic vessel emission data is submitted resulting in an ESI score per vessel.

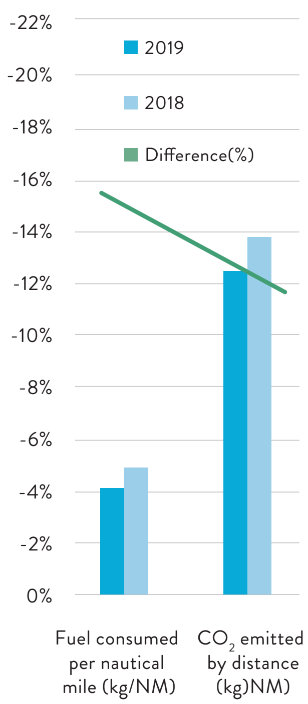
ENVIRONMENTAL PERFORMANCE

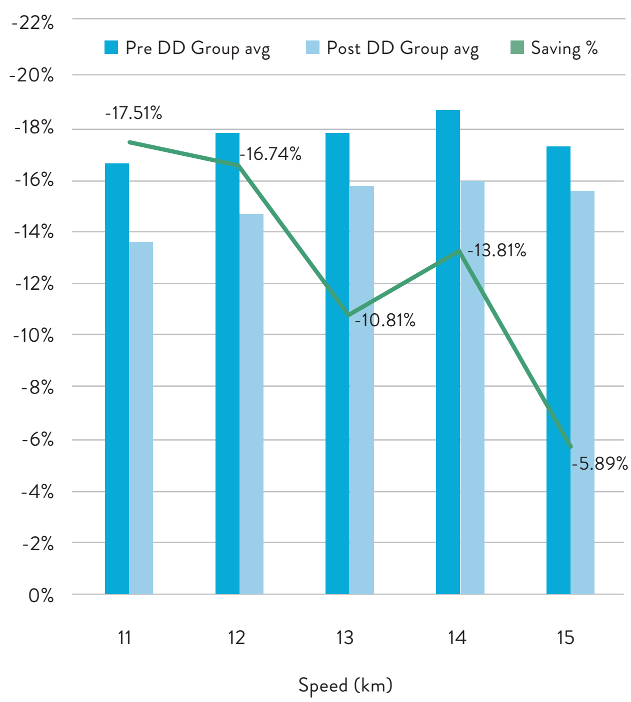
In 2019 there were no overboard spills reported. In total there were six oil spills on board of which two took place on deck during lifting operations. Each case was thoroughly investigated, with corrective and preventive actions taken.

One of our main focus points is improving the energy efficiency of the EXMAR fleet. The Energy Efficiency Operational Indicator (EEOI) is a monitoring tool for managing ship and fleet efficiency over time. The average EEOI for EXMAR's LPG fleet was 40,5 in 2019.

Thanks to our efforts by staff at sea and on shore, the EXMAR midsize LPG fleet had a year-on-year average reduction of 14,75% on fuel consumed per nautical mile sailed. As a result, EXMAR achieved a 10,80% reduction in CO_2 emitted per nautical mile sailed.

In 2019, the EXMAR Fully Pressurized fleet completed the second special survey dry dock. Maintenance works on the engines, hull and propeller performed during these technical stops, lead to a fuel efficiency increase as per following graphs.





Taking the Safety LEAD update

SAFETY PERFORMANCE

In 2019 the frequency of lost time injuries (LTI) for the total fleet managed by EXMAR Ship Management decreased to 0.81, a reduction of 37% compared to last year. Taking into account the significant expansion of both the owned and managed fleet, we are very proud of this result. Looking at the EXMAR LPG fleet, the safety performance in 2019 was the best so far with 0.31 lost time injuries per 1 million working hours.

EXMAR is not only looking into preventive measures for lost time injuries, but also into the root causes of restricted work, medical treatment, first aid cases or serious near misses. Examples of initiatives taken in 2019: new scaffolding material, reviewed procedure for safe lifting operations and working at height, new Personal Protective Equipment (PPE) for the prevention of eye injuries, and a vertical life line system to safely climb on deck ladders with a height of more than two meters.

Launch of the generic risk assessment library

The overall goal of our Safety Management System is to control the risks related to a job. Based on the input from our crew, proper risk management is often time consuming and very challenging given the vessels' busy schedule with short port calls, increased administration etc. EXMAR's HSEQ department is continuously looking into ways to optimize the process and improve the Company's safety performance.

In 2019 we launched a digital generic risk assessment library on board the fleet. The library includes generic risk assessments for the jobs that frequently take place on board. Each risk assessment is the result of a team effort between vessels, marine, technical and HSEQ department. The crew on board uses the generic risk assessment as a basis to start from and adds situation and job specific risks to it.

Third parties: their safety is our business

Based on analysis of safety statistics third parties working on board our fleet were identified as a high risk, both to our crew as to third party workers' own safety.

Their safety is our business and needs a structured approach, below tools were implemented:

01 A new policy on the EXMAR HSEQ standard and requirements towards third parties. The policy is to be acknowledged by the third party when signing the contract.

02 A new tool to manage safety during third party interventions with a focus on
- joint job preparation
- open communication and close follow-up

03 New evaluation system for third parties

Safety campaign posters

Besides systems and tools, safety awareness and communication are crucial. The initiative of bi-monthly safety campaign posters was launched. Here's an overview of the 2019 campaigns:

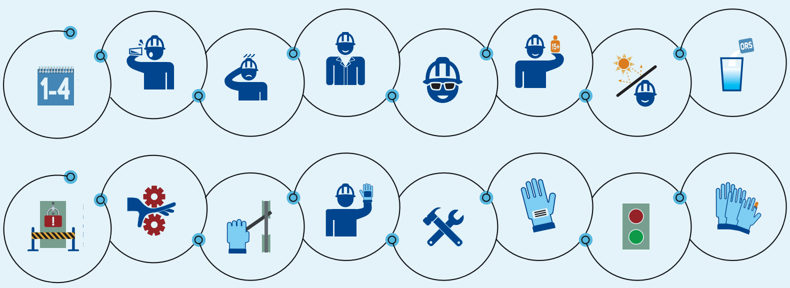
01 Safety is in your hands: 8 measures to prevent hand injuries

02 Know how to beat the heat with tips and tricks on how to avoid heat strokes

03 Lift the value of safety: safety during lifting operations

04 Get on board with safety: safe transfer by launch

05 Don't be toxic to safety: safely working with chemicals



RESEARCH & DEVELOPMENT (R&D)

With the R&D group within EXMAR, efforts are being made to look beyond hydrocarbons and work towards a less hydrocarbon- intensive economy. One of the possible cornerstones for an economy which might be less carbon intensive could be hydrogen. In this respect, EXMAR has multiple R&D projects running to anticipate the possible shift from a hydrocarbon economy to a hydrogen economy.

The hydrogen coalition

Together with six other leading players EXMAR signed a cooperation agreement to research on hydrogen and the establishment of an end-to-end supply of hydrogen as an energy and fuel source.

The climate target to reduce CO_2 emissions in Belgium by 80% by 2050 compared to 2005 levels is a major challenge. Hydrogen could have an important role to play in the mix of solutions to achieve results. The coalition includes DEME, ENGIE, EXMAR, Fluxys, Port of Antwerp, Port of Zeebrugge and WaterstofNet.

A joint study will serve as a basis to coordinate delivery of concrete projects that shape the production, transport and storage of hydrogen. Hydrogen is an important carrier for renewable energy to be used for electricity and heat production, for mobility, for fuel production and as a raw material for industrial production. Crucial in the viability of a hydrogen economy is the generation of sufficient renewable electricity for the production of hydrogen.

As in Belgium wind and solar energy are not sufficiently available, part of the renewable energy will need to be imported. However, efficient and economic solutions for the production, transport, import and storage of hydrogen require specific expertise. The seven major industrial players and public stakeholders will bring their expertise together in a coordinated way taking steps towards a hydrogen-based economy in Belgium.

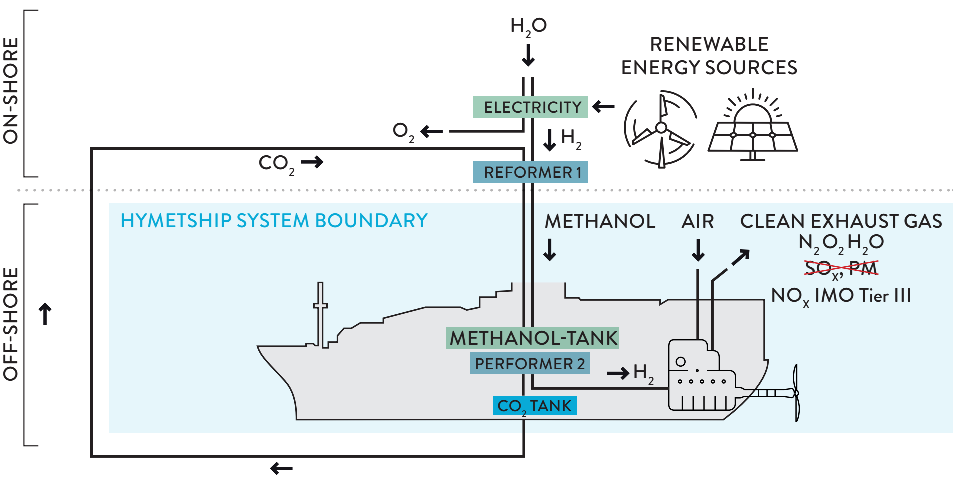
The partners will make a joint analysis of the entire hydrogen import and transport chain. The aim is to map the financial, technical and regulatory aspects of the various components in the logistics chain: production, loading and unloading and transport by sea and via pipelines. The outcome of the analysis will be a roadmap that indicates the best way to transport hydrogen for the various applications in the energy and chemical sector. The results of this analysis, which is expected to be ready in approximately one year, will form the bridge towards concrete projects.

HyMethShip

EXMAR is part of the HyMethShip Consortium which has been granted EUR 9 million fund under the EU Horizons 2020 programme.

The goal of the research project is to design an emission-free commercial vessel, using e-methanol as fuel source.

The HyMethShip system innovatively combines a membrane reactor, a CO_2 capture system, a storage



system for CO_2 and methanol as well as a hydrogen-fueled internal combustion engine into one system (Figure page 32).

The proposed solution converts methanol to hydrogen, which is then burned in a conventional reciprocating engine that has been upgraded to burn multiple fuel types and especially optimized for hydrogen use.

The HyMethShip system is expected to significantly reduce emissions and improve the efficiency of waterborne transport at the same time. The concept allows for more than 90% reduction in CO_2 emissions and will practically eliminate sulphur oxide and particulate matter emissions.

It is envisaged that NOx emissions will be reduced by more than 80%, significantly below the IMO Tier III limit. This system will be developed, validated, and demonstrated on-shore with an engine in the range of 1-2 MW typical for marine applications. Ultimately the HyMethShip concept could become a negative greenhouse gas (GHG)-emission contributor.

Hydrogen-driven yachts

The Dutch naval architecture and design studio Diana Yacht Design has unveiled a brand new, radical superyacht concept for the 2019 Monaco Yacht Show: the 36-metre Blue Angel superyacht. With hydrogen propulsion providing the yacht's power, Diana Yacht Design and the Belgian company EXMAR Yachting prove the eco-credentials within the superyacht industry can be so much more than surface level. Blue Angel is aesthetically appealing; she is clean and athletic with modern exterior lines, and, above all, realistic in the design.

The idea behind this ecological yacht began with EXMAR Yachting, which has been closely following the development of technology for creating a hydrogen-powered yacht. After some creative meetings with the Dutch studio, sketches of the first of three yacht concepts were made: the 'Ecological' Blue Angel concept.

The concept is based on meeting the needs of a hard-working, modern family who are looking to make the most of their leisure time, enjoy a luxury lifestyle and explore the world but who also care deeply about the environment.
When Blue Angel is running on hydrogen as its sole fuel, this allows for silent and clean cruising with zero emissions. The fuel cells to be used to generate the propulsion power are completely silent, vibration, smoke and smell free. This perfectly combines the advantages for the environment with an increased experience on board of the yacht.

NEWBUILD VESSELS

In 2019, EXMAR has placed an order for two state-of-the-art VLGCs at the Jiangnan shipyard in China. Compared to their peers, when delivered these VLGCs will be considered as a Super-ECO design with a significantly lower environmental footprint.

Environmental

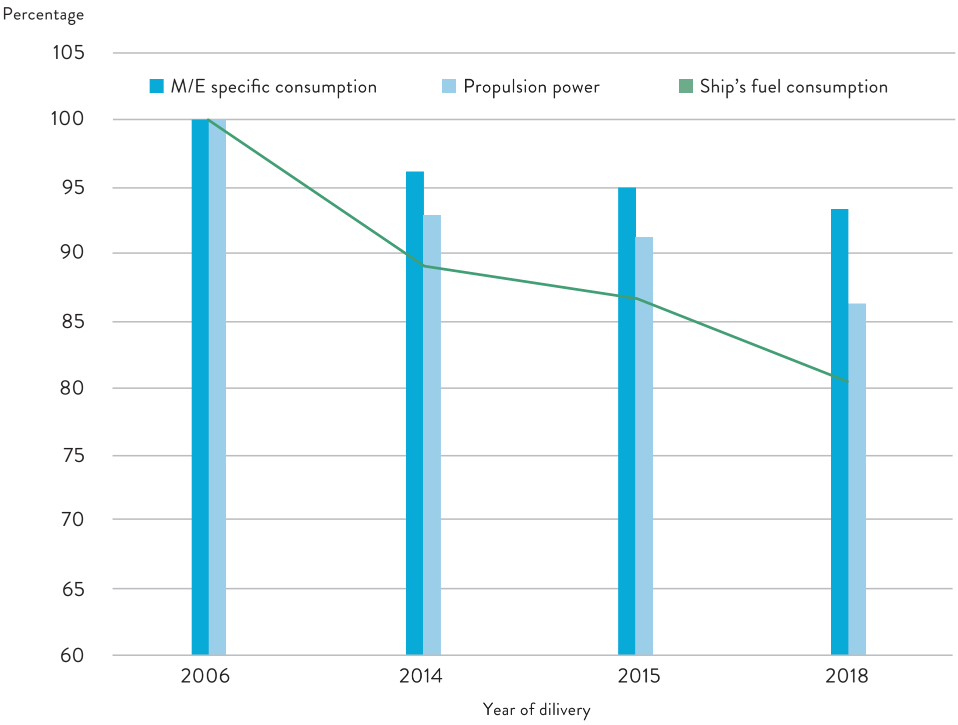
Less consumption/lower carbon footprint

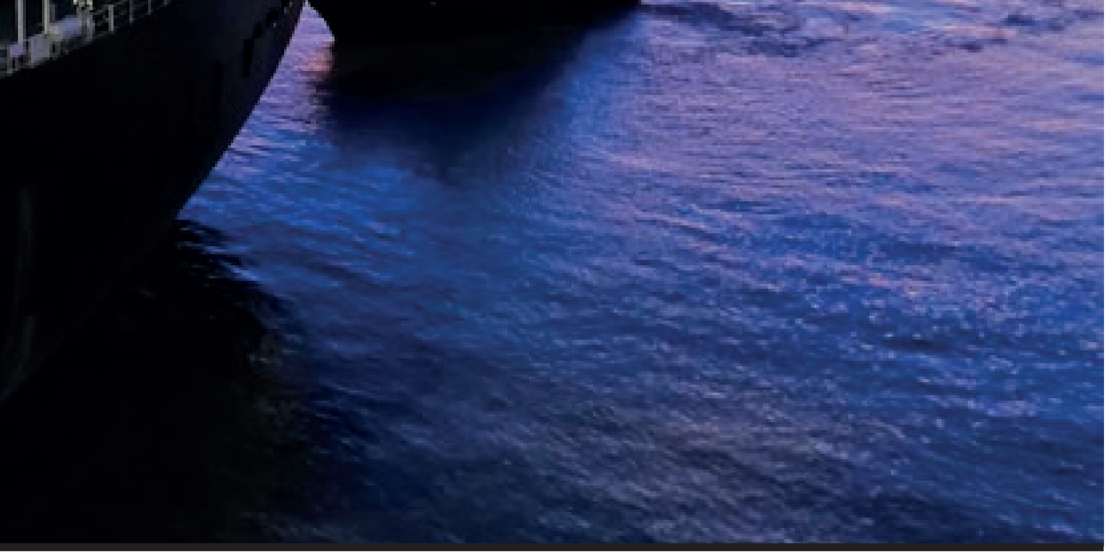
All best available technology will be combined to increase the efficiency of the vessels.

The power needed to sail the vessels through the water will be minimized as far practically possible through a smart combination of following features:

- Hull line optimization using powerful Computational Fluid Dynamics software comparing hundreds of different hull forms and selecting the one hull form which has the best performance for the intended service
- Selection of a premium anti-foaling coating on the underwater hull to minimize the resistance through the water, while keeping the operating profile of the vessel in the equation
- Installation of a propeller with the lowest possible surface roughness, which can be made with the current machinery available in combination with a well-designed propeller boss cap fin. Both significantly boost propeller performance
- Providing the crew with trim optimization software and tools to ensure the vessel is always sailing on the trim giving the least resistance
- Fitting of a full spade rudder which reduces the total rudder surface and hence also has a positive effect on the total vessel resistance.

Reducing the power requirements is only one step of the effort. The next step is to ensure that the power to propel the vessel will be generated in the most efficient way. EXMAR has succeeded in this by radically opting for a completely different marine fuel: LPG. While LPG has been used for a long time already in the automotive industry, it never made its introduction in the maritime industry up until now.





With this novel idea, the CO_2 emissions of the vessel decrease in one step with 15%, which brings with it a major reduction of the carbon footprint of a VLGC. Additionally the latest engine design has been adopted to give lower consumption and a shaft generator will be fitted. Using the shaft generator during sailing, the 4-stroke auxiliary engines can simply be switched off and all onboard electrical power can be generated using LPG as fuel as well with a more efficient 2-stroke engine.

All these efforts are finally being translated into the Energy Efficiency Design Index (EEDI), which is an IMO Key Performance Indicator (KPI) on the performance of newbuild vessels. The new VLGCs will easily reach an EEDI level 3. Such a level is only mandatory as from 2025 onwards, which means the EXMAR VLGCs being delivered in 2021 will already be compliant with the energy requirements of the future.

Less pollution

As an important additional benefit of EXMAR's choice to use LPG as fuel, the air emissions of harmful components are being drastically lowered as well (compared to standard HFO):

- The SOx emissions are lowered with 97%, easily complying with the IMO limit of 0.5% Sulphur in the fuel
- The NOx emissions are lowered with 15% while sailing worldwide. In the NOx ECA zones the NOx emissions are further reduced by using a Selective Catalytic Reduction unit, lowering the NOx levels from the exhaust gas below the IMO Tier III limiations
- The Particulate Matter content in the exhaust gas is lowered with 50%.

Apart from the direct air emissions from the machinery, significant efforts and investments have been done to tackle as well other possible harmful substances.

- The refrigerant in the cooling systems used on board of the vessels will be R407C, which is much less ozone depleting compared to other products available on the market. Additional to this, leak detectors will be fitted around refrigerating equipment to quickly be warned in case of any leakage.
- The firefighting substances which will be deployed include CO_2, nitrogen, dry power and water spray; i.e. no substances which are damage the ozone layer.
- An UV-type ballast water treatment plant compliant with IMO D-2 and with USCG type approval will be installed.
- In order to segregate the oil better from the bilge water a primary bilge settling/cascade tank will be fitted. The oily water separator will be fitted with a 5 ppm oil in water detector on the overboard line. This means that the water is much cleaner compared to the industry standard where regulations allow 15ppm oil in water concentration for discharging bilge water.
- Clean condensate water from the main engine air cooler and the air-handling unit will be collected in a separate tank to avoid oil contamination of the same.
- A garbage management plan will be implemented, all garbage will be separated and a garbage compactor will be installed to reduce the waste volume.
- The vessels will be equipped with a sewage treatment plant compliant with the latest international standards. The grey water (coming from the showers) will also be led to this sewage treatment plant. A grey water holding tank with sufficient capacity will be installed in the vessel.
- The vessels will comply with the anti-fouling convention and use no harmful components like TBT that leach into the seawater and kill marine life.
- Grease for open gears and cables of deck machinery shall be an environmentally acceptable lubricant.
- An air chamber sealing system will be installed in the stern tube.
- The vessels will hold and maintain an Inventory of Hazardous Materials.
- Last but not least will the liquefaction plants of the vessels be equipped with an ECO condenser to reduce the emission of hydrocarbons in cargo liquefaction operations.

Social

The vessels will be fully compliant with the Maritime Labour Convention. Additional investments have been made to improve the accommodation and equipment installed inside to improve the welfare of the crew.

The galley equipment was upgraded and the design of the galley was made in consultation with a galley coach.

The ships office will have an "open office" setup, increasing the social interaction. For the same reason a common mess room was selected instead of the usual separate setup between officers and crew.

A dedicated smoking room with proper extraction fan is foreseen where smoking is allowed. In all other places in the accommodation smoking will be forbidden.

#04 FINANCIAL REPORT


KALLO

FINANCIAL CONTENT

CORPORATE GOVERNANCE STATEMENT

Corporate Governance aims to define several rules and behaviours according to which companies are properly managed and controlled, with the objective to increase transparency. It's a system of checks and balances between the shareholders, the Board of Directors, the Chief Executive Officer and the Excecutive Committee.

GOVERNANCE MODEL

EXMAR NV is governed by the Belgian Code of Companies and Associations and the 2009 Belgian Corporate Governance Code. The key features are:

- A Board of Directors, which defines EXMAR's general policy and strategy and supervises the operational management;
- An Audit Committee, a Nomination and Remuneration Committee and an Executive Committee created by the Board of Directors;
- A Chief Executive Officer (CEO) who takes primary responsibility for operational management.

DESIGNATION APPLICALBE 2009 CODE ON CORPORATE GOVERNANCE

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), as well as on the website www.corporategovernancecommittee.be.

As a result of the publication of the 2009 Belgian Corporate Governance Code ("Code 2009"), EXMAR has Code 2009 as a reference code.

PRINCIPLES CODE 2009

Pursuant to article 3:6 of the Belgian Code of Companies and Associations, EXMAR follows the principles of the 2009 Belgian Code on Corporate Governance:

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

As a Belgian-headquartered Company with a commitment to the highest standards of corporate governance, the Board of Directors adopted a Corporate Governance Charter.

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 Associations 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 the 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.

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

NEW BELGIAN CORPORATE GOVERANCE CODE 2020

The new Belgian Corporate Governance Code 2020 ("Code 2020") was presented on 9 May 2019 as a new reference code for Belgian listed companies.

Code 2020 attaches great importance to sustainable value creation and long-term vision. The new code, which replaces the versions previously published in 2004 and 2009, is also structured under a number of principles. Listed companies are expected to comply with the principles unless an adequate explanation for deviating from a provision is provided.

