EXMAR Netherlands BV

Registration Document

Joint Lead Managers:

Sevenum (the Netherlands), 31 August 2020

Important information

The Registration Document is based on sources such as annual reports and publicly available information and forward-looking information based on current expectations, estimates and projections about global economic conditions, as well as the economic conditions of the regions and industries that are major markets for EXMAR Netherlands BV's (the Company) and the Guarantor's (including subsidiaries and affiliates) lines of business.

A prospective investor should consider carefully the factors set forth in Chapter 1 Risk factors, and elsewhere in the Prospectus, and should consult his or her own expert advisers as to the suitability of an investment in the bonds.

IMPORTANT – EEA RETAIL INVESTORS - If the Securities Note in respect of any notes includes a legend titled "Prohibition of Sales to EEA Retail Investors", the notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ('EEA'). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of the Markets in Financial Instruments Directive II ('MiFID II'); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "Packaged Retail Investment and Insurance-Based Products, PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

MiFID II product governance / target market – The Securities Note in respect of any notes will include a legend titled "MiFID II product governance" which will outline the target market assessment in respect of the notes and which channels for distribution of the notes are appropriate. Any person subsequently offering, selling or recommending the notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

This Registration Document is subject to the general business terms of the Joint Lead Managers, available at their websites (www.dnb.no, www.nordea.no and www.paretosec.no).

The Joint Lead Managers and/or any of their affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Registration Document and may perform or seek to perform financial advisory or banking services related to such instruments. The Joint Lead Managers' corporate finance department may act as manager or co-manager for this Company and/or Guarantor in private and/or public placement and/or resale not publicly available or commonly known.

Copies of this Registration Document are not being mailed or otherwise distributed or sent in or into or made available in the United States. Persons receiving this document (including custodians, nominees and trustees) must not distribute or send such documents or any related documents in or into the United States.

Other than in compliance with applicable United States securities laws, no solicitations are being made or will be made, directly or indirectly, in the United States. Securities will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States without registration or an applicable exemption from registration requirements.

The distribution of the Registration Document may be limited by law also in other jurisdictions, for example in the United Kingdom. Approval of the Registration Document by Finanstilsynet (the Norwegian FSA) implies that the Registration Document may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Registration Document in any jurisdiction where such action is required.

The Registration Document dated 31 August 2020 together with a Securities Note and any supplements to these documents constitute the Prospectus.

The content of this Registration Document does not constitute legal, financial or tax advice and potential investors should seek legal, financial and/or tax advice.

Unless otherwise stated, this Registration Document is subject to Norwegian law. In the event of any dispute regarding the Registration Document, Norwegian law will apply.

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1 Risk factors

Investing in bonds issued by EXMAR Netherlands BV and guaranteed by the Guarantor involves inherent risks.

For the purpose of this Registration Document, the risk factors for the Company and the Guarantor are deemed to be equivalent.

The risks and uncertainties described in the Prospectus are risks of which the Company is aware and that the Company considers to be material to its business. If any of these risks were to occur, the Company's and/or the Guarantor's business, financial position, operating results or cash flows could be materially adversely affected, and the Company and/or the Guarantor could be unable to pay interest, principal or other amounts on or in connection with the bonds. Prospective investors should carefully consider, among other things, the risk factors set out in this Registration Document and in the Securities Note, before making an investment decision. The risk factors set out in the Registration Document and the Securities Note cover the Company and Guarantor and the bonds issued by the Company, respectively.

An investment in the bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

Operational risks

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.

Our 2 VLGC under construction in China might be impacted by a failure or delay of the Shipyard and could hence negatively impact the performance of Exmar under its obligation towards the Charterer.
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.

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 (crew salaries, inflation, insurance cost, …). Cost of Drydocking and repairs of vessels can also result in higher cost than budgeted Since most of our fleet is employed on contract at fixed rate we will not be in a position to pass on these cost to the Charterers. This might lead to loss of income. At EXMAR group level, an increase of 10 percent of vessel operating expenses would imply a decrease of the operating result (EBIT) with USD 4.7 million. A decrease of 10% would imply an increase of the operating result (EBIT) with the same amount.

Employment

Vessels or other floating assets remain off-hire for a substantial period or charters are not renewed or terminated early.