The Code 2020 applies as from financial year 2020. EXMAR will reflect on its current governance structure; an amended Corporate Governance Charter will be drafted, discussed and adopted by the EXMAR Board including all elements required by law and the statements how the Code is applied. The EXMAR code will be aligned with the new Code of Companies and Associations and the new Articles of Association which will be discussed and presented to the Shareholders later in 2020 for approval.

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 thereafter, reference 03072972, and of 4 July thereafter, 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 15 May 2018, published in the appendix to the Belgian Official Gazette of 17 September thereafter, reference 18139021.

1.2 REGISTERED OFFICE

De Gerlachekaai 20, 2000 Antwerp, Belgium.

VAT BE0860.409.202.
Company Registration Antwerp – section 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 the Belgian Code of Companies and Associations, the reference value of the capital is set at EUR 72,777,924.85.

No changes in capital occurred during the course of 2019.

1.4 AUTHORIZED CAPITAL

Pursuant to the Belgian Code of Companies and Associations, 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 16 May 2017, 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 Code of Companies and Associations. The special report of the Board of Directors was drawn up in accordance with the provisions of Section 7:199 of the Belgian Code of Companies and Associations.

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

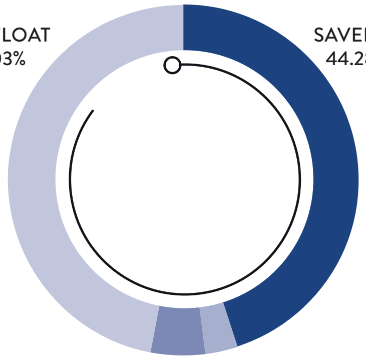
The Annual General Meeting takes place on the third Tuesday of May at 2.30 p.m.

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 15 May 2018, 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 2019 amounted to 3.82%, which represents 2,273,263 shares.



1.7 SHARES AND SHAREHOLDERS
Shareholding as per 31 December 2019:
The EXMAR share is listed on Euronext Brussels and is part of the Bel Small index (Euronext: EXM).

During the course of 2019 and till the date of this report, EXMAR NV received three 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:

- On 18 July 2019 EXMAR NV announced that Cobas Asset Management S.G.I.I.C. S.A. crossed a downward threshold (from 5.02% to 4.98%).
- On 8 August 2019 EXMAR NV announced that Cobas Asset Management S.G.I.I.C. S.A. crossed a threshold of 5% due to an acquisition of shares.
- On 30 October 2019 EXMAR NV announced that Saverex NV disclosed that due to the sale of 500,000 voting rights the threshold of 50% was crossed.

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 30 August 2019, 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).

The Company has no knowledge of any agreements made between shareholders.
The Articles of Association impose no restrictions on the transfer of shares.

2. Composition and functioning of the Board, management and controlling bodies

2.1 BOARD OF DIRECTORS
2.1.1 Composition
On 31 December 2019 the Board of Directors consisted of 10 members, appointed by the Annual General Meeting of Shareholders and 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 specificness of the Company.

Mr. De Geest however was co-opted as independent director as per 29 January 2020 to replace Mrs. Eisbrenner who passed away on 9 May 2019. The appointment of Mr. De Geest will be submitted for approval to the General Meeting of Shareholders of EXMAR of Tuesday 19 May 2020.

Functions and terms of office of the Directors on the Board per 31 December 2019:

Name – Function	Number of attended meetings	Beginning of mandate	Last renewal	End of mandate
BOARD OF DIRECTORS				
BARON PHILIPPE BODSON • Chairman Board of Directors • Non-executive director • Member Audit Committee • Chairman Nomination- and Remuneration Committee	7/7	20 June 2003	15 May 2018	2021
NICOLAS SAVERYS • Executive director • Chief Executive Officer (CEO)	7/7	20 June 2003	15 May 2018	2021
MICHEL DELBAERE • Independent director • Member Nomination- and Remuneration Committee	7/7	17 May 2016	21 May 2019	2022
JALCOS NV REPRESENTED BY LUDWIG CRIEL • Non-executive director • Chairman Audit Committee	7/7	16 May 2017		2020
ARIANE SAVERYS • Non-executive director	7/7	15 May 2012	15 May 2018	2021
PAULINE SAVERYS • Non-executive director	7/7	15 May 2012	15 May 2018	2021

BARON PHILIPPE VLERICK • Non-executive director • Member Audit Committee	7/7	20 June 2003	16 May 2017	2020
BARBARA SAVERYS • Non-executive director	7/7	19 May 2015	15 May 2018	2021
ISABELLE VLEURINCK • Independent director • Member Nomination- and Remuneration Committee • Member of the Audit Committee • Appointed since 21 May 2019	4/4	21 May 2019		2022
KATHLEEN EISBRENNER (†) • Independent director • Co-opted by Mr. Wouter De Geest as per 29 January 2020	2/2	15 May 2018		2019
JENS ISMAR • Independent director • Member of the Audit Committee • Member Nomination- and Remuneration Committee • Appointed since 10 October 2019 as member of the Executive Committee (Executive Director Shipping)	5/5	18 May 2010	21 May 2019	2019

2.1.2 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 Code of Companies and Associations or the coordinated Articles of Association for the General Meeting of Shareholders.

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.

2.1.3 Activities
During 2019 the Board held seven meetings; all the meetings were held under the chairmanship of Mr. Bodson, each in the presence of all members.

In addition to exercising the powers provided by law, the Articles of Association and the Corporate Governance Charter, the Board of Directors deals with reviewing and deciding on the long-term strategy, key policies and structure of the Company and closing the accounts and financial statements of the Group. Other topics were:
• Financial position – Action plan
• Going concern
• VLGC newbuildings
• Prepare for the Future
• Corporate Governance

2.2 AUDIT COMMITTEE
2.2.1 Composition
The Audit Committee is founded by the Board of Directors.

Article 7:99 of the Belgian Code of Companies and Associations 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 Position and mandate
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.

With the entry into force of the EU General Data Protection Regulation 2016/679 (GDPR) as of 25 May 2018, a Data Protection Committee (DPC) is appointed.
The role of the DPC is to propose the changes to the Company's policies and procedures as required by the GDPR, coordinate and oversee their implementation and monitor compliance with GDPR.
The DPC will report to the Risk Committee.

2.2.3 Activities
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 2019, five meetings were held each in the presence of all members.

The Statutory and the Internal Auditor were present during two meetings.

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
- Going concern

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 Compliance Model and respect of the applicable legislation.

The EXMAR Risk Committee performs these tasks for all entities within the EXMAR group, reporting to the Audit Committee.

The Risk Committee shall at least once per year submit to the Audit Committee 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 on non-compliance complaints it has received in the form requested and within the appropriate timeframe. It will also report the action taken 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.

2.3 NOMINATION AND REMUNERATION COMMITTEE

2.3.1 Composition

The Nomination and Remuneration Committee operates in compliance with Article 7:100 of the Belgian Code of Companies and Associations:

- Composed out of a majority of independent directors
- Chaired by the Chairman of the Board of Directors
- Other members are non-executive

The Nomination and Remuneration Committee was composed of three members on 31 December 2019 and reports to the Board of Directors.

Mrs. Isabelle Vleurinck was appointed as a new independent director of the Company. She is also a member of the Nomination and Remuneration Committee and of the Audit Committee.

2.3.2 Position and mandate

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.

2.3.3 Activities

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 three times during the past year; all the members were present at each meeting.

With respect to remuneration, the following items were discussed:

- Remuneration package for 2020
- Remuneration report

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

- Composition of the Board of Directors

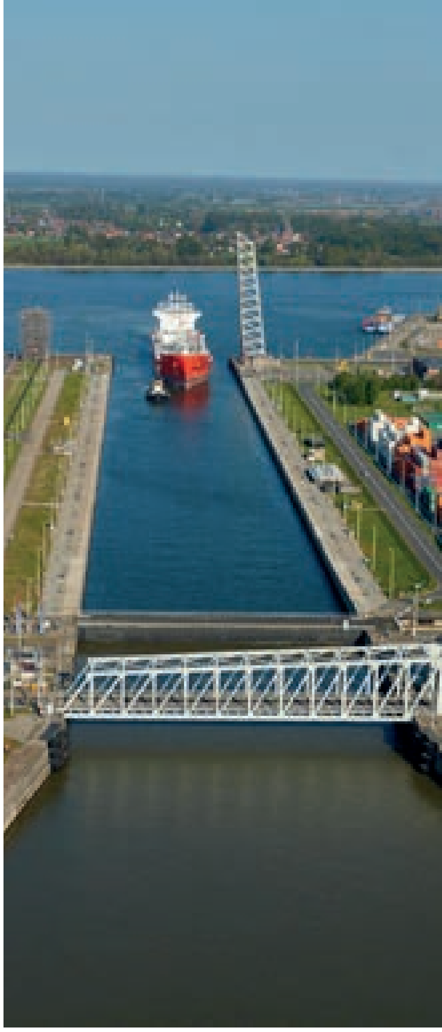
2.4 EXECUTIVE COMMITTEE – CEO

2.4.1 Composition as per 31 December 2019

The Board of Directors delegated its management powers to an Executive Committee in accordance with article 524bis of the (old) Belgian Code of Companies.

Under the 2020 Corporate Governance Code, EXMAR shall make an explicit choice regarding its Governance Structure and the delegation of the daily management to the Executive Committee.

Since 1 February 2020, Mr. De Brabandere is CFO of the Company. No new COO was appointed. The tasks of the COO are entrusted to the deputy CEO.



EXCO 2019	EXCO 2020
NICOLAS SAVERYS • Executive director • Chief Executive Officer (CEO)	NICOLAS SAVERYS • Executive director • Chief Executive Officer (CEO)
PATRICK DE BRABANDERE • Chief Operating Officer (COO)	FRANCIS MOTTRIE • Deputy CEO
MIGUEL DE POTTER • Chief Financial Officer (CFO)	PATRICK DE BRABANDERE • Chief Financial Officer (CFO)
PIERRE DINCQ • Managing Director Shipping	JENS ISMAR • Executive Director Shipping
JONATHAN RAES • Managing Director LNG Infrastructure	JONATHAN RAES • Executive Director Infrastructure
DAVID LIM • Managing Director EXMAR OFFSHORE	
MARC NUYTEMANS • CEO EXMAR Shipmanagement	

2.4.2 Position and mandate

The Executive Committee 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. Policy regarding gender diversity

3.1 LEGISLATION

The Board of Directors took note of the Belgian law of 28 July 2011 regarding to gender diversity on the level of the Board of Directors, the members of the Executive Committee and persons entrusted with the daily management of the Company.

In accordance with provision 2.1 of the Belgian Corporate Governance Code (provision 3.3 of the Code 2020), the Board of Directors needs to be composed based on gender diversity and diversity in general.

3.2 CURRENT SITUATION

The Board of Directors consists of four female members out of a total of 10 members and this complies with the gender diversity rules.

4. Performance Evaluation

In order to function effectively, it is required for the Board to have a transparent means by which it can measure and review its performance with a clear potential path for renewal and improvement.
The Belgian Corporate Governance Code and EXMARS's Corporate Governance Charter foresee this requirement by periodically requesting Board members to complete an evaluation.
EXMAR's Board, under the guidance of its Chairman, first introduced the evaluation process in 2011 (renewed in 2014) and during the course of 2017 the decision was taken to implement a new Board evaluation in 2018.

The evaluation has the main objective of improving the added value of the Board. It should reinforce the values of the Company, increase efficiency also potentially assist in detecting and proactively dealing with any potential problems.

Following the evaluation, feedback by the members results in fine-tuning the functioning of the Board and committees where required.

5. Supervision

5.1 EXTERNAL AUDIT

By decision of the Annual General Meeting of 16 May 2017, on the basis of the proposal formulated by the Board of Directors and in line with the recommendation and preference of the Audit Committee, Deloitte Belgium was appointed as Statutory Auditor of the Company for a period of three years, represented by Mr. Gert Vanhees.

The auditor conducts the external audit of both the consolidated and statutory figures of EXMAR. The Audit Committee in its meeting of 1 September 2017 proposed to the Board of Directors and the Board agreed to no longer review the half-year results, in line with other listed companies' policies. The auditor however was requested to review the updated version of the interim condensed consolidated financial statements to ensure consistency with the adjustments proposed by the Committee.

5.2 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 2022.

5.3 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.).

5.4 COMPLIANCE OFFICER

Mr. Patrick De Brabandere, 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.

6. 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 organizes several activities such as workshops, round tables and seminars. EXMAR promotes directors and management of the Company to participate in these activities.
The training “Director effectiveness” focusses on competences and knowledge needed for a director to fulfil.

7. Rules and procedures

7.1 CONFLICTS OF INTEREST

Each member of the Board of Directors and of the Executive Committee is encouraged to organize his mandate as efficiently as possible and their personal and business interests in such a way that there is no direct or indirect Conflict of Interest with the Company.

Transactions, if any, between EXMAR or an affiliated company and a Board member will take place at arm’s length. The same applies for transactions between the Company or an Affiliate and a person closely related to a member of the Board.

The provisions of the Belgian Code of Companies and Associations and the Corporate Governance Charter will apply in the event of a Conflict of Interest.

7.2 TRANSACTIONS

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 articles 7:96 or 7:115, except those that may be described in the Annual Report from the Board of Directors.

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.

8. Political contributions

EXMAR did not make contributions or payments or otherwise give any endorsement, directly or indirectly, to political parties or committees or to individual politicians.

The employees of EXMAR may not make any political contribution on behalf of EXMAR or through the use of corporate funds or resources.

International control and risk management systems - assesment

STRATEGIC RISKS

Description of risk	Potential impact	Limiting factors and control
MARKET RISKS		
The overall gas and oil market and the worldwide market for the transportation of gas is cyclical.	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.	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.
Lower demand for gas carriers, as well as other floating assets including our LNG infrastructure assets.	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.	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.
POLITICAL ENVIRONMENT IN FOREIGN COUNTRIES		
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.	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.	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.
COMPETITION		
Competitors investing in LPG carriers, FSRUs or other floating assets through consolidation, acquisitions of second hand or newbuildings.	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.	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.

OPERATIONAL RISKS

Description of risk	Potential impact	Limiting factors and control
RISKS ENTAILED IN THE OPERATION OF VESSELS AND OTHER FLOATING ASSETS		
Environmental accidents, work, epidemic diseases, 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.	Our experience within the industry and our policies and procedures such as our maintenance, HSEQ and training programme should limit or avoid certain risks inherent in our business. All our vessels and assets are covered by adequate insurance.
INCREASED OPERATING EXPENSES		
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. Drydocking of vessels can also result in loss of income.	Proactive in-house 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.
FLEET AGE PROFILE		
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 have 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.
ASSETS UNDER CONSTRUCTION		
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 shipyard does not perform and we are not able to enforce the refund guarantee we might lose all or part of our investment. Additionally we might fail to comply with our obligations towards the charterer.	Advance payments are made to the shipyards and 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.
EMPLOYMENT		
Vessels or other floating assets remain off-hire for a substantial period or charters are not renewed or terminated early.	In case we cannot enter into profitable long-term charters for our existing fleet or our floating assets our result and cash flows might 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 have an extensive network 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.
REGULATIONS		
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.	Continuous 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.

Description of risk	Potential impact	Limiting factors and control
INFORMATION TECHNOLOGY SYSTEMS		
Information technology systems change rapidly and are fundamental for the day-to-day operations.	The failure of key information technology systems or processes could adversely affect the operations or lead to data breaches. Cyber-attacks, ransomware or other security breaches could make information technology systems unavailable, interrupt our vessel operations and result in a loss of hire.	A dedicated IT team monitors continuously the information technology changes and exposures. Several measures such as firewalls, anti-virus software and separated networks etc are in place. An information technocogy risk assessment is performed on a regular basis. Policies and procedures are in place and include a disaster recovery plan, an incident response plan and a business continuity plan.
OUTBREAK OF A PANDEMIC DISEASE		
Our seafarers as well as the supplies are crucial for our operations, an outbreak of a pandemic virus or contagious disease can complicate operations.	An outbreak of a pandemic virus in any region or on a global scale would impact our operations. Local or international measures such as but not limited to travel bans, limited or no port access or quarantine measures following such outbreak, could complicate supplies for our floating assets and complicate embarking or even suspend the possibility for seafarer to embark. Such events could result in the asset to be off-hire and a loss of income for the asset or part of our fleet.	Specific and strict policies and procedures are in place for an isolated outbreak on board of an asset and our people are specifically trained on how to deal with such event. Events and risks are continuously monitored by our operational teams who also participate in local and international associations and industry organisations to align with changes in requirements, ongoing guidelines and measures. Our operations are very diversified and our assets are deployed on a global scale, our seafarer are also sourced globally and neither dependent on one nationality or a specific region. Planning of our seafarer is flexible and contracts can be extended if needed in case replacement is not immediately possible or available. A business continuity plan is available to respond to such event and the measures foresee the possibility to have all our shore based teams working remotely or even isolated. In case operations need to be stopped, some of our commercial agreements include clauses covering force majeure and in case of an off-hire event exceeding a specific number of days, our insurance policies cover temporary the loss of income.

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.	Deterioration of the financial viability of one of our significant clients would lead to a significant loss of income and cash flows.	Obligations of clients under long-term charters can be secured by guarantees or other securities. Most of our significant clients have been client of EXMAR for many years, our management team has the necessary experience and knows how to assess the operations and financial viability of our clients.
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 unfavorable.	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 in most cases payable in advance.

Description of risk	Potential impact	Limiting factors and control
FINANCING		
EXMAR is subject to restrictions on credit agreements, such as financial covenants and restrictions for EXMAR and its subsidiaries to take on further debts, distribute dividends, undertake certain investments, sell part of its business without the consent of its lenders	The existing financing arrangements for our fleet are secured by the vessels and parent company guarantees 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 2019, all applicable financial covenants under the financing arrangements are complied with.
Financing to be obtained for assets under construction, operational assets 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 of 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 are 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-realized 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. Our activities tend to be cyclical resulting in changes in the overall fair value of the fleet on the short-term. 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 and at least on each reporting date our fleet is tested for impairment. Testing is done by comparing the carrying amount of our fleet to appraisals of independent shipping brokers and to the net present value of the expected operating cash flows. The operating cash flows are based on internal information and a sensitivity analysis is performed on each assumption. Based on the testing performed as of 31 December 2019 it is concluded that the carrying amount of our fleet is recoverable and that all financial covenants under our financing arrangements are complied with.
LIQUIDITY RISK		
Financial obligations and working capital requirements can vary depending upon a number of factors.	Our cash generating activities can be cyclical and dependent upon market circumstances while our outgoing cash flows can relate to operating, investing or financing activities. Any failure to meet our financial obligations could have material consequences for our operations and could trigger events of default under certain arrangements.	Liquidity is managed on a continuous basis to ensure that sufficient funds are available to meet our financial obligations when due under normal and stressed conditions. Based on our known contractual rights & obligations and using estimates or assumptions if needed, a monthly cash flow forecast is prepared and monitored per segment and for at least the subsequent 12 months. Our sources of operating income as well as our sources of financing are diversified. Payments relating to investing activities and our maturities of bank and other loans are also spread over different years.

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, members of the Executive Committee and management 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, the members of the Executive Committee and management 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 Committee checked at the meeting of 6 December 2019 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 an 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 2019
(IN EUR)

		Fixed Remuneration	Audit Commitee Remuneration	Remuneration Committee remuneration	Total
OVERVIEW OF THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS FOR 2019					
Baron Philippe Bodson	Chairman	100,000	10,000	10,000	120,000
Nicolas Saverys	CEO				0
Jalcos nv*	non-executive Director	50,000	20,000		70,000
Michel Delbaere	non-executive Director	50,000		10,000	60,000
Isabelle Vleurinck** (as from 21 May 2019)	non-executive Director	30,738	6,148	6,148	43,033
Kathleen Eisbrenner (till 21 May 2019)	non-executive Director	19,262			19,262
Jens Ismar (till his nomination as EXCO member)	non-executive Director	35,600	3,852	3,852	43,305
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
TOTAL		485,600	50,000	30,000	565,600

* Represented by Ludwig Criel
** Appointed at General Assembly 19 May 2019

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 to developments in the results and 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 7:91 of the Belgian Code of Companies and Associations 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.
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.

5. Remuneration of the chairman and the other members of the Executive Committee (CEO)

5.1 OVERVIEW

	2019	2018	2019	2018
	CEO: Nicolas Saverys		EXCO: 6,16	EXCO: 6
REMUNERATION OF THE CHAIRMAN AND THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE (CEO)				
Basic salary	€823,385	€823,385	€ 2,227,895	€ 2,033,153
Variable remuneration	€ 0	€ 1,100,000	€ 0	€ 625,000
Share Options (taxable base)	€ 0	€ 0	€ 0	€ 0
Insurance Package*	€ 174,956	€ 174,161	€ 265,042	€ 332,948
Other benefits**	p.m.	p.m.	p.m.	p.m.
TOTAL	€ 998,341	€ 2,097,546	€ 2,492,937	€ 2,991,101

* Individual pension benefit, guaranteed income insurance, accident insurance, hospitalisation insurance, travel insurance
** Car, cell phone and meal cheques

During 2019, an amount of KEUR 122 was invoiced to Mr. Nicolas Saverys as a consequence of private expenses to be recharged. The relating outstanding amount per 31 December 2019 is KEUR 5.5.

The ratio between the fixed and variable part of the remuneration for members of the Executive Committee in 2019 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%

5.2 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 2019.

SHARE OPTIONS	Outstanding as per 31/12/2018	Expired during 2019	Exercised in 2019	Granted 2019	Outstanding as per 31/12/2019
Nicolas Saverys	227,553	28,929	-	-	198,624
Patrick De Brabandere	156,160	21,696	-	-	134,464
Miguel de Potter	90,000	-	-	-	90,000
Pierre Dincq	108,982	8,135	-	-	100,847
David Lim	104,464	7,232	-	-	97,232
Marc Nuytemans	90,000	-	-	-	90,000
Jonathan Raes	2,500	-	-	-	2,500
	779,659	65,992	-	-	713,667

5.3 SHARES

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

5.4. TERMINATION ARRANGEMENTS

Following members of the Executive Committee having self-employed status:
Nicolas Saverys (CEO)
Patrick De Brabandere (CFO)
Pierre Dincq (appointment as EXCO member terminated 6 December 2019)
Marc Nuytemans (appointment as EXCO member terminated 6 December 2019) and have no entitlement to any form of redundancy payment in the event of termination of their appointment.

FLX Consultancy BVBA, represented by Mr. Jonathan Raes would be entitled to a compensation equivalent of nine months' salary in the event of termination.
Chirmont NV, represented by Mr. Miguel de Potter would be entitled to a compensation equivalent to three months' salary in the event of termination.
Lisann AS , represented by Mr. Jens Ismar would be entitled to a compensation equivalent to three month's salary in the event of termination. (appointment as EXCO member as per 10 October 2019).

David Lim has an employment agreement under United States law and has no contractual notice period. (appointment as EXCO member terminated 6 December 2019).

5.5. CHANGES TO REMUNERATION POLICY

No significant changes were made to the remuneration policy in 2019.

5.6. REMUNERATION POLICY 2020-2021

The Remuneration Policy will be aligned according to the new dispositions of the Belgian Code on Corporate Governance (Code 2020) on Executive pay.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Dear shareholders,

The Board of Directors submits for your approval the statutory and consolidated financial statements of EXMAR NV (the "Company") for the year ended 31 December 2019. It's drawn up in accordance with article 3:6 and 3:6§2 of the new Belgian Code of Companies and Associations.

Under the provisions of the Royal Decree of 14 November 2017 regarding the duties of issuers of financial instruments admitted to trading on the Belgian regulated market, the Company is required to publish its annual financial report.

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

This annual report should be read together with EXMAR's report on 2019.

The Coronavirus COVID-19 is causing a high level of uncertainty in the world and will impact the global economy. Several operational measures on-shore and on-board have been taken by EXMAR to ensure the safety and wellbeing of our personnel and continuity of our business operations. The majority of our ships are currently operating under medium to long-term contracts. EXMAR however is subject to certain risks with respect to market dynamics and contractual counterparties.

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 3:42 of the Code of Companies and Associations, 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 7:203 of the Code of Companies and Associations.

COMMENTARY ON THE FINANCIAL STATEMENTS

The statutory result for the financial year amounts to USD 44.9 million (USD 10.2 million in 2018).

Operating expenses decreased compared to 2018 with USD 0.5 million.

Financial income increased with USD 33.6 million in comparison with 2018, this is mainly due to the sale of joint-venture Reslea end of June 2019 to Compagnie Maritime Belge ("CMB").

Financial expenses decreased compared to 2018 with USD 1.8 million, mainly due to the fact that no share options have been exercised in 2019. Consequently, no costs are registered in the statement of profit or loss in this respect.

At the end of 2019, the total assets amounted to USD 823.3 million (USD 736.8 million at the end of 2018), including USD 702.8 million financial fixed assets (USD 619.2 million in 2018).

Shareholder's equity amounted to USD 704.1 million at the end of 2019 (USD 659.2 million in 2018). The increase of USD 44.9 million is the effect of the profit of the financial year 2019 for the same amount.

Total liabilities at the end of 2019 amounted to USD 118.9 million (USD 77.3 million at the end of 2018), of which USD 118.9 million short-term debt (USD 77.3 million short-term debt at the end of 2018). The increase in the debt can be mainly explained by increased short term bank financing.

The 2019 statutory annual accounts show a profit of USD 44.9 million. Including the results carried forward from the previous financial years and the transfer from reserves not available for distribution, an amount of USD 321.3 million can be carried forward.

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 274,177,783.01
Profit of the period: USD 44,885,407.34
Transfer from the reserves not available for distribution: USD 2,234,508.42
Result to be carried forward: USD 321,297,698.77

Following this appropriation, the shareholders' equity of USD 704,115,046.69 will be composed as follows:

Capital: USD 88,811,667.00
Issue premium: USD 209,901,923.77
Reserves: USD 84,103,757.15
Retained earnings: USD 321,297,698.77

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.

In 2019, EXMAR Group achieved a consolidated result of USD -13.2 million (USD -16.1 million in 2018).

Revenue increased in comparison with 2018 (USD 49.0 million). The increase in total revenue is mainly situated in the infrastructure and services segment. The increase in the Infrastructure segment is mainly due to invoicing towards Gunvor for the FSRU which started in the last quarter of 2018. The stand-by revenues generated by TANGO FLNG since May 2019 are only recognised in P&L as from start of operations in September 2019 (in accordance with IFRS 15). The increase in the Services segment is amongst others explained by the new contract for the management of the Floating Storage and Off-loading (FSO) LPG unit NKOSSA II in Congo.
The capital gain on the sales of assets amounted to USD 19.2 million and mainly relates to the sale of joint-venture Reslea end of June 2019 to Compagnie Maritime Belge ("CMB").

The other operating income decreased compared to 2018 with USD 6.4 million. This decrease can be mainly explained by the registered settlement fee in 2018 between EXMAR and PT JAWA SATU POWER as a consequence of the parties' inability to agree on the terms of EXMAR's involvement as FSRU partner and FSRU ship manager. Another explanation for the decrease is a license fee which was granted and which represents the right to use the EXMAR design for the construction, delivery, ownership and operation of an EXMAR OPTI® -11,000 Semi-Submersible Hull as an oil & gas floating production unit. The major part of this license fee in recognized in the second semester of 2018, the remaining part is recognized in 2019.

Operating expenses increased compared to 2018 with USD 23.9 million, as a consequence of on the one hand increased vessel expenses for the FSRU and TFLNG following the increased revenues registered for both barges and on the other hand increased depreciations as a consequence of the application of IFRS 16. Additionally, as a consequence of the registration of a purchase obligation of an aircraft, an impairment loss of USD 4.7 million has been registered in the statement of profit or loss to reflect the current market value of the asset.

The net finance result for 2019 amounted to USD -26 million (2018: USD -21 million). The movement can be mainly explained by by the implementation of IFRS 16 and the full impact of the interests paid on the TANGO FLNG facility. In 2018, a part of these interests was paid by Wison.

The share of result of equity accounted investees amounted to USD 1.8 million (USD -1.6 million in 2018).

The vessels amounted to USD 576.6 million and comprise the LPG pressurized fleet, the TFLNG, the FSRU and advance payments made relating to two VLGCs with LPG as fuel.

The investment in equity accounted investees amounted to USD 95.6 million (2018: USD 104.5 million) and consists of our share in the different joint ventures and associates. The decrease can amongst others be explained by the sale of RESLEA per end of June 2019.

Borrowings to equity accounted investees amounted to USD 49.5 million (2018: USD 49.3 million) and comprise the shareholder loans granted to our equity accounted investees.

The cash position on 31 December 2019 amounted to USD 119.9 million (USD 107.1 million in 2018). The restricted cash relates to credit facilities and amounted to USD 67.3 million per 31 December 2019. On February 26, 2020 the Bank of China released USD 40 million of the restricted cash or debt service reserve account (DSRA). The balance of the DSRA will be released pro rata the repayment of the outstanding debt.

Total equity amounted to USD 448.9 million on 31 December 2019 (2018: USD 462.8 million). This decrease in 2019 is mainly caused by the loss of 2019.

The financial debt amounted to USD 405.4 million on 31 December 2019 and increased by USD 18.6 million compared to 2018. The financial debt increased as a consequence of amongst others the partial refinancing of the LPG pressurized fleet and other new debts (eg. bridge loan to temporally increase the liquidity position of the company, straight loan and MAP loan for the pre-delivery financing of the two VLGCs under construction).

3. Risk factors

The risks and uncertainties including the impact and control of pandemic risks are described in the Corporate Governance Statement.

4. Continuity statement

In view of the fact that the consolidated income statement shows a loss for the financial year for two consecutive years, there is a need to justify the application of the going-concern accounting principle in accordance with article 3:6 of the Code of Companies and Associations.

The Board of Directors would like to make reference to section “significant judgements and estimates” of EXMAR’s financial report where the use of the going concern principle is justified.

The Board is confident that management will be able to maintain sufficient liquidities to meet its commitments and therefore it has an appropriate basis for the use of the going concern assumption. In the event that the assumptions are not timely met, there is a material uncertainty whether the Company will have sufficient liquidities to fulfil its obligations of at least 12 months from the date of authorising these financial statements.

The Company has met all its financial covenants as at December 31, 2019 and the next testing date with respect to the financial position as at the end of June 2020 is in September 2020. EXMAR believes that based on forecasts for the remaining of the year, and more in particular thanks to the revenue to be generated by TFLNG and the FSRU barge, all covenants will be met as per June 2020 and December 2020.

5. Non-financial information

Description activities	Strategic Objectives	Goals	Measures
Social & Personnel	Improve Safety Standard	• Lost Time injury Frequency (LTIF) < 0.8 Total Recordable Cases Frequency (TRCF) < 4 • No major incidents	• Define 10 Golden safety rules • Behavioural Based Safety programme • Populate safety campaigns • Implement safety management system
	Optimize Ship and Shore personnel competences	• Retention Rate officer >90% & ratings >85% • Retention Rate personnel office >80% • 100% compliance with mandatory training matrix Seafarer • Zero rejections due to Oil Major Crew Experience matrix	• Maintain high retention rate • Include KPI in job description to set expectations & growth path • Improve coordination from office • Develop a KPI per fleet for Seagoing Experience
	Maintain DOC & ISO standards	• Zero non conformities on the SMS	• Perform internal office audits
Environment	Minimize Environmental impact of operations & optimize energy efficiency	• Zero Oil Spill overboard • Zero accidental cargo releases • Increase energy efficiency • Reduce emission to the atmosphere • Track the amount of garbage produced on board	• Replace all hydraulic hoses on deck every five years • Impose stringent reporting • Perform SEEMP review and define bench line for the nm/fuel • Close follow up of the KPI's per type of vessel • Sensitise crew on garbage reduction with a focus on plastic
Human Rights and Bribery	Doing business with respect for the world in which we operate	• Full compliance with the Maritime Labour Conference and applicable laws • Ensuring a sustainable supply chain to our services	• No Maritime Labour Conference related remarks during Port state Control inspections • Communicating our expectations to suppliers and controlling them

6. Supplementary 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 2019, EXMAR employed 2,416 people worldwide, including 2,124 seagoing staff (2018: 2,084 of which 1,784 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 16 May 2017, 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 7:202 of the Code of Companies and Associations. 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 2019, EXMAR held 2,273,263 own shares, representing 3.82% of the total number of issued shares.

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.

Plan 1, 2, 3, 5, 6 and 7 have been removed from below table as the plans matured. Plan 5 matured at the end of 2016, plans 1 and 6 matured at the end of 2017, plans 2 and 7 matured at the end of 2018 and plan 3 matured at the end of 2019.

Date of offer	Number of Outstanding Options	Exercise period	Exercise Price in Euros
PL 4 04.12.2007	212,958	Between 01.01.2011 and 15.10.2020 (*)	14.64[A]
PL 8 03.12.2013	437,600	Between 01.01.2017 and 02.12.2021	10.54
PL 9 02.12.2014	374,100	Between 01.01.2018 and 02.12.2022	10.54
PL 10 04.12.2015	371,500	Between 01.01.2019 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 Act of 26 March 1999, in particular regarding stock option plans.
[A] 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 was modified.

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.

For the consolidated financial statements, we refer to the section accounting policies of the consolidated financial statements. More specifically, the change in accounting policy is explained in section E as a consequence of the first time application of IFRS 16.

EVENTS AFTER BALANCE SHEET DATE

The significant events occurred after the closing of the financial year 2019 are disclosed in note 38 of the consolidated financial statements.

OFFICES AND BRANCHES

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

EXMAR has branches in Shanghai, Pointe Noir, Angola and South-Korea.

ADDITIONAL ACTIVITIES OF THE STATUTORY AUDITOR

The Statutory Auditor did not carry out any exceptional activities or special assignments during the past financial year.

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 part of its debt portfolio by means of various instruments.

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. EXMAR Netherlands BV has completed a new unsecured bond issue of NOK 650 million in 2019. In order to monitor the currency risk, the Group uses a range of foreign currency rate hedging instruments if deemed necessary. As per 31 December 2019, no financial instrument contracts were outstanding to cover the EUR/USD exposure or the NOK/ USD exposure.

APPLICATION OF ARTICLE 7:96 OF THE CODE OF COMPANIES AND ASSOCIATIONS

There were no conflicts of interest as far as the Executive Committee is concerned.

Conflict of interest Board of Directors.

During the meeting of the Board of Directors held on 6 September 2019, four of the Board members declared that they had a conflict of interest (Nicolas Saverys, Barbara Saverys, Pauline Saverys and Ariane Saverys who are directors and shareholders of Saverex NV). They do not take part in the discussion and the decision making regarding this topic.

Extract of the minutes of meeting:

... With respect to the related party transaction the Board members are referred to the advice from external counsel distributed earlier regarding potential liability of the Board members for unpaid invoices by Nicolas Saverys / Saverex NV that could be considered as "abuse of corporate goods" which is criminally sanctioned. These transactions are also disclosed in the half-year report.

The Board has the duty to safeguard the interests of the Company and its stakeholders. Measures must be taken by the Board with respect to certain invoices of EXMAR Shipmanagement NV still being outstanding by Saverex NV, the owner of the yacht Douce France in a total amount of €755,378.70 at the end of August 2019, and certain invoices of the Company still being outstanding by Nicolas Saverys in a total amount of €513K as at 30 June 2019. The Audit Committee, having received the assurance from Saverex NV and related parties that it will proceed with a sale of EXMAR shares to repay the invoices, recommends, with respect to these outstanding invoices, granting an extension by the Company for payment of the invoices until 31 December 2019. For the future, the Audit Committee recommends that EXMAR Shipmanagement NV no longer acts as an intermediary whereby it pays the supplier's invoice and then needs to seek reimbursement from the owner but instead acts as agent to owners, like it does for instance for the Company's LPG fleet: suppliers invoice the owner directly. The Board fully agrees with these recommendations and decides to proceed as such. It is added that the corporate jet will be sold but that the Company will rent approx. 100 flight hours.

Remark of the Board

All outstanding amounts mentioned above were settled at the end of 2019.

OUTLOOK 2020

SHIPPING

Despite the influx of VLGC new-build deliveries scheduled during the course of 2020, freight rates are expected to remain strong. The two 88,000 m^3 next generation dual fuel newbuildings with a long-term charter to Equinor are progressing according to schedule with expected delivery second quarter 2021.

With a total global midsize fleet of 97 vessels and a limited order book for seven vessels at year-end of 2019, the future looks promising. With the upward trend in long-haul business and the impact of scale, EXMAR's share of 17 vessels in the midsize market means that the Company is well-placed to service the market in the coming years.

With a diverse customer portfolio and a fleet coverage of 81% for 2020, EXMAR continues to maintain its strong foothold in this segment.

INFRASTRUCTURE

After having been a pioneer in the development of ship based floating regasification, the (re-)deployment of *TANGO FLNG* as the third FLNG in operation in the world has confirmed EXMAR capabilities to successfully deliver innovative, fast track and cost competitive floating oil and gas infrastructure projects.

For new FLNG projects, EXMAR is confident that we can leverage on the experience of our competent and motivated experts from the various domains and on the lessons learned of *TANGO FLNG* to provide a well performing floating liquefaction solution at a competitive life cycle cost and backed by appropriate financing.

EXMAR is confident about the outcome of the arbitration procedure with Gunvor; meanwhile the charter remains in full force and effect.

SUPPORTING SERVICES

2020 will be another interesting year with the preparations for the management of two VLGCs ordered by EXMAR and the start of the joint-venture AEX LNG Management.

The impact of the corona crisis on the results of 2020 is difficult to assess at present.
The majority of our ships are currently operating under medium to long-term contracts.

The Board will however closely monitor the situation and will respond adequately to the times of crisis in order to safeguard the company and to ensure continued operations.

All information which pursuant to Article 3:8 of the Code of Companies and Associations must be included in the present annual report of the Board of Directors, 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.

7. Approval of financial statements and discharge

We request the General Meeting of Shareholders to approve the financial statements for the year ended 31 December 2019 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.

8. Appointments

The following mandates come to an end on the occasion of the General Meeting:
• Jalcos NV, represented by Mr. Ludwig Criel
• Baron Philippe Vlerick

Both directors are available for re-election.

The Board of Directors
26 March 2020

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(IN THOUSANDS OF USD)

	Note	31/12/2019	31/12/2018 (*)
ASSETS			
NON-CURRENT ASSETS		729,745	720,677
Vessels		576,605	564,423
Vessels	11	561,135	564,423
Vessels under construction - advance payments	11	15,470	0
Other property, plant and equipment	12	1,797	2,032
Intangible assets	13	195	405
Right-of-use assets (*)	14	6,111	0
Investments in equity accounted investees	15	95,557	104,490
Borrowings to equity accounted investees	17	49,479	49,328
CURRENT ASSETS		180,022	183,664
Non-current assets held for sale	18	11,000	0
Other investments	19	4,170	4,022
Trade and other receivables	20	43,603	72,345
Current tax assets	21	1,353	190
Restricted cash	22	67,270	67,270
Cash and cash equivalents	22	52,626	39,837
TOTAL ASSETS		909,767	904,341
EQUITY AND LIABILITIES			
TOTAL EQUITY		448,940	462,763
Equity attributable to owners of the Company		448,730	462,786
Share capital	23	88,812	88,812
Share premium	23	209,902	209,902
Reserves	23	163,235	179,985
Result for the period	23	-13,219	-15,913
Non-controlling interest		210	-23
NON-CURRENT LIABILITIES		325,179	225,376
Borrowings	25	323,582	221,209
Employee benefits	27	1,597	4,166
CURRENT LIABILITIES		135,649	216,203
Borrowings	25	81,851	165,657
Trade and other payables	29	48,681	48,183
Current tax liability	21	5,116	2,362
TOTAL LIABILITIES		460,828	441,578
TOTAL EQUITY AND LIABILITIES		909,767	904,341

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

(*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect to the accounting policies section E and to note 31.

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

	Note	12 months ended 31/12/2019	12 months ended 31/12/2018 (*)
STATEMENT OF PROFIT OR LOSS			
Revenue	4	136,726	87,699
Gain on disposal	4	19,205	30,942
Other operating income	4	2,315	8,754
OPERATING INCOME		158,245	127,395
Vessel expenses (**)	5	-46,928	-33,780
General and administrative expenses (**)	6	-30,345	-32,922
Personnel expenses	7	-33,131	-34,294
Depreciations & amortisations	11/12/13/14	-26,771	-19,019
Impairment losses	14	-5,139	0
Provisions	27	0	2,360
Loss on disposal		-524	-1,272
RESULT FROM OPERATING ACTIVITIES		15,407	8,467
Interest income	8	4,430	3,043
Interest expenses	8	-26,611	-21,241
Other finance income	8	3,816	6,999
Other finance expenses	8	-7,670	-9,810
NET FINANCE RESULT		-26,034	-21,009
RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEES		-10,627	-12,542
Share of result of equity accounted investees (net of income tax)	15	1,757	-1,603
RESULT BEFORE INCOME TAX		-8,870	-14,145
Income tax expense	9	-4,332	-1,925
RESULT FOR THE PERIOD		-13,202	-16,070
Attributable to:			
Non-controlling interest		16	-157
Owners of the Company		-13,219	-15,913
RESULT FOR THE PERIOD		-13,202	-16,070
BASIC EARNINGS PER SHARE (IN USD)	24	-0.23	-0.28
DILUTED EARNINGS PER SHARE (IN USD)	24	-0.23	-0.28
STATEMENT OF COMPREHENSIVE INCOME			
RESULT FOR THE PERIOD		-13,202	-16,070
Items that are or may be reclassified to profit or loss			
Equity accounted investees - share in other comprehensive income	8	-3,555	204
Foreign currency translation differences	8	409	-878
		-3,146	-674
Items that will never be reclassified to profit or loss			
Employee benefits - remeasurements of defined benefit liability/asset	27	2,305	247
OTHER COMPREHENSIVE INCOME FOR THE PERIOD (NET OF INCOME TAX)		-841	-427
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-14,044	-16,497
Attributable to:			
Non-controlling interest		13	-158
Owners of the Company		-14,057	-16,339
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-14,044	-16,497

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

(*)The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect to the accounting policies section E and to note 31.

(**) The Group has further detailed the former "goods and services" and the former "other operating expenses" on the face of the consolidated profit or loss statement into "vessel expenses" and "general and administrative expenses".

CONSOLIDATED STATEMENT OF CASH FLOWS
(IN THOUSANDS OF USD)

	Note	12 months ended 31/12/2019	12 months ended 31/12/2018 (*)
OPERATING ACTIVITIES			
Result for the period		-13,202	-16,070
Share of result of equity accounted investees (net of income tax)	15	-1,757	1,603
Depreciations and amortisations	11/12/13	23,071	19,019
Depreciations IFRS 16	14	3,700	0
Impairment loss	14	5,139	0
Profit or loss effect equity securities measured at FVTPL	8	-92	2,385
Net interest expenses/ (income)	8	22,181	18,198
Income tax expense/ (income)	9	4,332	1,925
Net gain on sale of assets		-18,681	-29,670
Dividend income	8	-259	-113
Unrealised exchange difference	8	3,930	-5,049
Equity settled share-based payment expenses (option plan)	26	0	578
GROSS CASH FLOW FROM OPERATING ACTIVITIES		28,362	-7,194
(Increase)/decrease of trade and other receivables (**)		-3,550	1,092
Increase/(decrease) of trade and other payables		-1,202	2,125
Increase/(decrease) in provisions and employee benefits		-186	-2,570
CASH GENERATED FROM OPERATING ACTIVITIES		23,424	-6,547
Interests paid		-23,890	-13,315
Interests paid IFRS 16		-1,392	0
Interests received		4,457	4,431
Income taxes paid		-2,742	-226
NET CASH FROM OPERATING ACTIVITIES		-143	-15,657
INVESTING ACTIVITIES			
Acquisition of vessels and vessels under construction (***)	11	-5,684	-46,732
Acquisition of other property, plant and equipment	12	-336	-443
Acquisition of intangible assets	13	-122	-34
Proceeds from the sale of vessels and other property, plant and equipment (incl held for sale)		0	81
Disposal of equity accounted investees	10	18,667	44,438
Dividends received from equity accounted investees	15	5,000	2,000
Other dividens received	8	259	113
Borrowings to equity accounted investees	17	0	0
Repayments from equity accounted investees	17	1,000	4,350
NET CASH FROM INVESTING ACTIVITIES		18,783	3,773
FINANCING ACTIVITIES			
Proceeds from treasury shares and share options exercised		0	1,135
Proceeds from new borrowings	25	169,393	69,584
Repayment of borrowings	25	-169,306	-57,505
Repayment of lease liabilities IFRS 16	25	-2,600	0
Payment for banking fees/ debt transaction costs	25	-2,857	-2,295
Increase in restricted cash	22	0	0
Decrease in restricted cash	22	0	164
NET CASH FROM FINANCING ACTIVITIES		-5,370	11,083
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS		13,270	-801
RECONCILIATION OF NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Net cash and cash equivalents at 1 January		39,837	41,824
Net increase/(decrease) in cash and cash equivalents		13,270	-801
Exchange rate fluctuations on cash and cash equivalents		-481	-1,186
NET CASH AND CASH EQUIVALENTS AT 31 DECEMBER	22	52,626	39,837

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

(*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect to the accounting policies section E and to note 31.

(**) The movement on the trade and other receivables has been corrected with the recovered amount from the Korean Development Bank. This amount was recorded per 31/12/2018 as other receivable. See also (***).

(***) The acquisition of vessels and vessels under construction has been corrected with the recovered amount from the Korean Development Bank in respect of advance payments made for 2 VLGC's (see also note 32) and acquisitions not yet paid per 31 December 2019.