A substantial part of our fleet is operated on medium to long term contract. In case we cannot extend existing charters or enter into new charters for our fleet at profitable terms our cash flows might be substantially affected. We would be subject to a short-term or spot market or charters based on depressed market conditions. In addition it might be more difficult to obtain financing for such assets at reasonable terms.

Financial risks

Counterparty risks

Dependency on a limited number of clients, we receive a considerable part of our income from a limited number of clients. Charterers can be in default or can become bankrupt.

Deterioration of the financial viability of one of our significant clients would lead to a significant loss of income and cash flows. 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.

Liquidity risk & covenants

Financial obligations and working capital require¬ments can vary depending upon a series 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.

The Group manages the liquidity risk in order to meet financial obligations as they fall due. 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 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.

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.

The applicable covenants for the EXMAR Group are disclosed in note 25 of the annual report of 2019. More specifically for the bond, following covenants are applicable at Exmar groups level:

- Minimum equity: USD 300 million
- Minimum free cash: USD 20 million
- Net interest bearing debt/ equity: Maximum 2.5
- Interest coverage ratio (EBITDA/ Net interest expenses): Minimum 2:1
- Working capital ratio: minimum positive

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.

Financing and refinancing
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.

EXMAR has two Very Large Gas Carriers under construction at Jiangnan, due for delivery in the course of 2021. EXMAR has obtained and drawn under a pre-delivery financing of USD 20 million with MAP. The repayment date of the pre-delivery financing is the earlier of the delivery date of the vessels or the maturity date (June 2021). EXMAR assumes to obtain post-delivery financing to cover 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.

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.

For impairment testing, 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.

Interest rates
A significant portion of our financing arrangements has a variable interest rate.

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.

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.

Currency risk
Our operations are in USD but certain costs are in EUR, a portion of our financial debt is in NOK.

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. An increase

in the year end NOK/ USD rate of 10% would affect the statement of profit or loss with -7.4 million. A decrease of 10% would impact the profit or loss statement with the same amount (opposite sign).

2 Definitions

Annual Report Netherlands BV 2018:	EXMAR Netherlands BV's annual report of 2018
Annual Report Netherlands BV 2019:	EXMAR Netherlands BV's annual report of 2019
Annual Report EXMAR NV 2018:	EXMAR NV's annual report of 2018
Annual Report EXMAR NV 2019:	EXMAR NV's annual report of 2019
Articles of Association	The articles of association for each of EXMAR Netherlands BV and EXMAR NV.
Board or Board of Directors	The board of directors for each of EXMAR Netherlands BV and EXMAR NV.
Bond Issue:	The bond issue constituted by the Bonds
Bonds:	The total amount of outstanding bonds issued pursuant to the bond agreement.
COA:	Contract of Affreightment
Company/Issuer:	EXMAR Netherlands BV
EXMAR/EXMAR/ Guarantor/Parent:	EXMAR NV
EUR:	Euro
FLNG:	Floating Liquefaction of Natural Gas
FSRU:	Floating Storage and Regasification Unit
FLSU:	Floating Liquefaction Storage Units
FLSRU:	Floating Liquefaction, Storage and Regasification Units
FPSO:	Floating Production, Storage and Offloading
FSA:	The Financial Supervisory Authority of Norway
Group:	The Parent and all its (directly or indirectly owned) Subsidiaries from time to time, and a "Group Company" means the Parent or any of its Subsidiaries.
ISIN	International Securities Identification Number
Joint Lead Managers:	DNB Bank ASA, Nordea Bank Abp (Norwegian branch) and Pareto Securities AS
LEI	Legal entity identifier
LGC:	Large Gas Carrier
LNG:	Liquefied Natural Gas
LNG STS:	Liquefied Natural Gas Ship-to-Ship
LPG:	Liquefied Petroleum Gas
MTPA:	Million tonnes per annum
NH^3:	Ammonia
NOK:	Norwegian kroner

Oslo Børs:	Oslo Børs ASA
Prospectus:	The Registration Document together with a Securities Note constitutes the Prospectus
Quarterly Report 1Q 2020	EXMAR NV's report for the first quarter of 2020
Registration Document	This document dated 31 August 2020.
Subsidiary:	An entity over which the Parent directly or indirectly has a decisive influence.
US:	United States
USD:	United States Dollars
VLGC:	Very Large Gas Carrier
VPS or VPS System	The Norwegian Central Securities Depository, Verdipapirsentralen ASA

3 Persons responsible

3.1 Persons responsible for the information

Persons responsible for the information given in the Registration Document are as follows:
EXMAR Netherlands BV, De Hees 9, 5975 NL, Sevenum, the Netherlands.

3.2 Declaration by persons responsible

EXMAR Netherlands BV declares that to the best of its knowledge, the information contained in the Registration Document is in accordance with the facts and that the Registration Document makes no omission likely to affect its import.

Sevenum (the Netherlands), 31 August 2020

EXMAR Netherlands BV

4 Statutory Auditors

The statutory auditors for the Issuer and the Guarantor for the period covered by the historical financial information are given in the table below.

Company	Year	Auditor	Auditor's address	Auditor's membership in a professional body
EXMAR Netherlands BV	2018 and 2019	KPMG Accountants N.V.	Claudius Prinsenlaan/Topaasstraat 54-58, 4817 HW Breda	The Netherlands Institute of Public Accountants
EXMAR NV	2018 and 2019	Deloitte Bedrijfsrevisoren	Gateway building Luchthaven Brussel Nationaal 1J 1930 Zaventem	Belgium IBR (Instituut der Bedrijfsrevisoren

5 Information about the Issuer and the Guarantor

5.1 Legal and commercial name, domicile and legal form

Legal name	Commercial name	Domicile	Legal form
EXMAR Netherlands BV	EXMAR Netherlands	The Netherlands	Limited liability company
EXMAR NV	EXMAR	Belgium	Public limited liability company

5.2 Place of registration, registration number and LEI code

Legal name	Place of registration	Registration number	LEI code
EXMAR Netherlands BV	Business Register (The Netherlands Chamber of Commerce), the Netherlands	56700075	724500MWF0ESNY8NCO21
EXMAR NV	Crossroad Bank of Enterprises (Federal Public Service Economy (Ministry of Economy), Belgium	0860 409 202	5493006GOR72R0ZYBN98

Legal name	Objects and purposes	Reference to the articles of association
EXMAR Netherlands BV	The object of the company is: a. the operation of intellectual property in the widest sense of the word (including managing, acquiring and relicensing); b. all activities in connection with the transport at sea and fitting ships for sea, including chartering in and out, the purchase and sale of vessels, the introduction and operation of shipping lines; c. the hiring in and out of offshore infrastructure and LNG infrastructure; d. the formation and procurement of, the participation in, the cooperation with, the management of, as well as the (joint) financing of other companies, in whatever legal form; e. the provision and contracting of loans, the management and disposal of property subject to registration and the provision of securities, also for the debts of third parties; f. performing all other acts that are related to or may be conducive to one of the objects referred to above, in the broadest sense.	Article 2.
EXMAR NV	The object of the company is to operate in all activities related to maritime transport and ship ownership, such as inward and outward chartering, acquisition and sale of ships, opening and operation regular shipping lines. It can build port equipment, cargo sheds and other installations likely to foster the realisation of its object, to simplify and expand the loading and unloading, storage, clearance, forwarding and re-forwarding of goods, purchasing all necessary immovable goods and material. The company is also entitled to provide its assets as collateral security for financing granted to companies of the group to which it belongs, to the	Article 2.

	extent that such financing is useful for its activity or the realisation of its corporate purpose. Deposit all guaranties for account of all companies of the group Furthermore, the company may acquire, maintain and manage a patrimony consisting of movable and immovable goods. To that end, the company can buy, sell, rent, let, lease, develop, exchange, any goods, both movable and immovable, provide surety for, subdivide, equip, furnish and bring to value in any possible manner all vacant immovable goods; build, renovate, adapt and repair all buildings and constructions by means of all techniques and in any stage of finishing, to hold immovable goods under trust, the specific activity of real estate promotion; all this for own account and in the capacity of main merchant, or as broker, intermediary, agent or commission agent, as main contractor or as subcontractor, both in Belgium and abroad, and within the scope of the relevant legal and administrative regulations. This enumeration is not restrictive. Furthermore, the object of the company also comprises the acquisition, management, sale and transfer of equity holdings in any existing or still to be incorporated companies, with industrial, financial or commercial activities. The company is also authorised to associate with any private persons, companies or associations having a similar objective, merge with them and contribute to them or transfer to them, temporarily or definitely, all or part of its assets. The company performs all financial, commercial and industrial transactions likely to foster the realisation of its object and specifically all operations related to transport of whatever kind, be it by air, by sea or waterways, or by land.	