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

	Note	Share capital	Share premium
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS PER 31 DECEMBER 2018			
OPENING EQUITY PER 1 JANUARY 2018		88,812	209,902
COMPREHENSIVE RESULT FOR THE PERIOD			
RESULT FOR THE PERIOD			
Foreign currency translation differences	8		
Foreign currency translation differences - share equity accounted investees	8		
Net change in fair value of cash flow hedges - hedge accounting - share equity accounted investees	8		
Employee benefits - remeasurements of defined benefit liability/asset	27		
TOTAL OTHER COMPREHENSIVE RESULT		0	0
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD		0	0
TRANSACTIONS WITH OWNERS OF THE COMPANY			
Dividends paid	23		
Share-based payments	26		
Share options exercised			
Treasury shares			
Share based payments transactions			
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY		0	0
31 DECEMBER 2018		88,812	209,902
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS PER 31 DECEMBER 2019			
OPENING EQUITY AS PREVIOUSLY REPORTED PER 1 JANUARY 2019		88,812	209,902
RECLASSIFICATION WITHIN EQUITY AS CONSEQUENCE OF IFRS 2 (*)			
ADJUSTMENT ON INITIAL APPLICATION OF IFRS 16 (NET OF TAX) (**)			
ADJUSTED BALANCE AT I JANUARY 2019		88,812	209,902
COMPREHENSIVE RESULT FOR THE PERIOD			
RESULT FOR THE PERIOD			
Foreign currency translation differences	8		
Foreign currency translation differences - share equity accounted investees	8		
Net change in fair value of cash flow hedges - hedge accounting - share equity accounted investees	8		
Employee benefits - remeasurements of defined benefit liability/asset	27		
TOTAL OTHER COMPREHENSIVE RESULT		0	0
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD		0	0
TRANSACTIONS WITH OWNERS OF THE COMPANY			
Contributions & distributions			
Dividends paid	23		
Share-based payments	26		
Changes in ownership interests			
Acquisition of NCI without a change in control			
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY		0	0
31 DECEMBER 2019		88,812	209,902

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

(*) The Group has reclassified USD 3.9 million within equity as a consequence of expired options.

(**)The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect to the accounting policies section E and to note 31.

Retained earnings	Reserve for treasury shares	Translation reserve	Hedging reserve	Share-based payments reserve	Total	Non-controlling interest	Total equity
218,373	-48,486	-5,666	2,901	11,571	477,407	135	477,542
-15,913					-15,913	-157	-16,070
		-877			-877	-1	-878
		-403			-403		-403
			607		607		607
247					247		247
247	0	-1,280	607	0	-426	-1	-427
-15,666	0	-1,280	607	0	-16,339	-158	-16,497
					0		0
72	4,137			-3,069	1,140		1,140
					0		0
				578	578		578
72	4,137	0	0	-2,491	1,718	0	1,718
202,779	-44,349	-6,946	3,508	9,080	462,786	-23	462,763
202,779	-44,349	-6,946	3,508	9,080	462,786	-23	462,763
3,942				-3,942	0		0
					0		0
206,721	-44,349	-6,946	3,508	5,138	462,786	-23	462,763
-13,219					-13,219	16	-13,202
		412			412	-3	409
		-69			-69		-69
			-3,486		-3,486		-3,486
2,305					2,305		2,305
2,305	0	343	-3,486	0	-838	-3	-841
-10,914	0	343	-3,486	0	-14,057	13	-14,044
					0		0
					0		0
					0	220	220
0	0	0	0	0	0	220	220
195,808	-44,349	-6,603	22	5,138	448,730	210	448,940

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 31/12/2019.

The group has adopted the following new standards issued by the International Accounting Standards Board (IASB) with a date of initial application of 1 January 2019.

- IFRS 16 Leasing

We refer to section E Changes in accounting policies.

The Group has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2019, and have not been applied in preparing these consolidated financial statements. The following new or amended standards or interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).
- IFRS 17 Insurance Contracts
- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3 Business combinations
- Amendments to IAS 1 and IAS 8 Definition of Material

The IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) on 26 September 2019. There are hedges of interest rate risk at equity accounted investees (Hedge reserve of KUSD 22 as per year end 2019 and KUSD 3.486 net change in fair value of cash flow hedges recognized in other comprehensive income in 2019). These amendments permit continuation of hedge accounting even if in the future the hedged benchmark interest rate may no longer be separately identifiable. However, this relief does not extend to the requirement that the designated interest rate risk component must continue to be reliably measureable. If the risk component is no longer reliably measureable, the hedging relationship would be discontinued.

The consolidated financial statements were approved and were authorised for issue by the Board of Directors on March 26, 2020.

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, equity securities at FVTPL 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.

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:

- 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).

At this moment, we are confronted with the COVID-19 outbreak. It is almost impossible to predict the consequences of this outbreak, so the impact hasn't been included in the 2019 financial statements.

E. CHANGES IN ACCOUNTING POLICIES

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

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

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 determining whether an arrangement contains a lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease as explained further under "Leases".

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

Leases as a lessee

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

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

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

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

- Did not recognise right-of-use assets and liabilities for low value assets
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

Leases as a lessor

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

Impacts on financial statements

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

IMPACT ON TRANSITION

IMPACT ON FINANCIAL STATEMENTS	01/01/2019
Right-of-use assets	13,026
Lease liabilities	13,026

RIGHT OF USE ASSETS	Property	Motor vehicles (including aircraft)	IT equipment	Total
BALANCE AT 1 JANUARY 2019	5,529	6,901	596	13,026

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

OPERATING LEASE COMMITMENTS	01/01/2019
Operating lease commitments as disclosed in annual report 31/12/2018	14,340
Discounted using the incremental borrowing rate at 1 January 2019	13,029
Recognition exemption for leases of low value assets	-3
Lease liabilities recognised at 1 January 2019	13,026

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.

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 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 reattributed 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

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Financial assets at amortised costs
These assets are subsequently measured at amortised costs using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(ii) Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

(iii) Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iv) Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see section derivative financial instruments and hedge accounting for derivatives designated as hedging instruments.

Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control over the financial asset.

Financial liabilities
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

See section derivative financial instruments and hedge accounting for derivatives designated as hedging instruments.

Derecognition of financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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 when considered necessary. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into. Subsequent to initial recognition, derivatives are recognized at fair value and changes therein are generally recognized in profit and loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk of a net investment in a foreign operation.

At inception of designated hedge relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedged instrument, including whether the changes in cash flow of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss. The amount accumulated in the hedging reserve and the cost of the hedging reserve is reclassified to profit or loss in the same period or periods during which the hedge expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, any gain or loss recognised in other comprehensive income and accumulated in de cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is immediately 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. The residual value amounts to USD 0 for all vessels and platforms.

Gas vessels LPG:	30 years
Gas vessels LNG:	35 years
LNG units:	30 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 each reporting date to determine whether the credit risk of a financial asset has increased significantly since initial recognition. The Group measures loss allowances at an amount equal to lifetime expected credit losses (ECL's). When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating lifetime ECL's, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Equity accounted investees
After application of the equity method, the entity determines 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 (CGU) 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 CGUs.

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. Invoices and related payment terms depend on individual contractual terms.

Revenue from the sale of assets is recognised in the profit or loss statement when control of the goods underlying the particular performance obligation is transferred to the customer. For the sale of a vessel, control is transferred to the customer at the moment that the vessel is delivered to the customer. Invoices and related payment terms depend on individual contractual terms.

Revenue from services is recognised in the profit or loss statement over time as the services are provided. The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs (recurring services). Invoices and related payment terms depend on individual contractual terms.

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
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

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

Policy applicable from 1 January 2019
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 January 2019.

As a lessee
At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets separately on the face of the balance sheet and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16.

Policy applicable before 1 January 2019
For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - ◊ the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - ◊ the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - ◊ facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessee
Leases of assets that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at the lower of fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as an operating lease and are not recognised in the statement of financial position. 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.

As a lessor
When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

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 equity securities at FVTPL, 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 is 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)

In respect of joint-ventures, 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 changed its reportable segments in 2019, the Group has currently 3 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 activities in the shipping segment include the transportation of liquefied gas products such as Liquid Petroleum Gas (LPG, butane, propane and a mixture of both), anhydrous ammonia and petrochemical gases.
- The infrastructure segment includes LNG infrastructure and Offshore. The mission is to provide innovative floating infrastructure solutions to the Oil & Gas industry covering the complete lifecycle starting from engineering, construction supervision and moving into ownership, leasing and operations & maintenance.
- The segment supporting services includse the specialised supporting services such as shipmanagement services and travel agency services.

The company's internal and management structure does not distinguish any geographical segments as the company's fleet is operated on a worldwide basis. The intra-segment revenue mainly relates to management and crew services provided.

Major shipping client Equinor (ex-Statoil) represents 26% of the revenue of the shipping segment and 13.9% of the EXMAR Group revenue in 2019. Major shipping client Excelerate Energy Llc represents 9% of the revenue of the shipping segment revenue and 5% of the EXMAR Group revenue in 2019. The remaining part of the shipping revenue is divided between 16 different customers. Gunvor represents 35.8% of the revenue of the Infrastructure segment and 11.4% of the EXMAR Group revenue in 2019. YPF represents 24.8% of the revenue of the Infrastructure segment and 7.9% of the EXMAR Group revenue in 2019. No other customers represent more than 10% of the segment revenue or of the EXMAR group revenue in 2019.

SEGMENT REPORTING 2019

	Shipping	Infrastructure	Supporting Services	Eliminations	Total
CONSOLIDATED STATEMENT OF PROFIT OR LOSS					
Revenue third party	119,388	71,315	33,732	0	224,435
Revenue intra-segment	3,040	468	7,892	-11,400	0
Total revenue	122,428	71,783	41,624	-11,400	224,435
Revenue on property rental third party	0	0	611	0	611
Revenue on property rental intra-segment	0	0	62	-62	0
Total revenue on property rental	0	0	673	-62	611
Gain on disposal	16	0	19,189	0	19,205
Other operating income	430	1,594	331	0	2,355
OPERATING INCOME	122,874	73,377	61,817	-11,462	246,606
OPERATING RESULT BEFORE DEPRECIATION AND AMORTISATION CHARGES (EBITDA)	60,425	20,617	19,873		100,915
Depreciations, amortisations and impairment loss	-45,976	-18,650	-1,912		-66,538
OPERATING RESULT (EBIT)	14,449	1,967	17,961	0	34,377
Interest income (non-interco)	2,855	1,229	233		4,317
Interest income interco	771	550	26,557	-27,878	0
Interest expenses (non-interco)	-21,034	-21,115	-716		-42,865
Interest expenses interco	-2,038	-24,985	-855	27,878	0
Other finance income	691	1,812	1,419		3,922
Other finance expenses	-2,752	-4,430	-1,517		-8,699
Share of result of equity accounted investees (net of income tax)	0	322	-125		197
Income tax expense	-139	-509	-3,804		-4,452
SEGMENT RESULT FOR THE PERIOD	-7,197	-45,159	39,153	0	-13,202
RESULT FOR THE PERIOD					-13,202
Non-controlling interest					16
ATTRIBUTABLE TO OWNERS OF THE COMPANY					-13,219

SEGMENT REPORTING 2019

	Shipping	Infrastructure	Supporting Services	Eliminations	Total
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Vessels	487,839	466,095	0		953,934
Other property, plant and equipment	393	123	1,281		1,797
Intangible assets	0	0	195		195
Right-of-use assets	33,613	2,617	2,594		38,824
Equity accounted investees	3,741	0	5,119		8,860
Borrowings to equity accounted investees	0	7,396	0		7,396
Non-current derivative financial instruments	175	0	0		175
Non-current assets held for sale	13,279	0	0		13,279
Restricted cash	1,733	67,270	0		69,003
Cash and cash equivalents	25,733	11,651	39,859		77,243
TOTAL SEGMENT ASSETS	566,506	555,152	49,048	0	1,170,706
Unallocated other investments					4,170
Unallocated trade and other receivables					53,362
Other unallocated assets					1,368
TOTAL ASSETS					1,229,606
LIABILITIES					
Non-current borrowings	363,696	217,677	1,789		583,162
Current borrowings	73,329	30,430	22,903		126,662
Non-current provisions	0	1,733	0		1,733
Non-current derivative financial instruments	153	0	0		153
TOTAL SEGMENT LIABILITIES	437,178	249,840	24,692	0	711,710
Unallocated equity					448,940
Unallocated trade and other payables					62,243
Unallocated other liabilities					6,713
TOTAL EQUITY AND LIABILITIES					1,229,606
CASH FLOW STATEMENT					
Cash from operating activities	37,903	-25,773	33,453		45,583
Cash from investing activities	-1,349	-11,029	18,468		6,090
Cash from financing activities	-15,297	-64,955	29,954		-50,298
Dividends paid/received					0
Exchange rate fluctuations					-481
TOTAL CASH FLOW	21,257	-101,757	81,875	0	894
ADDITIONAL INFORMATION					
Capital expenditures	-1,349	-12,029	-336		-13,714
Proceeds from disposals	0	0	0		0

SEGMENT REPORTING 2018
(IN THOUSANDS OF USD)

	Shipping	Infrastructure	Supporting Services	Eliminations	Total
CONSOLIDATED STATEMENT OF PROFIT OR LOSS					
Revenue third party	112,844	29,886	27,671	0	170,401
Revenue intra-segment	1,549	2,189	8,878	-12,616	0
Total revenue	114,393	32,075	36,549	-12,616	170,401
Revenue on property rental third party	0	0	1,200	0	1,200
Revenue on property rental intra-segment	0	0	130	-130	0
Total revenue on property rental	0	0	1,330	-130	1,200
Gain on disposal	31,824	14	26	0	31,864
Other operating income	672	7,454	503	0	8,629
Other operating income intra-segment	0	551	0	-551	0
Total other operating income	672	8,005	503	-551	8,629
OPERATING INCOME	146,889	40,094	38,408	-13,297	212,094
OPERATING RESULT BEFORE DEPRECIATION AND AMORTISATION CHARGES (EBITDA)	67,977	716	-1,322		67,371
Depreciations, amortisations and impairment loss	-30,086	-14,123	-1,145		-45,354
OPERATING RESULT (EBIT)	37,891	-13,407	-2,467	0	22,017
Interest income (non-interco)	1,602	1,532	152		3,286
Interest income interco	708	446	22,865	-24,019	0
Interest expenses (non-interco)	-17,207	-18,346	-356		-35,909
Interest expenses interco	-2,709	-19,994	-1,316	24,019	0
Other finance income	526	5,340	1,446		7,312
Other finance expenses	-1,802	-5,898	-3,596		-11,296
Share of profit (loss) of equity accounted investees (net of income tax)	0	1,050	-412		638
Income tax expense	-71	0	-2,047		-2,118
SEGMENT RESULT FOR THE PERIOD	18,938	-49,277	14,269	0	-16,070
RESULT FOR THE PERIOD					-16,070
Non-controlling interest					-157
ATTRIBUTABLE TO OWNERS OF THE COMPANY					-15,913
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Vessels	492,853	469,683	0		962,536
Other property, plant and equipment	228	400	1,430		2,058
Intangible assets	0	160	402		562
Investment property	0	0	8,454		8,454
Equity accounted investees	0	4,637	4,413		9,050
Borrowings to equity accounted investees	0	3,948	0		3,948
Non-current derivative financial instruments	3,150	0	0		3,150
Current derivative financial instruments	358	0	0		358
Restricted cash	1,695	67,270	0		68,965
Cash and cash equivalents	39,299	11,051	26,000		76,350
TOTAL SEGMENT ASSETS	537,583	557,149	40,699	0	1,135,431
Unallocated other investments					4,022
Unallocated trade and other receivables					88,355
Other unallocated assets					201
TOTAL ASSETS					1,228,008
LIABILITIES					
Non-current borrowings	311,639	158,057	8,787		478,483
Current borrowings	82,083	142,591	883		225,557
TOTAL SEGMENT LIABILITIES	393,722	300,648	9,670	0	704,040
Unallocated equity					462,763
Unallocated trade and other payables					54,666
Unallocated other liabilities					6,539
TOTAL EQUITY AND LIABILITIES					1,228,008

SEGMENT REPORTING 2018
(IN THOUSANDS OF USD)

	Shipping	Infrastructure	Supporting Services	Eliminations	Total
CASH FLOW STATEMENT					
Cash from operating activities	20,985	-41,460	25,707		5,232
Cash from investing activities	1,449	-14,491	-139		-13,181
Cash from financing activities	28,151	-17,803	267		10,615
Dividends paid/received					0
Exchange rate fluctuations					-1,186
TOTAL CASH FLOW	50,585	-73,754	25,835	0	1,480
ADDITIONAL INFORMATION					
Capital expenditures	-82,666	-18,841	-299		-101,806
Proceeds from disposals	2,177	0	81		2,258

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 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
RECONCILIATION CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND PROPORTIONATE CONSOLIDATION (SEGMENT REPORTING)			
31 DECEMBER 2019			
Vessels	953,934	-377,329	576,605
Other property, plant and equipment	1,797	0	1,797
Intangible assets	195	0	195
Right-of-use assets	38,824	-32,714	6,111
Investments in equity accounted investees	8,860	86,697	95,557
Borrowings to equity accounted investees	7,396	42,084	49,479
Derivative financial instruments	175	-175	0
NON-CURRENT ASSETS	1,011,181	-281,436	729,745
Non-current assets held for sale	13,279	-2,279	11,000
Other investments	4,170	0	4,170
Trade and other receivables	53,362	-9,759	43,603
Current tax assets	1,368	-14	1,353
Restricted cash	69,003	-1,733	67,270
Cash and cash equivalents	77,243	-24,617	52,626
CURRENT ASSETS	218,425	-38,403	180,022
TOTAL ASSETS	1,229,606	-319,839	909,767
EQUITY	448,940	0	448,940
Borrowings	583,162	-259,581	323,582
Employee benefits	1,597	0	1,597
Non-current provisions	1,733	-1,733	0
Non-current derivative financial instruments	153	-153	0
NON-CURRENT LIABILITIES	586,645	-261,466	325,179
Borrowings	126,662	-44,810	81,851
Trade and other payables	62,243	-13,562	48,681
Current tax liability	5,116	0	5,116
CURRENT LIABILITIES	194,021	-58,372	135,649
TOTAL EQUITY AND LIABILITIES	1,229,606	-319,839	909,767

RECONCILIATION CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND PROPORTIONATE CONSOLIDATION (SEGMENT REPORTING)

	Proportionate consolidation	Difference	Equity Consolidation
FOR THE YEAR ENDED 31 DECEMBER 2019			
Revenue	225,046	-88,321	136,726
Gain on disposal	19,205	0	19,205
Other operating income	2,355	-39	2,315
Vessel expenses	-79,011	32,082	-46,928
General and administrative expenses	-31,248	903	-30,345
Personnel expenses	-33,175	44	-33,131
Depreciations, amortisations & impairment losses	-66,538	34,628	-31,910
Provisions	-1,733	1,733	0
Loss on disposal	-524	0	-524
RESULT FROM OPERATING ACTIVITIES	34,377	-18,970	15,407
Interest income	4,317	113	4,430
Interest expenses	-42,865	16,255	-26,611
Other finance income	3,922	-106	3,816
Other finance expenses	-8,699	1,029	-7,670
RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEES	-8,948	-1,679	-10,627
Share of result of equity accounted investees (net of income tax)	197	1,560	1,757
Income tax expense	-4,452	119	-4,332
RESULT FOR THE PERIOD	-13,202	0	-13,202

RECONCILIATION CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND PROPORTIONATE CONSOLIDATION (SEGMENT REPORTING)

	Proportionate consolidation	Difference	Equity Consolidation
31 DECEMBER 2018			
Vessels	962,536	-398,113	564,423
Other property, plant and equipment	2,058	-26	2,032
Intangible assets	562	-157	405
Investment property	8,454	-8,454	0
Investments in equity accounted investees	9,050	95,440	104,490
Borrowings to equity accounted investees	3,948	45,380	49,328
Derivative financial instruments	3,150	-3,150	0
NON-CURRENT ASSETS	989,757	-269,080	720,677
Other investments	4,022	0	4,022
Trade and other receivables	88,355	-16,010	72,345
Current derivative financial instruments	358	-358	0
Current tax assets	201	-11	190
Restricted cash	68,965	-1,695	67,270
Cash and cash equivalents	76,350	-36,513	39,837
CURRENT ASSETS	238,251	-54,586	183,664
TOTAL ASSETS	1,228,008	-323,667	904,341
EQUITY	462,763	0	462,763
Borrowings	478,483	-257,274	221,209
Employee benefits	4,166	0	4,166
NON-CURRENT LIABILITIES	482,649	-257,274	225,376
Borrowings	225,557	-59,899	165,657
Trade and other payables	54,666	-6,483	48,183
Current tax liability	2,373	-11	2,362
CURRENT LIABILITIES	282,595	-66,393	216,203
TOTAL EQUITY AND LIABILITIES	1,228,008	-323,667	904,341

	Proportionate consolidation	Difference	Equity Consolidation
RECONCILIATION CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND PROPORTIONATE CONSOLIDATION (SEGMENT REPORTING)			
FOR THE YEAR ENDED 31 DECEMBER 2018			
Revenue	171,601	-83,902	87,699
Gain on disposal	31,864	-922	30,942
Other operating income	8,629	126	8,754
Vessel expenses	-77,537	43,757	-33,780
General and administrative expenses	-33,898	976	-32,922
Personnel expenses	-34,374	80	-34,294
Depreciations, amortisations & impairment losses	-45,354	26,335	-19,019
Provisions	2,360	0	2,360
Loss on disposal	-1,272	0	-1,272
RESULT FROM OPERATING ACTIVITIES	22,017	-13,550	8,467
Interest income	3,286	-243	3,043
Interest expenses	-35,909	14,668	-21,241
Other finance income	7,312	-313	6,999
Other finance expenses	-11,296	1,486	-9,810
RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEES	-14,591	2,049	-12,542
Share of result of equity accounted investees (net of income tax)	638	-2,242	-1,603
Income tax expense	-2,118	193	-1,925
RESULT FOR THE PERIOD	-16,070	0	-16,070

4. OPERATING INCOME (IN THOUSANDS OF USD)

	2019	2018
REVENUE		
Shipping segment	31,571	30,268
Infrastructure segment	68,957	27,725
Services segment	36,198	29,705
	136,726	87,699

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

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

Revenue which falls within the scope of IAS 17/ IFRS 16 Leasing represents 37.6% of total revenue and is mainly situated in the shipping segment. Revenue which falls within the scope of IFRS 15 Revenue from contracts with customers represents 62.4% of total revenue and is mainly situated in the Infrastructure and Services segment.

Major shipping client Equinor (ex-Statoil) represents 41.5% of the revenue of the shipping segment and 9.6% of the EXMAR Group revenue in 2019. Gunvor represents 37% of the revenue of the Infrastructure segment and 18.7% of the EXMAR Group revenue in 2019. YPF represents 25.7% of the revenue of the Infrastructure segment and 13% of the EXMAR Group revenue in 2019. No other customers represent more than 10% of the EXMAR Group revenue in 2019.