5.3 Country of incorporation, date of incorporation and legislation

Legal name	Country of incorporation	Date of incorporation	Legislation
EXMAR Netherlands BV	The Netherlands	18 December 2012	Dutch*)
EXMAR NV	Belgium	20 June 2003	Belgian**)

*) Dutch civil code
**) Belgian Code of companies and association

5.4 Address, telephone and website

Legal name	Address	Telephone	Website
EXMAR Netherlands BV	De Hees 9, 5975 NL, Sevenum, the Netherlands	+31 77 400 14 59	https://www.EXMAR.be
EXMAR NV	De Gerlachekaai 20, 2000 Antwerp, Belgium	+32 3 247 56 11	https://www.EXMAR.be

The information on the websites mentioned above does not form part of the Registration Document unless that information is incorporated by reference into the Registration Document.

6 Business overview

Please note that any statements about the Issuer's or the Parent's competitive position are pursuant to the Issuer's or the Parent's own opinion, and there may not be any independent sources for such statements.

6.1 Services performed

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.

The business of EXMAR is divided into the following segments:

SHIPPING	INFRASTRUCTURE	SUPPORTING SERVICES
EXMAR Shipping is a shipowner and operator in the transportation of liquefied gas Worldwide.	EXMAR has transformed itself from being an LNG vessel owner and operator into a fully integrated, turnkey solution provider for the LNG industry.	EXMAR Ship Management provides high quality ship management and related services TRAVEL PLUS in-house travel agency

EXMAR SHIPPING

EXMAR is a player in the transportation of liquefied gas products (liquid petroleum gas, butane, propane, anhydrous ammonia and chemical gases).

EXMAR's LPG fleet is large enough to secure cargo commitments for both owned and time-chartered tonnage with a balanced mix of spot requirements, contracts of affreightment and time-charters. In order to build long-term relationships with the industry's most important players, many of the time charter agreements are made with medium to long-term coverage in mind.

Portfolio: 3 VLGC (2 under construction) – 21 Midsize LPG Carriers – 1 semi-refrigerated LPG carrier – 10 Fully pressurized LPG carriers – 1 LNG/c carrier

Experienced owner - operators of VLGCs for the last twenty years (80,000 – 84,000 m³)

EXMAR has currently only one vessel employed in the VLGC segment, the 84,000 m³ BW TOKYO, which was secured at the end of 2019 for a period charter with a longterm partner.

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.

Innovations in midsize LPG vessels (20,000 – 40,000 m³)

EXMAR owns and operates 21 modern midsize LPG carriers. EXMAR's midsize LPG fleet renewal programme that started in 2014 was completed in 2018. The newest additions to the fleet (38,000m³ LPG Carriers) incorporate energy-efficient hull designs, the latest ballast water treatment and scrubber systems as well as engine and deck designs capable of being retrofitted to run on alternative fuels and are all trading under time charters with first class customers.

Owning and operating pressurized LPG vessels (3,500 – 5,000 m³)

At EXMAR, the LPG Business Unit has designed, supervised the construction, owned and operated pressurized vessels since the turn of the new millennium, and offers its fleet of ten pressurized vessels. EXMAR has a fleet of 10 vessels: seven have a capacity of 3,500 m³ and three vessels have a capacity of 5,000m³. 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

One conventional LNG carrier is performing according to het long-term contract.

EXMAR INFRASTRUCTURE

EXMAR Infrastructure is providing 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).

EXMAR's 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.

Portfolio:

1 FSRU (barge based) – 1 FLNG (barge based) – 2 accommodation barges – 1 Opti-Ex design

FLOATING LIQUEFACTION

The surging demand for LNG and requirement to monetize vast amount of stranded gas reserves drives EXMAR to create innovative LNG infrastructure solutions that bring LNG to the market in a fast-track, cost-effective, flexible and reliable manner. Today, EXMAR brings innovation further upstream with the completion and commissioning of the world's first barge-based offshore Floating Liquefaction Unit (FLNG).

EXMAR's FLNG system will reduce time-to-market by providing floating liquefaction and storage in a cost-efficient and flexible way to gas fields located onshore and offshore, eliminating the need for large and costly infrastructure on land.