	2019	2018
CONTRACT BALANCES		
Trade receivables which are included in trade and other receivables	26,574	21,469
Contract assets which are included in trade and other receivables	3,454	3,532
Contract liabilities which are included in trade and other payables	10,015	6,266
	40,043	31,267

The contracts assets mainly relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to invoices made up in respect of vessel income (prepaid hire).

	2019	2018
GAIN ON DISPOSAL		
Disposal equity accounted investees	19,164	30,892
Other	41	50
	19,205	30,942

On June 29, 2019 EXMAR has sold its 50% share in RESLEA to Compagnie Maritime Belge ("CMB"). We refer to note 10 for more information in this respect. On January 31, 2018 EXMAR has sold its 50% share in Excelsior BVBA to Excelerate Energy LP.

	2019	2018
OTHER OPERATING INCOME		
License fee	1,498	3,410
Settlement fee	0	4,000
Other	817	1,344
	2,315	8,754

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

The settlement fee in 2018 relates to the settlement agreement closed in December 2018 between EXMAR and PT JAWA SATU POWER as a consequence of the parties inability to agree on the terms of EXMAR's involvement as FSRU partner and FSRU shipmanager.

5. VESSEL EXPENSES (IN THOUSANDS OF USD)

	2019	2018
VESSEL EXPENSES		
	-46,928	-33,780
	-46,928	-33,780

Vessel expenses are expenses made to operate a vessel. Vessel expenses contain expenses related to crewing (2019: KUSD 22,054), maintenance (2019: KUSD 14,967), insurance (2019: KUSD 3,259) and other vessel expenses like bunkers, port expenses,... (2019: KUSD 6,648). The increase in the vessel expenses compared to 2018 can be mainly explained by crewing and maintenance for the FSRU and TFLNG.

6. GENERAL AND ADMINISTRATIVE EXPENSES (IN THOUSANDS OF USD)

	2019	2018
GENERAL AND ADMINISTRATIVE EXPENSES		
	-30,345	-32,922
	-30,345	-32,922

General and administrative expenses decrease with KUSD 2,577 compared to 2018, this is mainly caused by the implemantation of IFRS 16. General and administrative expenses include amongst others administrative expenses (2019: KUSD 27,499), non-income based taxes (2019: KUSD 1,655) and other expenses (2019: KUSD 1,191).

7. PERSONNEL EXPENSES (IN THOUSANDS OF USD)

	2019	2018
PERSONNEL EXPENSES		
Salaries and wages	-27,152	-27,626
Social security charges	-4,803	-4,825
Employee benefit, defined benefit and defined contribution plan	-1,176	-1,265
Share option plan	0	-578
	-33,131	-34,294
NUMBER OF PERSONNEL MEMBERS		
Seagoing	2,124	1,784
Staff	292	300
	2,416	2,084

The number of personnel members represents the effective number of personnel members in service per period end.

A significant part of EXMAR's seagoing personnel is employed on the assets held or operated by EXMAR's equity accounted investees, the related expense is not included in the personnel expenses disclosed above but presented as vessel expenses in EXMAR's equity accounted investees.

Personnel expenses decrease in comparison with 2018, mainly as a consequence of decreased expenses relating to share option plans. We refer to note 26 in this respect.

8. FINANCE INCOME / EXPENSES (IN THOUSANDS OF USD)

	2019	2018
INTEREST INCOME AND EXPENSES		
INTEREST INCOME		
Interest income on borrowings to equity accounted investees	2,912	2,880
Interest income on cash and cash equivalents	1,518	163
	4,430	3,043
INTEREST EXPENSES		
Interest expenses on borrowings	-26,611	-21,241
Interest expenses on derivative financial instruments	0	0
	-26,611	-21,241

The interest income on borrowings to equity accounted investees relates to interests paid by these equity accounted investees on the borrowings provided by EXMAR. We refer in this respect also to note 17. Interest expenses relate to EXMAR's borrowings as disclosed in note 25. The increase in the interest expenses can be mainly explained by the implementation of IFRS 16 and the full impact of the interests paid on the TANGO FLNG facility. In 2018, a part of these interests was paid by Wison.

OTHER FINANCE INCOME AND EXPENSES	2019	2018
OTHER FINANCE INCOME		
Realised exchange gains	2,781	1,197
Unrealised exchange gains	661	5,661
Dividend income from non-consolidated companies	259	113
Equity securities measured at FVTPL	92	0
Other	22	28
	3,816	6,999
OTHER FINANCE EXPENSES		
Realised exchange losses	-1,006	-2,545
Unrealised exchange losses	-1,493	-612
Banking fees	-4,543	-3,842
Equity securities measured at FVTPL	0	-2,385
Other	-628	-426
	-7,670	-9,810

The unrealized exchange gain in 2018 mainly relates to the revaluation of the NOK bond. In June 2019, the bond of NOK 1 billion has been fully repaid, which amongst others explains the increase in the realised exchange gains. This repayment was financed partially with a new bond issued in June 2019 (NOK 650 million) and partially with available resources. The NOK/ USD exposure and the NOK interest rate exposure are not covered by any financial instrument contract. The profit and loss effect in respect of the equity securities measured at FVTPL relates to the equity securities as disclosed in note 19.

FINANCE INCOME/EXPENSE RECOGNISED DIRECTLY IN EQUITY	2019	2018
Equity accounted investees - share of other comprehensive income	-3,555	204
Foreign currency translation differences	409	-878
	-3,146	-674
Recognised in:		
Translation reserve	343	-1,280
Hedging reserve	-3,486	607
Non-controlling interest	-3	-1
	-3,146	-674

In certain of our equity accounted investees, interest rate swaps (IRS) contracts have been closed to cover their exposure on variable interest rates. The market values of these IRS-contracts have significantly decreased compared to 2018, the effect of this decrease is registered via the hedging reserve.

9. INCOME TAXES (IN THOUSANDS OF USD)

INCOME TAXES	2019	2018
Taxes current period	-4,633	-1,865
Prior year adjustments	301	-60
INCOME TAXES	-4,332	-1,925
DEFERRED INCOME TAXES	0	0
	-4,332	-1,925

RECONCILIATION OF THE EFFECTIVE TAX RATE	2019		2018	
RESULT BEFORE INCOME TAX		-8,870		-14,145
TAX AT DOMESTIC TAX RATE	-29.58%	2,624	-29.58%	4,184
Share of profit of equity accounted investees net of tax		520		-474
Increase/decrease resulting from:				
Effects of tax rates in foreign jurisdictions		-3,071		-3,146
Non-deductible expenses		-385		-1,136
Other taxes (*)		-813		0
Current year tax losses/ credits for which no deferred tax asset has been recognised		-13,151		-5,353
Use of tax credits, tax losses carried forward,... for which no DTA was recognised before		10,449		5,042
Tax exempt income		-806		-982
Adjustments in respect of prior years		301		-60
	48.83%	-4,332	13.61%	-1,925

(*) The other taxes relate mainly to local company taxes paid in EXMAR Shipmanagement Congo (branch of EXMAR Shipmanagement) relating to NKOSSA.

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

On June 29, 2019 EXMAR signed an agreement with Compagnie Maritime Belge (“CMB”) for the sale of its 50% share in RESLEA, owner of the office buildings in Antwerp. The investment in this equity accounted investee has been derecognised from the balance sheet. The sale resulted in a gain of USD 19.2 million.

A. CONSIDERATION RECEIVED	Year ended 31/12/2019
Consideration received in cash and cash equivalents	18,667
Composition of consideration received	
Disposal of an equity accounted investee	24,791
Repayment of a loan granted by an equity accounted investee to EXMAR	-6,124
	18,667

The sales price of RESLEA amounts to EUR 22.2 million (USD 24.8 million). The difference with the sales prices reported per 30/06/2019 relates on the one hand to the adjustment of the sales prices as a consequence of the adjusted net equity based on final financial statements per 30/06/2019. On the other hand, the difference relates to changes in the EUR/USD exchange rate.

B. GAIN ON DISPOSAL OF AN EQUITY ACCOUNTED INVESTEE	Year ended 31/12/2019
Contractual consideration	24,791
Carrying amount of the equity accounted investee disposed of	-5,627
	19,164

COMPARATIVE INFORMATION AS DISCLOSED IN ANNUAL REPORT 2018

DISPOSAL OF AN EQUITY ACCOUNTED INVESTEE IN 2018

On January 31, 2018 EXMAR has sold its 50% share in Excelsior BVBA (owner of LNGRV EXCELSIOR) to Excelerate Energy LP. Per 31 December 2017, the investment in Excelsior was presented as an equity accounted investee held for sale. We also refer to note 17 of this annual report. The investment in this equity accounted investee has been derecognised from the balance sheet., the sale resulted in a gain of USD 30.9 million.

	Year ended 31/12/2018
A. CONSIDERATION RECEIVED	
Consideration received in cash and cash equivalents	44,438
Composition of consideration received	
Disposal of an equity accounted investee	54,438
Repayment of a loan granted by an equity accounted investee to EXMAR	-10,000
	44,438

	Year ended 31/12/2018
B. GAIN ON DISPOSAL OF AN EQUITY ACCOUNTED INVESTEE	
Total consideration received	44,438
Repayment of loan granted by an equity accounted investee to EXMAR	10,000
Carrying amount of the equity accounted investee disposed of	-23,546
	30,892

11. VESSELS (IN THOUSANDS OF USD)

	Shipping	Infrastructure	Under construction - advance payments (*)	Total
COST 2018				
BALANCE AS PER 01 JANUARY 2018	118,500	453,562	0	572,062
Changes during the financial year				
Acquisitions	742	18,815		19,557
Disposals	-270	0		-270
Conversion differences	0	0		0
BALANCE AS PER 31 DECEMBER 2018	118,972	472,377	0	591,349
COST 2019				
BALANCE AS PER 01 JANUARY 2019	118,972	472,377	0	591,349
Changes during the financial year				
Acquisitions (**)	5,353	13,736	15,470	34,559
Disposals	-2,378	0	0	-2,378
Conversion differences	0	0	0	0
BALANCE AS PER 31 DECEMBER 2019	121,947	486,113	15,470	623,530
DEPRECIATIONS AND IMPAIRMENT LOSSES 2018				
BALANCE AS PER 01 JANUARY 2018	9,041	0	0	9,041
Changes during the financial year				
Depreciations	5,983	12,172		18,155
Disposals	-270	0		-270
Conversion differences	0	0		0
BALANCE AS PER 31 DECEMBER 2018	14,754	12,172	0	26,926
DEPRECIATIONS AND IMPAIRMENT LOSSES 2019				
BALANCE AS PER 01 JANUARY 2019	14,754	12,172	0	26,926
Changes during the financial year				
Depreciations	6,200	16,177		22,377
Disposals	-2,378	0		-2,378
Conversion differences	0	0		0
BALANCE AS PER 31 DECEMBER 2019	18,576	28,349	0	46,925
NET BOOK VALUE				
NET BOOK VALUE AS PER 31 DECEMBER 2018	104,218	460,205	0	564,423
NET BOOK VALUE AS PER 31 DECEMBER 2019	103,371	457,764	15,470	576,605

(*) The advance payments in respect of vessels under construction have been presented under vessels in the consolidated statement of financial position. The advance payments made do not give EXMAR ownership rights on the vessels before their final delivery. The advance payments registered during 2019 relate to 2 VLGC's with LPG as fuel. The delivery of these vessels is expected in the second quarter of 2021.

(**) During 2019, additional investments occurred in respect of the TANGO FLNG and the FSRU (Infrastructure segment). Depreciations on both units started in the course of 2018, they are depreciated over a period of 30 years. Investments in the shipping segment mainly relate to capitalised dry-dock expenses.

The vessels are pledged as a security for the related underlying liabilities. We refer to note 25 for more information in respect of these underlying liabilities.

IMPAIRMENT

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

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

For the FSRU, a fair value calculation was obtained based on a valuation report of an independent ship broker. Based on this valuation report and expected earnings under its employment, management has concluded that no impairment correction is required for the FSRU barge.

For the jointly-owned fleet, impairment triggers are evaluated in the same way as for the wholly-owned fleet. We refer to note 15 for more information in this respect.

12. OTHER PROPERTY, PLANT AND EQUIPMENT (IN THOUSANDS OF USD)

	Land and buildings	Machinery and equipment	Furniture and movables	Total
COST 2018				
BALANCE AS PER 01 JANUARY 2018	4,216	1,166	5,308	10,690
Changes during the financial year				
Acquisitions	0	168	275	443
Disposals	0	0	-510	-510
Translation differences	-191	-9	-106	-306
BALANCE AS PER 31 DECEMBER 2018	4,025	1,325	4,967	10,317
COST 2019				
BALANCE AS PER 01 JANUARY 2019	4,025	1,325	4,967	10,317
Changes during the financial year				
Acquisitions	0	74	262	336
Disposals	0	-2	-558	-561
Translation differences	-76	2	-38	-112
BALANCE AS PER 31 DECEMBER 2019	3,949	1,399	4,633	9,980
DEPRECIATIONS AND IMPAIRMENT LOSSES 2018				
BALANCE AS PER 01 JANUARY 2018	3,400	931	4,036	8,367
Changes during the financial year				
Depreciations	31	176	428	635
Disposals	0	0	-469	-469
Translation differences	-155	-9	-84	-248
BALANCE AS PER 31 DECEMBER 2018	3,276	1,098	3,911	8,285
DEPRECIATIONS AND IMPAIRMENT LOSSES 2019				
BALANCE AS PER 01 JANUARY 2019	3,276	1,098	3,911	8,285
Changes during the financial year				
Depreciations	30	143	376	549
Disposals	0	-2	-558	-561
Translation differences	-62	2	-31	-90
BALANCE AS PER 31 DECEMBER 2019	3,244	1,241	3,698	8,183
NET BOOK VALUE				
NET BOOK VALUE AS PER 31 DECEMBER 2018	749	227	1,056	2,032
NET BOOK VALUE AS PER 31 DECEMBER 2019	704	158	935	1,797

13. INTANGIBLE ASSETS (IN THOUSANDS OF USD)

	Concessions, patents, licences
COST 2018	
BALANCE AS PER 01 JANUARY 2018	3,077
Changes during the financial year	
Acquisitions	34
Disposals	0
Translation differences	-63
BALANCE AS PER 31 DECEMBER 2018	3,048
COST 2019	
BALANCE AS PER 01 JANUARY 2019	3,048
Changes during the financial year	
Acquisitions	122
Disposals	-453
Translation differences	-32
BALANCE AS PER 31 DECEMBER 2019	2,685
DEPRECIATIONS AND IMPAIRMENT LOSSES 2018	
BALANCE AS PER 01 JANUARY 2018	2,465
Changes during the financial year	
Depreciations	211
Disposals	0
Translation differences	-33
BALANCE AS PER 31 DECEMBER 2018	2,643
DEPRECIATIONS AND IMPAIRMENT LOSSES 2019	
BALANCE AS PER 01 JANUARY 2019	2,643
Changes during the financial year	
Depreciations	145
Disposals	-267
Translation differences	-31
BALANCE AS PER 31 DECEMBER 2019	2,490
NET BOOK VALUE	
NET BOOK VALUE AS PER 31 DECEMBER 2018	405
NET BOOK VALUE AS PER 31 DECEMBER 2019	195

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

The Group has initially applied IFRS 16 from 1 January 2019. IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. The Group has applied IFRS 16 using the modified retrospective approach, under this approach comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect also to the accounting policies section E and to note 31.

	Property	Motor vehicles	IT equipment	Total
COST 2019				
BALANCE AS PER 01 JANUARY 2019	5,529	6,901	596	13,026
Changes during the financial year				
Acquisitions (*)	172	12,369	0	12,541
Disposals	-48	-73	0	-121
Translation differences	24	0	0	24
Contract re-measurement/ contract modification	25	-1	29	53
Transfer (*)	0	-17,166	0	-17,166
BALANCE AS PER 31 DECEMBER 2019	5,702	2,030	625	8,357
DEPRECIATIONS AND IMPAIRMENT LOSSES 2019				
BALANCE AS PER 01 JANUARY 2019	0	0	0	0
Changes during the financial year				
Depreciations	1,721	1,764	215	3,700
Impairment	0	4,712	0	4,712
Translation differences	0	0	0	0
Transfer (*)	0	-6,166	0	-6,166
BALANCE AS PER 31 DECEMBER 2019	1,721	310	215	2,246
NET BOOK VALUE				
NET BOOK VALUE AS PER 1 JANUARY 2019	5,529	6,901	596	13,026
NET BOOK VALUE AS PER 31 DECEMBER 2019	3,981	1,720	410	6,111

(*) The change in the motor vehicles right-of-use assets can be mainly explained by a contractual modification for an aircraft with the establishment of a purchase obligation. In the course of 2019 an impairment loss of USD 4.7 million has been registered in the statement of profit or loss to reflect the current market value of the asset. Per 31 December 2019, the aircraft has been presented as non- current asset held for sale in the balance sheet. We refer in this respect also to note 18 of this annual report.

15. EQUITY ACCOUNTED INVESTEES (IN THOUSANDS OF USD)

	2019	2018
EQUITY ACCOUNTED INVESTEES		
BALANCE AS PER 1 JANUARY	104,490	104,416
Changes during the financial year		
Share in the profit/loss(-)	1,757	-1,603
Dividends paid	-5,000	-2,000
Changes in consolidation scope (*)	-5,359	-938
Allocation of negative net assets (**)	3,224	4,691
Conversion differences	-69	-403
Changes in other comprehensive income equity accounted investees	-3,486	1,000
Other	0	-673
BALANCE AS PER 31 DECEMBER	95,557	104,490

(*)The changes in consolidation scope in 2019 relate to the sale of RESLEA (we refer to note 10 for further information in this respect) and to the sale of the BIM companies (Bureau International Maritime NV, Bureau International Maritime Congo and Compagnie Parisienne Formation et Logistique).

(**) 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, 2019, an amount of USD 543.4 million (2018: USD 637.1 million) was outstanding under such loan agreements, of which EXMAR has guaranteed USD 271.7 million (2018: USD 318.5 million). We refer in this respect also to note 30. EXMAR did not incur material contingent liabilities versus its equity accounted investees.

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, impairment triggers are evaluated in the same way as for the wholly-owned fleet. We refer to note 11 for more information in this respect. We refer to note 38 Subsequent events for the impairment loss registered on the vessel TEMSE.

16. FINANCIAL INFORMATION EQUITY ACCOUNTED INVESTEES
(IN THOUSANDS OF USD)

	2019	2018
ASSETS		
Interest in joint ventures	86,697	96,679
Interest in associates	8,860	7,811
Borrowings to equity accounted investees	49,979	54,203
	145,536	158,693
LIABILITIES		
Interest in joint ventures	0	0
Interest in associates	0	0
	0	0

	Segment	JV partner	Description activities
JOINT VENTURES			
Estrela Ltd	Infrastructure	ASS	Owner of the accommodation barge NUNCE
EXMAR Gas Shipping Ltd	Shipping	TEEKAY LPG	Owner of the midsize vessels TOURAINE and WEPION
EXMAR LPG BVBA	Shipping	TEEKAY LPG	Holding company for EXMAR-Teekay LPG activities
EXMAR Shipping BVBA	Shipping	TEEKAY LPG	Owner of 18 midsize carriers, 5 carriers under finance lease
Good Investment Ltd	Shipping	TEEKAY LPG	Time-charter agreement of the VLGC BW TOKYO
Monteriggioni Inc	Shipping	MOL	Owner of the LNG carrier EXCEL which was sold during 2017
Solaia Shipping Llc	Shipping	TEEKAY LNG	Owner of the LNG carrier EXCALIBUR

The company RESLEA is no longer recognized as joint venture due to the sale of the shares of this company in June 2019. We refer to note 10 for more information in this respect.

	Segment	Ownership%	Description activities
ASSOCIATES			
Bexco NV	Services	44.91%	Rope manufacturer for marine and offshore industry
Marpos NV	Services	45.00%	Provides waste solutions for maritime industry
Electra Offshore Ltd	Infrastructure	40.00%	Owner of the accommodation barge WARIBOKO
Exview Hong Kong Ltd	Infrastructure	40.00%	Bareboat owner of the accommodation barge WARIBOKO
Springmarine Nigeria Ltd	Infrastructure	40.00%	Time-charter agreement for the accommodation barge WARIBOKO

The companies Bureau International Maritime NV, Bureau International Maritime Congo and Compagnie Parisienne Formation et Logistique are no longer recognized as associates due to the sale of the shares of these companies in December 2019 (loss of USD 0.2 million).

The financial information presented below represents the IFRS financial statements of the joint ventures or associates and not EXMAR's share of those amounts.

JOINT VENTURE PARTNER	TEEKAY LPG	MOL
SEGMENT	Shipping	Shipping
PERCENTAGE OWNERSHIP INTEREST	50%	50%
31 DECEMBER 2019		
Non-current assets	735,715	0
Current assets	50,215	4,744
Of which Cash and cash equivalents	28,704	4,743
Non-current liabilities	591,970	3,466
Of which Bank Borrowings	250,842	0
Of which finance leases	236,597	0
Of which Other Borrowings	104,531	0
Current liabilities	92,911	5
Of which Bank Borrowings	42,580	0
Of which finance leases	34,174	0
Of which Other Borrowings	3,000	0
Revenue	149,255	0
Depreciations, amortizations & impairment losses	59,174	0
Interest income	4,786	77
Interest expense	35,256	0
Income tax expense	5	0
RESULT FOR THE PERIOD	-2,924	-3,427
Other comprehensive result for the period	-5,950	0
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	-8,874	-3,427
NET ASSETS (100%)	101,049	1,273
EXMAR'S SHARE OF NET ASSETS	50,523	636
SHARE IN THE NET ASSETS OF EQUITY ACCOUNTED INVESTEES AT 1 JANUARY 2019	54,960	2,350
Share in total comprehensive income	-4,437	-1,714
Dividends paid	0	0
Other	0	0
SHARE IN THE NET ASSETS OF EQUITY ACCOUNTED INVESTEES AT 31 DECEMBER 2019	50,523	636
NETTING NEGATIVE EQUITY	10,182	0
SHARE IN THE NET ASSETS OF EQUITY ACCOUNTED INVESTEES AT 31 DECEMBER 2019 AFTER NETTING	60,705	636

(*) On June 29, 2019 EXMAR signed an agreement with Compagnie Maritime Belge ("CMB") for the sale of its 50% share in RESLEA, owner of the office buildings in Antwerp. We refer to note 10 for futher information.

(**) The companies Bureau International Maritime NV, Bureau International Maritime Congo and Compagnie Parisienne Formation et Logistique are no longer recognized as associates due to the sale of the shares of these companies in December 2019 (loss of USD 0.2 million).

TEEKAY LNG	ASS	CMB	ASSOCIATES				TOTAL
Shipping	Infrastructure	Services	Services Bexco	Services Marpos	Infrastructure WARIBOKO companies	Services BIM companies	
50%	50%	50% (*)	45%	45%	40%	40% (**)	
68,052	16,667	0	7,143	402	10,615	0	838,594
8,751	5,193	0	20,471	1,234	13,188	0	103,796
5,427	3,119	0	337	811	2,348	0	45,489
32,028	0	0	4,142	0	8,558	0	640,164
31,723	0	0	3,732	0	0	0	286,297
0	0	0	0	0	0	0	236,597
0	0	0	0	0	8,558	0	113,089
14,447	1,479	0	15,605	704	6,434	0	131,585
11,660	0	0	9,878	0	0	0	64,118
0	0	0	0	0	0	0	34,174
0	0	0	0	0	500	0	3,500
22,302	10,545	989	32,517	2,042	11,529	2,186	231,365
6,961	2,295	511	963	53	1,892	246	72,095
392	0	0	0	0	0	14	5,269
2,561	0	173	155	4	1,199	18	39,366
0	0	234	-35	86	29	0	319
7,995	1,072	402	519	207	806	-1,129	3,521
-1,022	0	0	0	0	0	0	-6,972
6,973	1,072	402	519	207	806	-1,129	-3,451
30,328	20,381	0	7,867	932	8,811	0	
15,164	10,190	0	3,534	420	3,524	0	
14,676	11,654	4,914	3,364	333	3,420	696	96,365
3,488	536	201	233	93	322	-452	-1,729
-3,000	-2,000	0	0	0	0	0	-5,000
0	0	-5,115	-63	-6	0	-244	-5,428
15,164	10,190	0	3,534	420	3,743	0	84,208
0	0	0	0	0	1,167	0	11,349
15,164	10,190	0	3,534	420	4,910	0	95,557

JOINT VENTURE PARTNER	TEEKAY LPG	MOL
SEGMENT	Shipping	Shipping
PERCENTAGE OWNERSHIP INTEREST	50%	50%
31 DECEMBER 2018		
Non-current assets	708,549	0
Current assets	71,032	4,704
Of which Cash and cash equivalents	43,387	4,703
Non-current liabilities	601,534	0
Of which Bank Borrowings	293,422	0
Of which finance leases	203,581	0
Of which Other Borrowings	104,531	0
Current liabilities	68,126	4
Of which Bank Borrowings	43,564	0
Of which finance leases	14,001	0
Of which Other Borrowings	0	0
Revenue	132,766	0
Depreciations, amortizations & impairment losses	40,969	0
Interest income	3,773	46
Interest expense	30,230	0
Income tax expense	0	0
RESULT FOR THE PERIOD	-13,844	113
Other comprehensive result for the period	1,834	0
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	-12,010	113
NET ASSETS (100%)	109,921	4,700
EXMAR'S SHARE OF NET ASSETS	54,960	2,350
SHARE IN THE NET ASSETS OF EQUITY ACCOUNTED INVESTEES AT 1 JANUARY 2018	61,638	2,293
Share in total comprehensive income	-6,005	57
Dividends paid/received	0	0
Other	-673	0
SHARE IN THE NET ASSETS OF EQUITY ACCOUNTED INVESTEES AT 31 DECEMBER 2018	54,960	2,350
NETTING NEGATIVE EQUITY	6,885	0
SHARE IN THE NET ASSETS OF EQUITY ACCOUNTED INVESTEES AT 31 DECEMBER 2018 AFTER NETTING	61,845	2,350

TEEKAY LNG	ASS	CMB	ASSOCIATES				TOTAL
Shipping	Infrastructure	Services	Services Bexco	Services Marpos	Infrastructure WARIBOKO companies	Services BIM companies	
50%	50%	50%	45%	45%	40%	40%	
75,013	19,277	17,008	7,945	428	12,507	416	841,143
17,213	4,057	12,587	15,485	1,375	11,253	2,907	140,613
16,012	2,883	86	197	937	2,553	318	71,076
0	0	17,597	4,601	0	5,183	0	628,915
0	0	17,541	4,149	0	0	0	315,112
0	0	0	0	0	0	0	203,581
0	0	3	0	0	5,183	0	109,717
62,871	25	2,173	11,340	1,065	10,573	1,581	157,758
60,490	0	1,718	4,643	0	0	0	110,415
0	0	0	0	0	0	0	14,001
0	0	0	0	0	4,875	0	4,875
24,799	10,220	2,168	18,543	1,893	15,876	1,938	208,203
6,960	2,969	1,072	1,055	51	1,892	220	55,188
1,368	72	0	0	0	0	19	5,278
3,360	146	375	154	4	1,491	7	35,767
0	0	386	3	62	288	5	744
9,044	-376	579	45	115	2,625	-1,209	-2,908
125	42	0	0	0	0	0	2,001
9,169	-334	579	45	115	2,625	-1,209	-907
29,355	23,309	9,825	7,489	738	8,004	1,742	
14,676	11,654	4,914	3,364	333	3,202	696	
13,030	11,821	4,818	3,503	296	2,370	1,215	100,982
4,585	-167	290	20	52	1,050	-484	-603
-2,000	0	0	0	0	0	0	-2,000
-938	0	-194	-159	-15	0	-35	-2,014
14,676	11,654	4,914	3,364	333	3,420	696	96,365
0	0	0	0	0	1,219	21	8,125
14,676	11,654	4,914	3,364	333	4,639	717	104,490

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

	Shipping	Infrastructure	Total
BORROWINGS TO EQUITY ACCOUNTED INVESTEES 2018			
AS PER 1 JANUARY 2018	50,273	12,971	63,244
New loans and borrowings	0	0	0
Repayments	0	-4,350	-4,350
Change in allocated negative net assets (*)	-4,910	219	-4,691
AS PER 31 DECEMBER 2018	45,363	8,840	54,203
MORE THAN 1 YEAR	45,363	3,965	49,328
LESS THAN 1 YEAR	0	4,875	4,875

	Shipping	Infrastructure	Total
BORROWINGS TO EQUITY ACCOUNTED INVESTEES 2019			
AS PER 1 JANUARY 2019	45,363	8,840	54,203
New loans and borrowings	0	0	0
Repayments	0	-1,000	-1,000
Change in allocated negative net assets (*)	-3,296	72	-3,224
AS PER 31 DECEMBER 2019	42,067	7,912	49,979
MORE THAN 1 YEAR	42,067	7,412	49,479
LESS THAN 1 YEAR	0	500	500

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

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

EXMAR LPG (Shipping segment) - USD 42.1 million (2018: USD 45.4 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 three-month LIBOR plus 0.5%.

Electra Offshore Ltd (Infrastructure segment) - USD 7.9 million (2018: USD 8.8 million)
EXMAR Netherlands has granted a loan to Electra Offshore Ltd in 2016. The loan is repaid based on availability of cash. The interest rate applicable on the loan is a fixed percentage of 12%.

18. NON-CURRENT ASSETS HELD FOR SALE (IN THOUSANDS OF USD)

	2019	2018
NON-CURRENT ASSETS HELD FOR SALE		
Aircraft	11,000	0
	11,000	0

A purchase obligation has been registered for an aircraft as a consequence of a contractual modification. In the course of 2019, an impairment loss of USD 4.7 million has been registered in the statement of profit or loss to reflect the current market value of the asset. Per 31 December 2019, the aircraft has been presented as non-current asset held for sale in the balance sheet because of EXMAR's intent to sell the aircraft.

19. OTHER INVESTMENTS (IN THOUSANDS OF USD)

	2019	2018
EQUITY SECURITIES - FVTPL		
Unquoted shares (*)	1,004	1,237
Quoted shares (**)	3,166	2,785
	4,170	4,022

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

(**) The quoted shares include the 149,089 shares of Teekay LNG (TGP) quoted at USD 15.35 on 31 December 2019 (31 December 2018: USD 11.02) and the 116,338 shares of Frontera Energy Corporation quoted at CAD 9.8 on 31 December 2019 (31 December2018: CAD 13.38).

20. TRADE AND OTHER RECEIVABLES (IN THOUSANDS OF USD)

	2019	2018
TRADE AND OTHER RECEIVABLES		
Trade receivables & contract assets	30,028	25,001
Cash guarantees	263	209
Borrowings to equity accounted investees less than 1 year	500	4,875
Other receivables	7,795	38,599
Deferred charges and accrued income (*)	5,017	3,661
	43,603	72,345
OF WHICH FINANCIAL ASSETS (NOTE 30)	35,107	65,815

(*) '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 30.

The decrease in other receivables is mainly due to the advance payments made for the building of 2 VLGC newbuildings to Hanjin Heavy Industries & Construction. On January 8, 2019 Hanjin Heavy Industries & Construction at Subic Bay (Philippines) filed for rehabilitation due to financial difficulties. The construction disruptions caused thereby obliged EXMAR to cancel both Shipbuilding Contracts and invoke the Refund Guarantee from Korean Development Bank (South Korea) to recover each of the Instalments already paid (as a consequence, the installments have been presented as “other receivables” per 31 December 2018). These instalments (USD 27.2 million) have been repaid during the first semester of 2019 together with an interest of 6%.

21. TAX ASSETS AND LIABILITIES (IN THOUSANDS OF USD)

CURRENT TAX ASSETS AND LIABILITIES

	2019	2018
CURRENT TAX ASSETS AND LIABILITIES		
Current tax assets	1,353	190
Current tax liabilities	5,116	2,362

Current tax assets and current tax liabilities increase mainly as a consequence of a received additional tax assessment for accounting year 2017 for EXMAR NV. EXMAR disputes this tax assessment and has simultaneously registered a tax liability (to reflect the received assessment note) and a tax receivable (to reflect the disputed tax assessment note). As the management assessed that the tax claim is not valid, a receivable, for the same amount as the liability, has been accounted for in the consolidated financial statements per 31 December 2019.

DEFERRED TAX ASSETS AND LIABILITIES

	Assets	Liabilities	Assets	Liabilities
	31 December 2019		31 December 2018	
DEFERRED TAX ASSETS AND LIABILITIES IN DETAIL (*)				
Provisions	0	100	0	100
Employee benefits	2,254		3,612	0
Vessels	0	0	0	2,504
DEFERRED TAX ASSETS / LIABILITIES	2,254	100	3,612	2,604
Set off of taks assets/ liabilities	-100	0	-2,604	0
Tax assets not recognised (**)	-2,154	0	-1,008	0
	0	0	0	0
DEFERRED TAX ASSETS/ LIABILITIES NOT RECOGNISED (***)				
Deductible temporary differences	2,154		1,008	
Unused tax losses and investment tax credits (***)	43,422		48,145	
	45,576	0	49,153	0

(*) The temporary differences that exist within our equity accounted investees are not included in above overview of deferred tax assets and liabilities in detail.

(**) 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 there-from or because the future taxable profits cannot be measured on a reliable basis.

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

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

RESTRICTED CASH AND CASH AND CASH EQUIVALENTS	2019	2018
RESTRICTED CASH	67,270	67,270
Bank	52,145	39,461
Cash in hand	83	118
Short-term deposits	398	258
NET CASH AND CASH EQUIVALENTS	52,626	39,837

The restricted cash relates to the credit facility with the Bank of China for the TANGO FLNG (see also note 25). On February 26, 2020 the Bank of China released USD 40 million of the restricted cash or debt service reserve account (DSRA). The balance of the DSRA will be released pro rata the repayment of the outstanding debt.

23. SHARE CAPITAL AND RESERVES (IN THOUSANDS OF USD)

SHARE CAPITAL AND SHARE PREMIUM

NUMBER OF ORDINARY SHARES	2019	2018
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 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

No distribution to owners of the Company occurred for 2019 and 2018.

TREASURY SHARES

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

TREASURY SHARES	2019	2018
Number of treasury shares held as of 31 December (*)	2,273,263	2,273,263
Bookvalue of treasury shares held (in thousands USD)	44,349	44,349
Average cost price per share (in EUR) - historical value	14.1507	14.1507

(*) No treasury shares have been sold during 2019 in respect of the share option plans.

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.

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

24. EARNINGS PER SHARE (IN THOUSANDS OF USD)

		2019	2018
BASIC EARNINGS PER SHARE IN USD			
Result for the period (in USD)		-13,218,671	-15,912,725
Issued ordinary shares as per 31 December		59,500,000	59,500,000
Effect of treasury shares		-2,273,263	-2,454,561
Weighted average number of ordinary shares as per 31 December		57,226,737	57,045,439
		-0.23	-0.28
DILUTED EARNINGS PER SHARE IN USD			
Result for the period (in USD)		-13,218,671	-15,912,725
Weighted average number of ordinary shares as per 31 December		57,226,737	57,045,439
Average closing rate of one ordinary share during the year (in EUR)	(a)	5.65	5.99
Average exercise price for shares under option (in EUR)	(b)	0.00	0.00
Number of shares under option	(c)	0	0
Number of shares that would have been issued at average market price: (c*b) / a		0	0
Weighted average number of ordinary shares including options		57,226,737	57,045,439
		-0.23*	-0.28

(*) As option plan 4, 8, 9 and 10 are anti-dilutive as per 31 December 2019, they are not included in the calculation of the diluted earnings per share.

25. BORROWINGS (IN THOUSANDS OF USD)

	Bank loans	Other loans	Lease liabilities ROU assets (*)	Total
BORROWINGS AS PER 31 DECEMBER 2018				
AS OF 1 JANUARY 2018	246,973	125,734	0	372,707
New loans	49,173	20,411	0	69,584
Scheduled repayments	-56,379	-1,126	0	-57,505
Paid transaction costs	-1,646	-649	0	-2,295
Amortized transaction costs	2,114	1,236	0	3,350
Translation differences	0	-6,188	0	-6,188
Accrued interest payable	4,702	2,512	0	7,214
AS OF 31 DECEMBER 2018	244,937	141,930	0	386,867
More than 1 year	204,690	16,519	0	221,209
Less than 1 year	40,247	125,411	0	165,658
AS OF 31 DECEMBER 2018	244,937	141,930	0	386,867
Shipping segment	67,555	18,635	0	86,190
Infrastructure segment	177,354	123,295	0	300,649
Services segment	28	0	0	28
AS OF 31 DECEMBER 2018	244,937	141,930	0	386,867
BORROWINGS AS PER 31 DECEMBER 2019				
AS OF 1 JANUARY 2019 AS PREVIOUSLY REPORTED	244,937	141,930	0	386,867
ADJUSTMENT ON INITIAL APPLICATION OF IFRS 16 (NET OF TAX) (*)	0	0	13,026	13,026
ADJUSTED BALANCE AT 01 JANUARY 2019	244,937	141,930	13,026	399,893
New loans (**)	61,705	107,688	11,198	180,591
Scheduled repayments (**)	-43,309	-125,997	-2,600	-171,906
Paid transaction costs	-922	-1,935	0	-2,857
Amortized transaction costs	2,502	1,122	0	3,624
Translation differences	0	-1,393	-10	-1,403
Accrued interest payable	-811	-1,749	0	-2,560
Contract re-measurement/ contract modification	0	0	51	51
AS OF 31 DECEMBER 2019	264,102	119,666	21,665	405,433
More than 1 year	200,473	118,903	4,206	323,582
Less than 1 year	63,629	763	17,459	81,851
AS OF 31 DECEMBER 2019	264,102	119,666	21,665	405,433
Shipping segment	70,178	46,118	16,338	132,634
Infrastructure segment	161,872	73,548	2,687	238,107
Services segment	32,052	0	2,640	34,692
AS OF 31 DECEMBER 2019	264,102	119,666	21,665	405,433

	2019	2018
CREDIT LINES		
Total credit lines	36,740	21,870
Drawn credit lines	-32,000	0
Available credit lines	4,740	21,870

(*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective method. Under this approach, comparative information is not restated and the impact on retained earnings is determined as zero. We refer in this respect also to the accounting policies section E and to note 31.

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

BANK LOANS

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

NEW LPG pressurized facilities - USD 70.2 million (2018: USD 47.7 million)

In the last quarter of 2018, EXMAR refinanced its LPG pressurized fleet. Five vessels were refinanced under this transaction in October 2018, one vessel in December 2018 and four vessels in April 2019. The loans are repayable in quarterly tranches and the applicable interest percentage amounts to three-month LIBOR plus 2.4%. The last repayment is foreseen in December 2025. All obligations of the borrower are guaranteed by EXMAR NV ("guarantor").

TANGO FLNG facility - USD 161.9 million (2018: USD 177.4 million)

End of June 2017, EXPORT Lng Limited (a 100% subsidiary of EXMAR NV) has signed a financing agreement of USD 200 million with the Bank of China (Boc), Deutsche Bank and Sinosure for the financing of the TANGO FLNG. This loan has been drawn on 27 July 2017 at the time of the delivery of the CARIBBEAN FLNG, renamed TANGO FLNG. The agreement with BoC provides a repayment period of 12 years and the loan bears interest at a rate of six-month LIBOR plus 3%. The yearly estimated debt service amounts to USD 25 million. All obligations of the borrower are guaranteed by EXMAR NV ("guarantor"). There is a requirement for EXPORT to deposit an amount equal to 30 months principal plus interest, i.e. an amount of USD 67.3 million, on an escrow account as long that no long-term employment is in place. Further to the successful performance acceptance tests of the TANGO FLNG on 5 June 2019, EXMAR met all conditions for the partial release (USD 40 million in a first phase) of the debt service reserve account (amounting in total USD 67.3 million) in respect of the USD 200 million loan with Bank of China and Deutsche Bank. This release was subject to the approval of SINOSURE, the latter took more time than expected. On February 26, 2020 Bank of China finally released the amount of USD 40 million from the debt service reserve account. The amount of USD 40 million has been partially allocated to the repayment of the bridge loans and to cover EXMAR's capital commitments.

Bridge loans - USD 15 million & straight loans - USD 17 million

The delay incurred by the release of the Debt Service Reserve Account (DSRA) has caused pressure on the liquidity position of EXMAR in 2019 and early 2020. Pending the release of the DSRA, EXMAR closed a bridge loan in the amount of USD 30 million with NORDEA and BELFIUS who assisted EXMAR during this interim period to temporarily increase its liquidity. The applicable interest percentage amounted to 1-month LIBOR plus 4% for Nordea and plus 3.25% for Belfius. These bridge loans have been reduced to USD 15 million in December and have been fully repaid end of February 2020 with the released amount from the debt service reserve account (DSRA). EXMAR also used USD 17 million per 31 December 2019 from its available credit facilities (USD 21 million) in the form of straight loans. A part of these straight loans (USD 4.4 million) has been repaid end of February 2020 with the released amount from the DSRA. The applicable interest percentage amounted to 1-month LIBOR plus 2.55%.

OTHER LOANS

The other loans relate mainly to a senior unsecured bond issue. This bond was closed in July 2014 by EXMAR Netherlands BV ("issuer"), a 100% subsidiary of EXMAR NV, for an amount of NOK 700 million. During 2015, an additional amount of NOK 300 million has been issued (second tranche on the original NOK 700 million bond). The total nominal amount outstanding amounted to NOK 1 billion with initial maturity date in July 2017. In June 2017, the term of the bond has been amended and extended until July 2019. As a consequence of the extension of the term of the bond, each bond holder had the possibility to exchange NOK bonds to USD bonds. The interest percentage applicable on the remaining NOK bonds amounted to three-month NIBOR plus a margin of 8%. The exchanged USD bonds beared an interest percentage of three-month LIBOR plus a margin of 8.5%. In June 2019, the bond of NOK 1 billion has been fully repaid. This repayment was financed partially with a new bond issued and partially with available resources.

EXMAR Netherlands BV, a fully owned subsidiary of EXMAR NV, has successfully completed a new unsecured bond issue of NOK 650 million with a coupon of 3 months NIBOR plus 8.75% and with maturity date in May 2022. All obligations of the issuer are guaranteed by EXMAR NV ("guarantor"). EXMAR NV has to maintain direct or indirect a 100% ownership in the issuer. The NOK/ USD exposure and the NOK interest rate exposure are not covered by any financial instrument contract. We refer to note 30 for the interest risk and currency risk exposure and related sensitivity analysis.

EXMAR has two Very Large Gas Carriers under construction at Jiangnan, due for delivery in the course of 2021. The two vessels will each enter a five year time-charter to Equinor upon delivery from the shipyard. EXMAR has obtained and drawn under a pre-delivery financing of USD 20 million with Maritime Asset Partners, which partially covers the instalments during the construction of these vessels. The repayment date of this pre-delivery financing is the earlier of the delivery date or the maturity date (June 2021). The interest percentage applicable on this pre-delivery financing amounts to 10.75% per annum.

OTHER INFORMATION

EXMAR's barge based FSRU was delivered end of December 2017. The unit was able to obtain a long-term contract with GUNVOR and its employment commenced in October 2018. The FSRU has been mainly financed with available resources. The finance documentation for the sale and lease back of the FSRU barge by CSSC shipping was finalized and signed at the end of August. A first tranche of approximately USD 78.0 million was conditional upon fulfilment of the conditions precedent under the lease agreement (including security documents requiring charterers' signature) and a second tranche of USD 31.0 million upon start of the regasification operations at a location. In September 2019, GUNVOR gave notice of a dispute with respect to the execution of the Charter and has commenced arbitration. This arbitration procedure could last several months. Under the ongoing arbitration procedure, the financing of the asset could not be completed at this stage of the procedure. Meanwhile the charter remains in full force and effect.

In general, the borrowings held by EXMAR and its equity accounted investees are secured by a mortgage on the underlying assets owned by EXMAR and its equity accounted investees. Furthermore, different pledges and other types of guarantees exist to secure the borrowings. In addition, dividend restrictions are included as a special covenant in the terms of the bond. EXMAR shall not declare or make any dividend payment or distribution, whether in cash or in kind, that in aggregate exceed 50% of the consolidated net profit after tax (proportionate consolidation) based on the audited consolidated financial statements for the previous financial year. EXMAR has pledged financial assets as collateral for liabilities. We refer to note 22 where the amount of restricted cash in respect of financing agreements is disclosed.

COVENANTS

Different debt covenants exist that require compliance with certain financial ratio's. These ratio's are calculated semi-annually based on EXMAR's consolidated figures in which equity accounted investees are not accounted for under IFRS 11 but still on a proportionate basis (similar to accounting policies used for segment reporting purposes). In case of non-compliance with these covenants, early repayment of related borrowings might be required and should therefore be accounted for as short term debt. We refer to the table below for an overview of the applicable covenants.

APPLICABLE COVENANTS

RATIO	Pressurized facility	TANGO FLNG facility	Bond	Other (*)	Actual 31/12/2019 (**)
Minimum/ Book equity ratio	≥ USD 300 million	≥ USD 300 million	≥ USD 300 million	≥ USD 300 million + 50% of net positive income	448.94
Minimum free cash	≥ USD 25 million	≥ USD 25 million	≥ USD 25 million	≥ USD 40 million	81.98
Equity ratio (Equity/Total assets)	≥ 25%	≥ 25%	NA	≥ 25%	40.12%
Net Interest Bearing Debt or NIBD/equity	NA	NA	Maximum 2,50	NA	1.28
Interest Coverage ratio	NA	min 2:1	min 2:1	NA	2.30
Working capital ratio	min positive	min positive	min positive	min positive	82.80
Net financial indebtedness ratio	NA	NA	NA	< 70%	58.52%
Outstanding loan amount	96,296	161,872	73,548	48,041	

(*) The other covenants partly relate to loan amounts which are registered in our proportionate consolidation but not in our equity consolidation. The outstanding loan amount for this covenant is not included in the outstanding loan amount in the table above. The outstanding loan amount for this covenant in our proportionate consolidation amounts to USD 21.7 million.