The floating liquefaction barge ***TANGO FLNG*** started a 10–year term of the contract in Argentina, receiving natural gas from the Vaca Muerta gas field and is forecast to produce 500,000 tons of LNG per annum.

FLOATING REGASIFICATION

EXMAR was the first company in the world to build, own and operate a Floating Storage and Regasification Unit (FSRU). Since 2005 EXMAR has built up significant knowledge and experience in the construction, development, ownership, management and operation of FSRUs around the world. EXMAR is responsible today for the operation of 10 FSRUs,. This expertise and operational background is of great value to EXMAR's clients in the development of their LNG import projects.

EXMAR is working with several clients on the development of small scale FSRU's. All of EXMAR's solutions are tailor-made to the requirements of each client and underlying FSRU project.

EXMAR's barge-based floating regasification unit ***FSRU S188*** was delivered in 2018 and committed to the Gunvor group for 10 years.

ACCOMODATIONS BARGES

Since the beginning of the millennium, EXMAR has specialized in the design, construction, commissioning, crewing, and maintenance of offshore accommodation barges to specifically serve the challenging, emerging offshore market off the Gulf of Guinea and the Atlantic coastal fields of Western Africa. It owns WARIBOKO and NUNCE accommodation and field service barges.

ENGINEERING and PROJECT DEVELOPMENT SERVICES

US-based EXMAR Offshore Company (EOC), an engineering company specializing in the development of drilling and production designs and EXMAR Offshore NV (asset construction, own and lease operator).

DV Offshore (DVO) is an independent firm of consulting engineers specialized in all the technical aspects of marine engineering and operation. DVO serves its customers with their unique mooring expertise.

SUPPORTING SERVICES

EXMAR Ship Management provides high quality ship management and related services to LPG carriers, fruit juice carriers, bulk carriers, FLNG's, FSRU's, FSU's, FSO's and accommodation barges.

EXMAR Ship Management is a innovator storing, transporting and transshipping gas and chemicals by sea in both liquefied and gaseous states and pioneered the first ever onboard LNG regasification operation (2005), the world's first commercial ship-to-ship transfer of LNG (2007), as well as the first barge-based on board liquefaction process (2017). In 2019 a total of 145 STS operations were carried out, representing 1,883,068 m³ gas.

EXMAR Shipmanagement is diversifying its fleet under management and its multinational crew's skill sets. EXMAR Ship Management has also added a LNG bunkering vessel and a fleet of LPG inland vessel barges to its crew management portfolio. The team was supervising the commissioning of the world's first barge-based floating liquefaction unit, TANGO FLNG and is operating and maintaining the unit.

Portfolio in management:

11 VLGC's (plus 2 under construction) – 20 Midsize LPG Carriers – 1 semi-refrigerated LPG carrier – 5 Fully pressurized LPG carriers – 1 LNG/c carrier - 1 FSRU (barge based) – 1 FLNG (barge based) – 2 accommodation barges –10 FSRU (vessel-based) – 1 FSO – 1 multipurpose supply vesse - 5 juice carriers

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.

6.2 Principal markets

EXMAR SHIPPING
Exmar is active in the so-called LPG markets which constitute the transportation of LPG (propane and butane), ammonia and petrochemical gases. These markets are often referred to as industrial given that ownership strategies are mainly aimed at servicing clients with logistics needs over the longer term. Many players have an operational focus and aim to remain in the business for the longer run.

The size of the market is about as follows: LPG has seen large growth thanks to the shale gas boom with seaborne trade estimated to be 100mio ton; ammonia has proven to be a stable market in terms of volumes of about 17mio ton. The petrochemical seaborne market is about 14mio ton. The LPG markets are thus niche markets and much smaller in size than the tanker and dry cargo markets.

Main competitors are Byzantine, Eastern Pacific and Thenamaris.

EXMAR INFRASTRUCTURE
EXMAR Infrastructure is providing innovative floating infrastructure solutions to the Oil & Gas industry.

EXMAR Offshore in Houston has developed an optimized and scalable solution OPTI® for floating oil production systems. Two examples of EXMAR's OPTI® series of Floating Production Semi-submersibles are currently operating in the Gulf of Mexico, and the Houston office currently manages the construction of a third one that aims at achieve first oil in 2021.