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

As of December 31, 2019 EXMAR was compliant with all covenants with sufficient headroom.

EXMAR believes that as per June 2020 and December 2020, all covenants will be met. EXMAR is continuously monitoring compliance with all applicable covenants.

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

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

26. 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 4
GRANT DATE FAIR VALUE OF SHARE OPTIONS AND ASSUMPTIONS AT INCEPTION				
Number of options outstanding at year-end (*)	371,500	374,100	437,600	212,958
Fair value at grant date (in EUR)	3.21	2.32	3.36	5.64
Share price at grant date (in EUR)	9.62	10.00	11.33	16.80
Exercise price at inception (in EUR) (*)	9.62	10.54	10.54	14.64
Expected volatility (**)	40.70%	30.60%	31.40%	25.78%
Option life at inception (***)	8 years	8 years	8 years	8 years
Maturity date	2023	2022	2021	2020
Expected dividends	0.3 eur/y	0.3 eur/y	0.4 eur/y	0.5 eur/y
Risk-free interest rate	0.53%	0.62%	1.87%	4.29%

(*) 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 1, 2, 3, 5, 6 and 7 have been removed from above table as the plans matured. Plan 5 matured at the end of 2016, plans 1 and 6 matured at the end of 2017, plans 2 and 7 matured at the end of 2018, plan 3 matured at the end of 2019. In respect of plan 3, zero options have been exercised during 2019 and 386,008 options have forfeited as a consequence of the maturity of the plan. No new option plans have been granted in 2018 and 2019.

	2019		2018	
	number of options	weighted average exercise price	number of options	weighted average exercise price
RECONCILIATION OF OUTSTANDING SHARE OPTIONS				
OUTSTANDING AT 1 JANUARY	1,796,390	12.00	2,483,178	11.14
New options granted	0	0.00	0	0.00
Changes during the year				
Options exercised	0	0.00	-211,984	4.71
Options forfeited	-400,232	15.76	-474,804	10.76
OUTSTANDING AT 31 DECEMBER	1,396,158	10.92	1,796,390	12.00
EXERCISABLE AT 31 DECEMBER	1,396,158	10.92	1,796,390	12.00

The weighted average remaining contractual life of the outstanding options at the end of December 2019, amounts to 2.7 years (2018: 3.08 years).

		2019	2018
SHARE OPTIONS			
Total number of share options outstanding		1,396,158	1,796,390
Included in personnel expenses			
	option plan 10	0	578
		0	578

27. 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 December 31, 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. The contributions recognised in the profit or loss statement in respect of this defined contribution plan amount to USD 0.6 million (2018: USD 0.6 million).

The weighted average duration of the defined benefit obligation for the defined benefit plan amounts to 6 years. The weighted average duration of the defined benefit obligation for the defined contribution plan amounts to 19 years.

EMPLOYEE BENEFITS

	2019	2018	2017	2016	2015
EMPLOYEE BENEFITS - DEFINED BENEFIT PLAN					
Present value of funded obligations	-11,535	-11,697	-12,072	-11,297	-11,662
Fair value of the defined plan assets	8,839	7,626	7,361	7,098	7,217
PRESENT VALUE OF NET OBLIGATIONS	-2,696	-4,072	-4,711	-4,198	-4,445
EMPLOYEE BENEFITS - BELGIAN DEFINED CONTRIBUTION PLAN WITH GUARANTEED RETURN					
Present value of funded obligations	-5,340	-4,703	-3,313	-3,845	
Fair value of the defined plan assets	6,438	4,609	3,198	3,777	
PRESENT VALUE OF NET OBLIGATIONS	1,099	-94	-115	-69	0
TOTAL EMPLOYEE BENEFITS	-1,597	-4,166	-4,826	-4,267	-4,445

DEFINED BENEFIT PLAN

	2019	2018
CHANGES IN LIABILITY DURING THE PERIOD		
LIABILITY AS PER 1 JANUARY	11,697	12,072
Distributions	-622	-333
Actual employee's contributions	76	89
Interest cost	101	101
Current service cost	464	536
Actual taxes on contributions paid (excluding interest)	-89	-102
Actuarial gains/losses	129	-114
Translation differences	-222	-552
LIABILITY AS PER 31 DECEMBER	11,535	11,697
CHANGES OF FAIR VALUE OF PLAN ASSETS		
PLAN ASSETS AS PER 1 JANUARY	7,626	7,361
Contributions	808	929
Distributions	-622	-333
Interest income	68	64
Actuarial gain/loss	145	117
Actual taxes on contributions paid (excluding interest)	-89	-102
Actual administration costs	-50	-58
Translation differences	-144	-353
Correction paragraph 115	1,097	0
PLAN ASSETS AS PER 31 DECEMBER (*)	8,839	7,626
EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS		
Current service expenses	-464	-536
Interest expense	-101	-101
Expected return on plan assets	68	64
Administration cost	-50	-58
TOTAL PENSION COST RECOGNISED IN THE INCOME STATEMENT (SEE NOTE 6)	-547	-631
EXPENSE RECOGNISED IN OTHER COMPREHENSIVE INCOME		
Recognition of actuarial gains and losses	-16	-231
TOTAL PENSION COST RECOGNISED IN OTHER COMPREHENSIVE INCOME	-16	-231
MOST SIGNIFICANT ASSUMPTIONS, EXPRESSED IN WEIGHTED AVERAGES		
Discount rate at 31 December	0.20%	0.90%
Expected return on assets at 31 December	0.20%	0.90%
Future salary increases (including inflation)	(salary scales)	(salary scales)
Mortality tables	Belgian (MR/FR)	Belgian (MR/FR)
Inflation	2%	2%
EXPECTED NEXT YEAR CONTRIBUTIONS		
Best estimate of contributions expected to be paid during next year	835	960
DETAIL PLAN ASSETS INVESTMENTS		
Shares	2%	2%
Bonds & loans	87%	90%
Property investments	7%	6%
Cash	4%	2%

(*) The plan assets do not include any shares issued by EXMAR or property occupied by EXMAR.

28. PROVISIONS (IN THOUSANDS OF USD)

	2019	2018
PROVISIONS		
Long-term provisions (*)	0	2,360
AS PER 1 JANUARY	0	2,360
New provisions	0	0
Reversal of unused provisions (*)	0	-2,360
AS PER 31 DECEMBER	0	0
Long-term provisions (*)	0	0
AS PER 31 DECEMBER	0	0

(*) Following the partial demerger from CMB, EXMAR provided for 39% of the estimated exposure relating to the PSA claim against CMB. The provision in respect of this claim has been released in the statement of profit or loss during 2018 as a consequence of a confirmation from PSA that the litigation has been terminated.

29. TRADE AND OTHER PAYABLES (IN THOUSANDS OF USD)

	2019	2018
TRADE AND OTHER PAYABLES		
Trade payables	24,658	24,772
Other payables	10,655	15,258
Deferred income (*)	13,368	8,153
	48,681	48,183
OF WHICH FINANCIAL LIABILITIES (NOTE 30)	34,695	39,877

(*) 'Deferred income' comprises already invoiced revenue, related to the next accounting year, e.g. freight, hire,...

The decrease in the other payables compared to 2018 can be mainly explained by the repayment of the loan granted by RESLEA to EXMAR as a consequence of the sale of RESLEA to CMB. We refer in this respect to note 10 of this annual report.

Compared to previous year, deferred income shows an increase at year-end 2019. This increase is mainly triggered by the received prepayment (USD 3.3 million) from Excelerate Energy. In February 2019, Excelerate Energy, via the respective owning companies of each vessel, elected to terminate the ship management agreements for their 7 vessels managed by EXMAR Shipmanagement NV. In accordance with the contractually agreed termination clauses a notice period up to 2 years is to be considered and a cancellation fee is payable to EXMAR Shipmanagement. A transition schedule, subject to the operations of each vessel, and a payment schedule for the cancellation fee has been agreed between both parties end 2019. The first prepayment of the cancellation fee has been received at December 31, 2019 and is recognised as deferred income at year-end. The cancellation fee will be recognised in operating income in 2020 and/or 2021, depending upon the actual transition date for each vessel once all performance obligations have been satisfied by EXMAR Shipmanagement NV.

30. FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

During the normal course of its business, EXMAR is exposed to various risks as described in more detail in the Corporate Governance Statement. EXMAR is exposed to credit, interest, currency and liquidity risks and in order to hedge this exposure, EXMAR uses different financial instruments, mainly interest rate hedges situated within our equity accounted investees. 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.

The following table shows financial assets and financial liabilities measured at fair value, including their level in the fair value hierarchy.

FAIR VALUE & FAIR VALUE HIERARCHY

	Level 1	Level 2	Level 3	Total
31 DECEMBER 2019				
Equity securities - FVTPL	3,166	1,004	0	4,170
TOTAL FINANCIAL ASSETS CARRIED AT FAIR VALUE	3,166	1,004	0	4,170
TOTAL FINANCIAL LIABILITIES CARRIED AT FAIR VALUE	0	0	0	0

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

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. The borrowings to equity accounted investees consist of shareholder loans to our equity accounted investees that own or operate an LPG 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. The term of the shareholder loans are discussed in note 17 of this annual report.

Exposure to risk

	2019	2018
CARRYING AMOUNTS OF FINANCIAL ASSETS		
Borrowings to equity accounted investees	49,979	54,203
Other investments - equity instruments at FVTPL	4,170	4,022
Trade and other receivables	34,607	60,940
Restricted cash	67,270	67,270
Cash and cash equivalents	52,626	39,837
	208,653	226,272

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 when management is of the opinion that it is favorable to do so. For the moment, no interest rate swaps exist within our subsidiaries. On the other hand, different interest rate swaps exist within our equity accounted investees. 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.

Exposure to risk

EXPOSURE TO INTEREST RATE RISK	2019	2018
Total borrowings (*)	391,612	392,918
with fixed interest rate	46,975	19,285
with variable interest rate: gross exposure	344,637	373,633
Interest rate financial instruments (nominal amount)	0	0
NET EXPOSURE	344,637	373,633

(*) The difference of the total borrowings compared to the balance sheet amount relates to transaction costs, accrued interests payables allocated to the loan account and leasing liabilities as a consequence of the implementation of IFRS 16.

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 unchanged):

SENSITIVITY ANALYSIS	2019		2018	
	+ 50 bp	- 50 bp	+ 50 bp	- 50 bp
Interest-bearing loans (variable interest rate)	-1,723	1,723	-1,868	1,868
Interest rate swaps and cross currency rate swaps	0	0	0	0
SENSITIVITY (NET)	-1,723	1,723	-1,868	1,868
Impact in profit or loss	-1,723	1,723	-1,868	1,868
Impact in equity	0	0	0	0
TOTAL IMPACT	-1,723	1,723	-1,868	1,868

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

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. EXMAR Netherlands BV has completed a new unsecured bond issue of NOK 650 million in 2019. In order to monitor the currency risk, the Group uses a range of foreign currency rate hedging instruments if deemed necessary. As per 31 December 2019 and 2018, no financial instrument contracts were outstanding to cover the EUR/USD exposure or the NOK/ USD exposure.

Exposure to risk

Exposure to currency risk, based on notional amounts in thousands of foreign currency:

	2019				2018		
	EUR	NOK	SGD	ARS	EUR	NOK	GBP
Receivables	11,489	70	0	98,173	12,576	0	0
Payables	-16,045	-107	-1,501	-19,924	-19,632	-70	-583
Interest-bearing loans	0	-650,000	0	0	-14	-912,450	0
BALANCE SHEET EXPOSURE	-4,556	-650,037	-1,501	78,249	-7,070	-912,520	-583
IN THOUSANDS OF USD	-5,118	-74,039	-1,116	1,307	-8,095	-105,031	-746

Sensitivity analysis

As per 31 December 2019 an increase in the year-end EUR/USD rate of 10% would affect the statement of profit or loss with USD -0.5 million (2018: USD -0.8 million). A 10% decrease of the EUR/USD rate would impact the profit or loss statement with the same amount (opposite sign).

The NOK/USD exposure on the outstanding NOK bond is not covered by financial instrument contracts. An increase in the year-end NOK/USD rate of 10% would affect the statement of profit or loss with USD -7.4 million (2018: USD -10.5 million). A 10% decrease of the NOK/USD rate would impact the profit or loss statement with the same amount (opposite sign).

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, 2019 EXMAR was compliant with all covenants. We also refer in this respect to note 25 regarding borrowings and to note 32 regarding capital commitments.

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 bridge loans and the straight loans are not included in the tables below. The contractual maturities of our borrowings to equity accounted investees are based on the contractual amortization table of the loan for the Electra Offshore Ltd facility and on the cash flow projections for future years for the EXMAR LPG shareholder's loan. 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.

	Currency	Interest rates	Maturity	Carrying amount	Contractual cash flows Total	0-12 mths	1-2 years	2-5 years	> 5 years
AS PER 31 DECEMBER 2018									
NON-DERIVATIVE FINANCIAL LIABILITIES									
Bank loans	USD	libor + 3%	2019-2020	-19,891	-20,549	-16,105	-4,444	0	0
Bank loans/other loans	USD	libor + 2.4%	2023-2024-2025	-66,278	-76,272	-10,362	-10,390	-33,843	-21,677
Bank loans	USD	libor + 3%	2029	-177,353	-255,251	-27,205	-27,264	-77,514	-123,268
Bond	NOK	Nibor + 8% Libor +8.5%	2019	-123,295	-130,633	-130,633	0	0	0
Other bank loans	EUR			-50	-60	-38	-22	0	0
				-386,867	-482,765	-184,343	-42,120	-111,357	-144,945
BORROWINGS TO EQUITY ACCOUNTED INVESTEES	USD			54,203	72,168	7,502	6,458	37,749	20,459
FINANCIAL GUARANTEES	USD			0	-318,538	-60,511	-29,875	-153,923	-74,229

	Currency	Interest rates	Maturity	Nominal amount	Contractual cash flows Total	0-12 mths	1-2 years	2-5 years	> 5 years
AS PER 31 DECEMBER 2019									
NON-DERIVATIVE FINANCIAL LIABILITIES									
Bank loans/other loans	USD	libor + 2.4%	2023-2024-2025	-98,916	-108,078	-16,454	-16,529	-58,880	-16,215
Bank loans	USD	libor + 3%	2019	-166,667	-212,850	-24,884	-23,681	-68,159	-96,126
Bond	NOK	Nibor + 8.75%	2022	-74,029	-93,825	-7,950	-7,919	-77,956	0
Other loans	USD	10.75%	2021	-20,000	-23,303	-2,037	-21,266	0	0
Lease liabilities ROU assets	USD			-18,371	-18,834	-16,742	-1,106	-986	0
Lease liabilities ROU assets	EUR			-3,111	-3,248	-1,704	-844	-508	-192
Lease liabilities ROU assets	SGD			-42	-44	-33	-1	-9	0
Lease liabilities ROU assets	INR			-142	-168	-45	-47	-75	0
				-381,277	-460,350	-69,850	-71,394	-206,573	-112,533
BORROWINGS TO EQUITY ACCOUNTED INVESTEES	USD			49,979	71,546	3,435	14,690	52,846	575
FINANCIAL GUARANTEES	USD			0	-271,678	-35,506	-149,129	-19,476	-67,567

FAIR VALUES

Carrying amounts versus fair values

	Fair value hierarchy (*)	2019 Carrying amount	2019 Fair value	2018 Carrying amount	2018 Fair value
CARRYING AMOUNTS VERSUS FAIR VALUES					
Borrowings to equity accounted investees	2	49,979	46,605	54,203	50,188
Other investments - equity instruments at FVTPL	1/2	4,170	4,170	4,022	4,022
Interest-bearing loans	2	-405,433	-426,676	-386,867	-396,650
		-351,284	-375,901	-328,642	-342,440

(*) 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 equity instruments at FVTPL is shown in the beginning of this note.

BASIS FOR DETERMINING FAIR VALUES:	
Borrowings to equity accounted investees	present value of future cash flows, discounted at the market rate of interest at reporting date
Equity instruments at FVTPL	quoted closing bid price at reporting date for Teekay shares and Frontera shares/ non-quoted closing fixing price at reporting date through a public auction via Euronext for Sibelco shares
Interest-bearing loans	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.

31. LEASES (IN THOUSANDS OF USD)

We also refer to the accounting policies - section changes in accounting policies and section Lease.

LEASES AS A LESSEE

The Group leases properties, motor vehicles and IT equipment.

	Property	Motor vehicles	IT equipment	Total
RIGH-OF-USE ASSETS				
BALANCE AT 1 JANUARY 2019	5,529	6,901	596	13,026
BALANCE AT 31 DECEMBER 2019	3,981	1,720	410	6,111

For the full roll forward schedule in respect of the right-of-use assets including the depreciation charge for the year, we refer to note 14 of this annual report.

AMOUNTS RECOGNISED IN PROFIT OR LOSS	2019
LEASES UNDER IFRS 16	
Interest on lease liability	1,392
Expenses related to short-term leases	0
Expenses related to leases of low-value assets	0

	2018
OPERATING LEASES UNDER IAS 17	
Lease expense	2,178

There are no extension or termination options on the lease contracts.

For the maturity analysis in respect of related lease liabilities, we refer to note 30.

LEASES AS A LESSOR

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 accounting policies applicable to the Group as a lessor are not different from those under IAS 17.

Rental income recognised by the Group during 2019 was USD 51.4 million (2018: 33.6 million).

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

	2019
OPERATING LEASES UNDER IFRS 16	
Less than one year	76,636
One to two years	68,783
Two to three years	68,783
Three to four years	68,783
Four to five years	68,783
More than five years	310,114
TOTAL	661,882

	2018
OPERATING LEASES UNDER IAS 17	
Less than one year	67,812
Between one and five years	276,079
More than five years	378,896
TOTAL	722,787

32. CAPITAL COMMITMENTS (IN THOUSANDS OF USD)

As per December 31, 2019 the capital commitments are as follows:

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

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

In January 2019 Hanjin Heavy Industries & Construction at Subic Bay (Philippines) filed for rehabilitation due to financial difficulties. The construction disruptions caused thereby obliged EXMAR to cancel both Shipbuilding Contracts and invoke the Refund Guarantee from Korean Development Bank (South Korea) to recover each of the Instalments already paid. These instalments (USD 27.2 million) have been repaid during the first semester of 2019 together with an interest of 6%.

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

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

Timing	In thousands of USD
2020 (**)	15,470
2021 at delivery	124,046
TOTAL	139,516

(**) paid per January 22, 2020

33. CONTINGENCIES

In September 2019, GUNVOR gave notice of a dispute under the Charter for EXMAR's FSRU unit and has commenced arbitration. This arbitration procedure could last several months. EXMAR is confident about the outcome. Meanwhile the charter remains in full force and effect and management is of the opinion that the hire paid is effectively earned.

EXMAR NV received a tax assessment of USD 1.0 million regarding the tax treatment of remunerations paid. Even though the management assessed that the tax claim is not valid, a receivable, for the same amount as the liability, has been accounted for in the consolidated financial statements per 31 December 2019.

Several of the Group's companies are involved in a number of minor legal disputes arising from their day-to-day operations. The management does not expect the outcome of these procedures to have any material effect on the Group's financial position.

34. RELATED PARTIES (IN THOUSANDS OF EUR)

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).

ULTIMATE CONTROLLING PARTY

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

TRANSACTIONS WITH CONTROLLING SHAREHOLDER AND WITH CONTROLLING SHAREHOLDER RELATED PARTIES

Saverbel NV and Saverex NV, both controlled by Mr. Nicolas Saverys, charged KEUR 453 to the Group (2018: KEUR 392) for general administration services provided during 2019. The outstanding amount at year end in respect of these services amounts to KEUR 20 (2018: KEUR 72).

EXMAR Shipmanagement charged KEUR 669 to Saverex for shipmanagement services in respect of the yacht “Douce France” (2018: KEUR 464). The outstanding amount at year end in respect of these services amounts to KEUR 0 (2018: KEUR 174).

During 2019, an amount of KEUR 122 was invoiced to Mr. Nicolas Saverys as a consequence of private expenses to be recharged. The relating outstanding amount per 31 December 2019 in respect of these services is KEUR 5.5. Per 31 December 2018, a provision of KEUR 397 was accounted for in this respect.

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, significant payables and the related P&L amount of services provided and received.

SERVICES (IN THOUSANDS OF EUR)	Receivables per 31/12/2018	Payables per 31/12/2018	Services provided P&L2018	Services received P&L2018
Shipmanagement services	579	89	12,336	0
General, accounting and corporate services	0	5,200	976	0
Site supervision & plan approval services	36	0	940	0
Rental services	0	0	0	1,238

SERVICES (IN THOUSANDS OF EUR)	Receivables per 31/12/2019	Payables per 31/12/2019	Services provided P&L2019	Services received P&L 2019
Shipmanagement services	1,378	37	13,625	0
General, accounting and corporate services	873	0	722	0
Site supervision & plan approval services	0	0	0	0
Rental & other services	0	0	0	1,040

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 17 for an overview of these borrowings and to note 8 for the total amount of interest income.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Board of Directors

BOARD OF DIRECTORS (IN THOUSANDS OF EUR)	2019	2018
Chairman	100	100
Other members (individual amount)	50	50
Total paid (*)	485.6	500

(*) 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 were granted to the members of the Board in 2019. The outstanding amount per 31 December 2019 in respect of recharged private expenses to Mr. Nicolas Saverys is KEUR 5.5. Per 31 December 2018, a provision of KEUR 397 was accounted for in this respect.

Audit committee

AUDIT COMMITTEE (IN THOUSANDS OF EUR)	2019	2018
Chairman	20	20
Other members (individual amount)	10	10
Total paid	50	50

Nomination and remuneration committee

NOMINATION AND REMUNERATION COMMITTEE (IN THOUSANDS OF EUR)	2019	2018
Chairman	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. 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.

End of 2019 the Executive Committee, excluding the CEO, consisted of four members. All members of the Executive Committee (including the CEO) have a self-employed status. In the event of termination of their appointment, they have no contractual right to any form of severance compensation. Three members of the Executive Committe are represented by means of their management company. In the event of termination by EXMAR, FLX Consultancy BVBA (represented by Jonathan Raes) would be entitled to a compensation equivalent of nine month's salary, Chirmont NV (represented by Miguel De Potter) to a compensation equivalent of three month's salary and Lisann AS (represented by Jens Ismar) to a compensation equivalent of three months salary.

EXECUTIVE COMMITTEE, EXCLUDING CEO (IN THOUSANDS OF EUR)	2019	2018
Total fixed remuneration	2,493	2,366
of which for insurance and pension plan	265	333
of which value of share options	0	0
Total variable remuneration	0	625

CEO (IN THOUSANDS OF EUR)	2019	2018
Total fixed remuneration	998	997
of which for insurance and pension plan	175	174
of which value of share options	0	0
Total variable remuneration	0	1,100

No loans were granted to the members of the executive committee in 2019. The outstanding amount per 31 December 2019 in respect of re-charged private expenses to Mr. Nicolas Saverys is KEUR 5.5. Per 31 December 2018, a provision of KEUR 397 was accounted for in this respect.

The members of the executive committee are among the beneficiaries of the 4 share option plans approved by the Board of Directors. The accumulated number of options (plan 4 and plan 8 to 10) allocated to the members of the executive committee are as follows:

NUMBER OF SHARES ALLOCATED	2019	2018
Nicolas Saverys	198,624	227,553
Patrick De Brabandere	134,464	156,160
Pierre Dincq	100,847	108,982
Marc Nuytemans	90,000	90,000
Miguel de Potter	90,000	90,000
David Lim	97,232	104,464
Jonathan Raes	2,500	2,500
	713,667	779,659

A number of key management personnel, or their close family members, hold positions in other companies that result in them having control or joint control over these companies. None of these companies transacted with the Group during the year.

35. GROUP ENTITIES

	Country of incorporation	Company id	Consolidation method	Ownership 2019	Ownership 2018
CONSOLIDATED COMPANIES					
JOINT VENTURES					
Estrela Ltd	Hong Kong		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%
Good Investment Ltd	Hong Kong		Equity	50.00%	50.00%
Monteriggioni Inc.	Liberia		Equity	50.00%	50.00%
Reslea NV (*)	Belgium	0435.390.141	Equity	0.00%	50.00%
Solaia Shipping Llc	Liberia		Equity	50.00%	50.00%
ASSOCIATES					
Bexco NV	Belgium	0412.623.251	Equity	44.91%	44.91%
Bureau International Maritime NV (*)	Belgium	0462.574.489	Equity	0.00%	40.00%
Bureau International Maritime Congo (*)	Congo		Equity	0.00%	40.00%
Compagnie Parisienne Formation et Logistique (*)	France		Equity	0.00%	40.00%
Electra Offshore Ltd	Hong Kong		Equity	40.00%	40.00%
Exview Hong Kong Ltd	Hong Kong		Equity	40.00%	40.00%
Marpos NV	Belgium	0460.314.389	Equity	45.00%	45.00%
Springmarine Nigeria Ltd	Nigeria		Equity	40.00%	40.00%
SUBSIDIARIES					
Ahlmar Germany GmbH	Germany		Full	100.00%	60.00%
Ahlmar SA (*)	Luxembourg		Full	0.00%	60.00%
Ahlmar Ship Management NV	Belgium	0676.847.588	Full	100.00%	60.00%
Best Progress International Ltd	Hong Kong		Full	100.00%	100.00%
Croxford Ltd	Hong Kong		Full	100.00%	100.00%
DV Offshore SAS	France		Full	100.00%	100.00%
ECOS SRL	Italy		Full	60.00%	60.00%
EXMAR Argentina (**)	Argentina		Full	100.00%	0.00%
EXMAR Energy France	France		Full	100.00%	100.00%
EXMAR Energy Hong Kong Ltd	Hong Kong		Full	100.00%	100.00%
EXMAR Energy Netherlands BV	Netherlands		Full	100.00%	100.00%
EXMAR Energy Services BV	Netherlands		Full	100.00%	100.00%
EXMAR Export Netherlands	Netherlands		Full	100.00%	100.00%
EXMAR FSRU Hong Kong 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 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 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 Small Scale LPG NL BV	Netherlands		Full	100.00%	100.00%
EXMAR Small Scale LPG HK Ltd	Hong Kong		Full	100.00%	100.00%
EXMAR Small Scale LPG BE NV	Belgium	0713.409.957	Full	100.00%	100.00%
EXMAR (UK) Shipping Company Ltd	Great-Britain		Full	100.00%	100.00%

	Country of incorporation	Company id	Consolidation method	Ownership 2019	Ownership 2018
CONSOLIDATED COMPANIES					
EXMAR VLGC BV (**)	Belgium	0739.802.370	Full	100.00%	0.00%
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		Full	0.00%	100.00%
Franship Offshore Lux SA	Luxembourg		Full	100.00%	100.00%
Fertility Development Co. Ltd	Hong Kong		Full	100.00%	100.00%
Glory Transportation Ltd	Hong Kong		Full	100.00%	100.00%
Hallsworth Marine Co.	Liberia		Full	100.00%	100.00%
Internationaal Maritiem Agentschap NV	Belgium	0404.507.915	Full	99.03%	99.03%
Laurels Carriers Inc	Liberia		Full	100.00%	100.00%
Seavie Private Ltd	India		Full	100.00%	100.00%
Talmadge Investments Ltd	British Virgin Islands		Full	100.00%	100.00%
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		Full	100.00%	100.00%
Vine Navigation Co. (***)	Liberia		Full	0.00%	100.00%

(*) These companies have been sold during the accouting year. For Reslea, we refer to note 10 for further information.

(**) These companies were incorporated during the accouting year.

(***) These companies were liquidated during the accouting year.

36. MAJOR EXCHANGE RATES USED

	Closing rates 2019	Closing rates 2018	Average rates 2019	Average rates 2018
EXCHANGE RATES				
EUR	0.8902	0.8734	0.8918	0.8447
GBP	0.7573	0.7812	0.7844	0.7478
HKD	7.7865	7.8319	7.8370	7.8371
NOK	8.7803	8.6885	8.7857	8.1245
ARS	59.8700	NA	47.1800	NA
KRW	1,153.8900	NA	1,160.8300	NA

All exchange rates used are expressed with reference to the USD.

37. FEES STATUTORY AUDITOR

The worldwide audit and other fees in respect of services provided by the statutory auditor or companies or persons related to the auditors, can be detailed as follows:

	2019	2018
FEES STATUTORY AUDITOR		
Audit services	457	384
Audit related services	130	3
Tax services	124	89
	711	476

For 2019 and 2018, the non-audit fees do not exceed the audit fees.

38. SUBSEQUENT EVENTS

On February 26, 2020 Bank of China finally released the amount of USD 40 million from the debt service reserve account. The relaxation of the cash collateral follows the steady operational results of the TANGO FLNG since September 2019, under the 10-years' charter with YPF S.A. The amount of USD 40 million has been partially allocated to the repayment of the bridge loans and to cover EXMAR's capital commitments.

The vessel TEMSE which is situated within one of our equity accounted investees, has been registered as held for sale as a consequence of ongoing negotiations with a potential buyer. An impairment loss of in total USD 1.3 million (EXMAR share: USD 0.65 million) has been registered in the accounts to reflect the fair value of the vessel (USD 4.65 million for 100%).

A purchase obligation has been registered for an aircraft as a consequence of a contractual modification. In the course of 2019 an impairment loss of USD 4.7 million has been registered in the statement of profit or loss to reflect the current market value of the asset. Per 31 December 2019, the aircraft has been presented as non-current asset held for sale in the balance sheet. Per 26 February 2020, the aircraft has been purchased for an amount of USD 15.4 million.

COVID-19 is causing a high level of uncertainty in the world. Several operational measures on-shore and on-board have been taken by EXMAR to ensure the safety and wellbeing of our personnel and continuity of our business operations. The majority of our ships are currently operating under medium to long-term contracts. We are however subject to certain risks with respect to market dynamics. We are however subject to certain risks with respect to our contractual counterparties, and failure of such counterparties to meet their obligations could cause us to suffer losses or impact our liquidity position. EXMAR continues to closely monitor the situation.

SIGNIFICANT JUDGMENTS AND ESTIMATES

The significant judgements and estimates that might have a risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year relates to:

Going Concern

Over the past months EXMAR's liquidity positions was closely monitored and evolved positively amongst other because of:

* On February 26, 2020 Bank of China finally released the amount of USD 40 million from the debt service reserve account in respect of financing of TANGO FLNG. The relaxation of the cash collateral follows the steady operational results of the TANGO FLNG since September 2019, under the 10-years' charter with YPF S.A. The amount of USD 40 million has been partially allocated to the repayment of the bridge loans and to cover EXMAR's capital commitments.

* EXMAR has obtained and drawn under a pre-delivery financing of USD 20 million with Maritime Asset Partners in December 2019, which partially covers the instalments paid during the construction of the two VLGC under construction.

The company is of the opinion that, taking into account its available cash and cash equivalents, its undrawn committed facilities available on the date of establishing the consolidated financial statements, its project cash flows based on approved budgets and the liquidity impact of the elements listed below, it has sufficient liquidity to meets its present obligations and cover its working capital needs for a period of at least 12 months from the authorization date of this annual report.

The consolidated financial statements for the year ended 31 December 2019 have been prepared on a going concern basis. The main assumptions and uncertainties for EXMAR underpinning the going concern assessment are concentrated around following matters:

* In September 2019, GUNVOR gave notice of a dispute under the Charter and has commenced arbitration. This arbitration procedure could last several months. Meanwhile management assumes that the charter remains in full force and effect and management is of the opinion that the hire paid is effectively earned and no amounts should be repaid.

* EXMAR assumes to obtain post-delivery financing to cover the payments in April and June 2021 of the last instalments at delivery of the 2 Very Large Gas Carriers under construction at Jiangnan, amounting to USD 62 million per vessel, as well as the repayment of the pre-delivery financing at that date.

* Considerations received from YPF with respect to the barge TANGO FLNG are paid into a restricted earnings account with Bank of China, the provider of financing of the TANGO FLNG. Management assumes that Bank of China will give its consent to withdraw excess cash, after payments to the debt servicing account.

* COVID-19 is causing a high level of uncertainty in the world. Several operational measures on-shore and on-board have been taken by EXMAR to ensure the safety and wellbeing of our personnel and continuity of our business operations. The majority of our ships are currently operating under medium to long-term contracts. We are however subject to certain risks with respect to market dynamics. We are however subject to certain risks with respect to our contractual counterparties, and failure of such counterparties to meet their obligations could cause us to suffer losses or impact our liquidity position. EXMAR continues to closely monitor the situation.

Covenants

In light of its ongoing operational challenges and the resulting pressure on its financial position, the Company is closely monitoring its compliance with the financial covenants. The Company has met all its financial covenants as at December 31, 2019 and the next testing date with respect to the financial position as at the end of June 2020 is in September 2020. EXMAR believes that based on forecasts for the remaining of the year, and more in particular thanks to the revenue to be generated by TFLNG and the FSRU barge, all covenants will be met as per June 2020 and December 2020.

EXMAR is continuously monitoring compliance with all applicable covenants. If a breach of covenants would occur, the Company will request and believes it will be able to obtain a waiver from the relevant lenders. See also note 25 of this report.

The unexpected delays in the release of the USD 40 million caused EXMAR to continue to pay careful attention to the liquidity of the Company. The receipt of the restricted cash under the TANGO FLNG financing together with other anticipated cash flows (i.e. the charter fees from the shipping and infrastructure assets), allows EXMAR to cover its financial commitments budgeted for the year 2020.

Considering the assumptions and uncertainties described above, the Board is confident that management will be able to maintain sufficient liquidities to meet its commitments and therefore it has an appropriate basis for the use of the going concern assumption. In the event the above assumptions are not timely met, there is a material uncertainty whether the Company will have sufficient liquidities to fulfil its obligations of at least 12 months from the date of authorising these financial statements.

Provisions

The LNG EXCEL, owned by one of our joint ventures, was party to a lease arrangement in the UK whereby the Lessor could claim depreciation on the capital expenditures it incurred to acquire the vessel (Capital Allowances). 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 August 2013. The UK tax authorities (HMRC) have made inquiries in respect of the right to receive the Capital Allowances. Based on commercial, legal and financial considerations, our position is that the allowances were validly claimed and we have informed HMRC accordingly. However, in case of a successful challenge by the UK tax authorities of the tax treatment of the lease, we could be required to compensate the Lessor for any tax amount to be reimbursed to the tax authorities. The amount held on the joint venture company's account (USD 1.7 million for EXMAR's share), is maintained to cover our obligations to the Lessor and has therefore been provisioned in the current financial period. Last year no such provision was recognised in the consolidated financial statements of EXMAR as the possible outflow could not be accurately calculated at that time.

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 Jalcos NV represented by its legal representative Ludwig Criel , and the Executive Committee, represented by Patrick De Brabandere (CFO) and Francis Mottrie (Deputy CEO), 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 SHAREHOLDERS' MEETING OF EXMAR NV FOR THE YEAR ENDED 31 DECEMBER 2019 - CONSOLIDATED FINANCIAL STATEMENTS

In the context of the statutory audit of the consolidated financial statements of EXMAR NV ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 16 May 2017, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration") issued upon recommendation of the audit committee. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2019. We have performed the statutory audit of the consolidated financial statements of EXMAR NV for 3 consecutive periods.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows total assets of 909 767 (000) USD and the consolidated statement of profit or loss shows a loss for the year then ended of 13 202 (000) USD.

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and financial position as of 31 December 2019 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

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

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

Material uncertainty relating to going concern

We draw attention to Note "Significant judgements and estimates" in the financial statements, which states that the Company is facing ongoing challenges that put pressure on its financial position. In preparing the financial statements, and as disclosed in this note, the board has considered four main assumptions and uncertainties to be successfully and timely completed to provide sufficient liquidity to the Company during a period of at least 12 months from the authorization date of the annual report. These assumptions and uncertainties form a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern when not timely realized. Our opinion is not modified in respect of this matter.

Key audit matters

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

Key audit matters	How our audit addressed the key audit matters
IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT – VESSELS	
• Property, plant and equipment – vessels with a carrying amount of 576 605 (000) USD represent 63% of the consolidated balance sheet total as at 31 December 2019. Management's assessment of the valuation of property, plant and equipment is significant to our audit because this process is complex and requires significant management judgement. • **Reference to disclosures** We refer to the consolidated financial statements, including notes to the consolidated financial statements: 11 – vessels.	• We considered the process and the internal controls implemented by management and we carried out testing relating to the design and implementation of management's controls to assess impairment indicators and perform impairment testing. • We validated for each cash generating unit if impairment indicators, as determined by IAS 36, were considered in the impairment assessment of management. • We obtained the appraisal reports from external brokers which are used by management to test for impairment indicators and to determe the fair value less costs to sell ("FVLCTS") of the vessels. • We tested management's assumptions used in the value in use ("VIU") calculations especially the most critical assumptions such as the post contract charter rates and discount rates. In challenging these assumptions, we took into account actual results, negotiated contract terms, external data, independent market reports and market conditions. • Furthermore, we evaluated the adequacy of the disclosures regarding the impairments of property, plant and equipment.

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) 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.

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

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

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

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

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

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

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

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

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

OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements, the statement of non-financial information attached to the directors' report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements, the statement of non-financial information attached to the directors' report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements, as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.

In the context of our statutory audit of the consolidated financial statements we are also responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements is free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement.

The non-financial information as required by article 3:32, § 2 of the Code of companies and associations, has been disclosed in the directors' report on the consolidated financial statements. This non-financial information has been established by the company in accordance with an internationally recognised framework. In accordance with article 3:80 § 1, 5° of the Code of companies and associations we do not express any opinion on the question whether this non-financial information has been established in accordance with this internationally recognised framework.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the group during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Other statements

This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Zaventem, 6 April 2020
The statutory auditor
Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL
Represented by Gert Vanhees


NO SMOKING
MARIANNE

STATUTORY ACCOUNTS

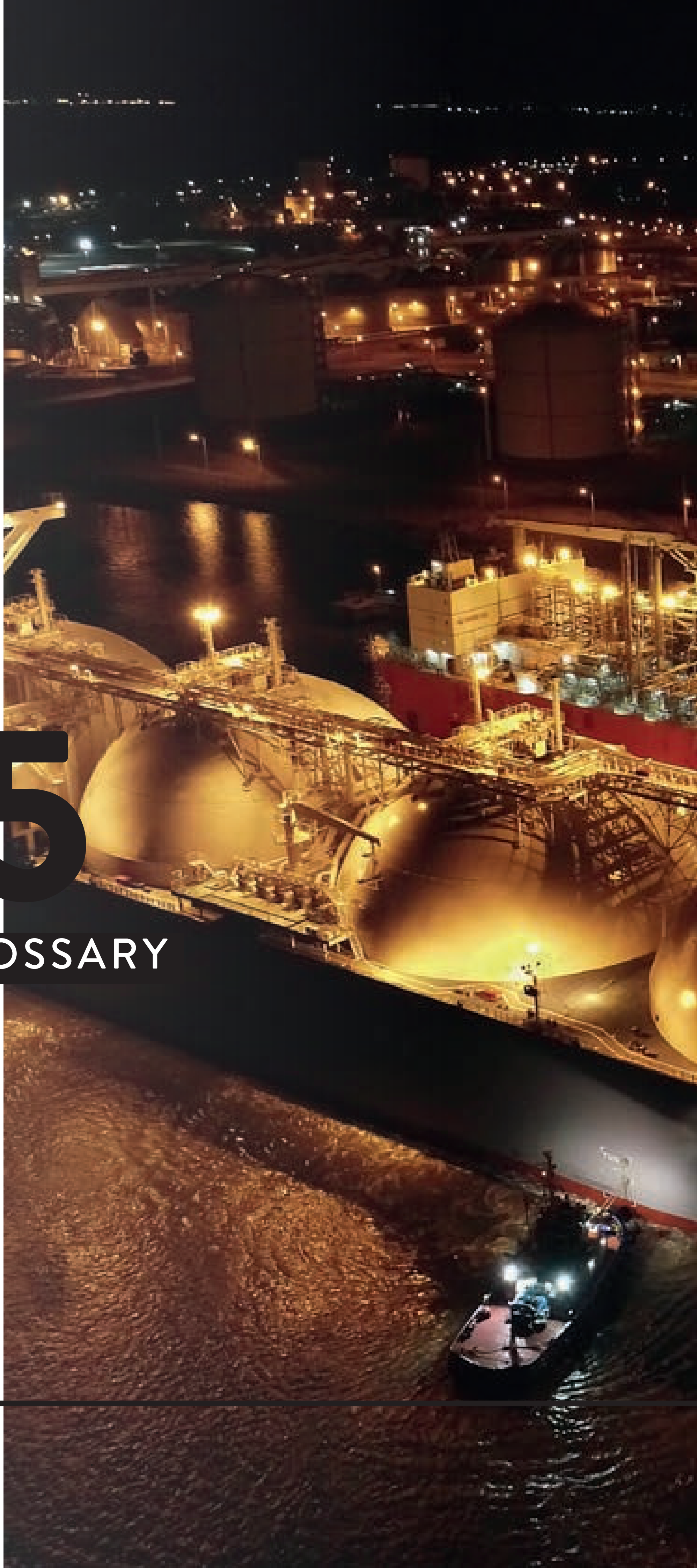
The statutory accounts of EXMAR NV are disclosed hereafter in a summarised version. The full version will be filed with the National Bank of Belgium. The full version is available on the Company's website (www.exmar.be) and a copy can be obtained free of charge on request. An unqualified audit opinion has been expressed by the statutory auditor.

BALANCE SHEET
(IN THOUSANDS OF USD)

	31/12/2019	31/12/2018
ASSETS		
FIXED ASSETS	703,235	619,568
(In)-tangible assets	414	394
Financial assets	702,821	619,174
CURRENT ASSETS	120,100	117,273
Amounts receivable within one year	70,344	79,250
Investments	17,501	19,587
Cash and cash equivalents	31,965	18,201
Accrued income and deferred charges	290	235
TOTAL ASSETS	823,335	736,841
EQUITY AND LIABILITIES		
EQUITY	704,115	659,230
Capital	88,812	88,812
Share premium	209,902	209,902
Reserves	84,103	86,338
Accumulated profits	321,298	274,178
PROVISIONS AND DEFERRED TAXES	337	337
Provisions and deferred taxes	337	337
LIABILITIES	118,883	77,274
Amounts payable within one year	118,883	77,274
TOTAL EQUITY AND LIABILITIES	823,335	736,841

STATEMENT OF PROFIT OR LOSS
(IN THOUSANDS OF USD)

	01/01/2019 -31/12/2019	01/01/2018 -31/12/2018
STATEMENT OF PROFIT OR LOSS		
Operating income	3,538	3,846
Operating expenses	-9,075	-9,551
OPERATING RESULT	-5,537	-5,705
Financial income	58,350	24,788
Financial expenses	-5,816	-7,606
RESULT FOR THE YEAR BEFORE TAX	46,997	11,477
Income tax	-2,112	-1,297
RESULT FOR THE YEAR	44,885	10,180
APPROPRIATION OF RESULT		
Result to be appropriated	319,063	270,516
Transfer from/(to) capital and reserves	2,235	3,662
Result to be carried forward	-321,298	-274,178
Distribution of result	0	0



#05 GLOSSARY

GLOSSARY

BWTS	Ballast water treatment system
cbm	Cubic meters (m^3)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CO_2	Carbon dioxide
COO	Chief Operating Officer
DVO	DV Offshore
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EE	Excelerate Energy
EEDI	Energy Efficiency Design Index
EEOI	Energy Efficiency Operational Indicator
EOC	EXMAR Offshore Company
ESI	Environment Ship Index
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
FSO	Floating Storage and Offloading
FSU	Floating Storage Unit
FSRU	Floating Storage and Regasification Unit
GDPR	General Data Protection Regulation
GHG	Greenhouse gas
HFO	Heavy Fuel Oil
HMPE	High Modulus Polyethylene
HR	Human Resources
HSEQ	Health, Safety, Environment and Quality
HSEEQ	Health, Safety, Environmental Energy and Quality
HyMethShip	Hydrogen Methanol Ship
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ISM	International Safety Management
ISO	International Organization for Standardization
JV	Joint venture
k	1,000
KPI	Key Performance Indicators
LGC	Large Gas Carrier
LNG	Liquefied Natural Gas
LNG/C	Liquefied Natural Gas Carrier
LNGRV	Liquefied Natural Gas Regasification Vessel
LPG	Liquefied Petroleum Gas
LTI	Lost Time Injurie
LTIF	Lost Time Injury Frequency
M^3	Cubic metres
MGC	Midsize Gas Carrier

Midsize	20,000 m^3 to 40,000 m^3
Mio	Million
MMSCFD	Million standard cubic feet per day
MT	Metric tons
MTPA	Million tons per annum
NH^3	Ammonia
NM	Nautical Mile
O&M	Operations & Maintenance
OB	Order book
OCIMF	Oil Companies Marine International Forum
OPEX	Operating Expenditures
Petchems	Petrochemicals
PPE	Personal Protective Equipment
PPM	Parts per million
R&D	Research & Development
REBITDA	Recurring earnings before interests, taxes, depreciations and amortizations
Semi-ref.	Semi-refrigerated LPG carrier
SMS	Safety Management Systems
STS	Ship-to-ship
TC	Time charter
TCE	Time charter equivalent
TMSA	Tanker Manager Self-Assesment
TRCF	Total Recordable Cases Frequency
TTSL	Taking The SAFETY LEAD
U/C	Under Construction
US	United States
USA	United States of America
USCG	United States Coast Guard
USD	United States Dollar
VCM	Vinyl Chloride Monomer
VLGC	Very Large Gas Carrier

EXMAR