SUPPORTING SERVICES
EXMAR Ship Management is a maritime company ensuring 24/7 operations of specialized floating assets. Third party ship management companies are estimated to have 13%-15% of the global merchant shipping fleet under technical management, crewing management, or full management.

EXMAR Ship Management has grown 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 – and manages today a fleet of 48 specialized assets (Q3 2020). Owners vary from venture capital companies, to commodity traders and oil and gas majors – with 10 different vessel types under management.

6.3 Significant new products or activities

ENGINEERING and PROJECT DEVELOPMENT SERVICES

US-based EXMAR Offshore Company (EOC), an engineering company specializing in the development of drilling and production designs.

EOC delivers engineering services related to marine vessels, ships, and offshore units. EOC has a team of highly experienced naval architects, engineers and designers who partner with customers to design mono-hull and semisubmersible applications for offshore service vessels, floating production systems, accommodations, and mobile offshore drilling units.

EOC provides a wide range of services to the marine oil and gas industry, up to and including full Engineering, Procurement, Construction and Installation (EPCI) of EXMAR-designed ***OPTI®*** series hulls.

7 Organisational structure

7.1 Description of the group

EXMAR Netherlands BV

EXMAR Netherlands BV was established on 18 December 2012 and is a 100 % owned subsidiary of EXMAR NV. The sole purpose of the Issuer is Group financing and holding activities and the Issuers obligations under the bonds are guaranteed by the Parent.

EXMAR NV

EXMAR NV is a company domiciled in Belgium whose shares are publicly traded. The consolidated financial statements of the Group comprise EXMAR NV, its subsidiaries and the Group's interest in associates and jointly controlled entities (referred to as "The Group").

The Group entities are shown in Appendix 1.

7.2 Dependence upon other entities

The income generating assets of the Issuer consist of the loans made available to EXMAR Group companies, the income generating assets of the Parent are mainly the investments in EXMAR Group companies and the loans made available to EXMAR Group companies. As such a substantial portion of the cash flows earned by the Issuer and the Parent relates to principal and interest payments from EXMAR Group companies and dividend, principal and interest payments, respectively.

Therefore, the Issuer and the Parent are dependent on the results of the operations of the EXMAR Group companies.

8 Trend information

8.1 Prospects and financial performance

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There has been no significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published to the date of the Registration Document.
The results for the first quarter 2020 have been published on 30 April 2020 on Exmar website http://www.exmar.be/sites/default/files/media/document_center/reports_and_downloads/press_releases/press_release_first_quarter_results_2020.pdf.

8.2 Information about uncertainties

The COVID-19 virus and the subsequent energy demand destruction together with the volatility of oil price add more uncertainty in the world. Several operational measures on-shore and on-board have been taken by EXMAR to ensure the safety and wellbeing of our personnel and the continuity of our business operations. The majority of our ships are currently operating under medium to long-term contracts. The effect of the COVID-19 pandemic is foreseen to be limited for EXMAR's results in 2020 but the situation is closely monitored.

At the end of June 2020 EXMAR's relevant affiliates have received written notification of force majeure from YPF S.A. (the "Notice") under the Charter Agreement and Services Agreement for the TANGO FLNG between YPF S.A. and EXMAR (the "Agreements"). YPF claims that effects of the coronavirus (COVID-19) pandemic both worldwide and in Argentina have hindered YPF's ability to perform its obligations under the Agreements, including but not limited to its ability to pay the invoices due for services performed for the period starting the second half of March 2020. It results from EXMARS' first quarter results 2020, EBITDA from the TANGO FLNG contributes 36% to total EBITDA for such period. EXMAR considers the Notice to be unlawful, has reserved its rights and is considering its best option to defend its interests. Irrespective of the outcome of the dispute with YPF S.A. in respect of the Notice, EXMAR is contemplating several measures to safeguard its liquidity position, including sale of non core assets and activities, refinancing of part of the fleet, and partnership in some assets and activities,, which is on the basis of our current forecast, not at risk till the end of 2020

Other than the above, there has been no material adverse change in the prospects of the Issuer or the Guarantor since the date of its last published audited financial statements.

9 Administrative, management and supervisory bodies

9.1 Information about persons

EXMAR Netherlands BV

Board of Directors
The table below set out the names of the members of the Board of Directors of EXMAR Netherlands BV:

Name	Position	Business address
Patrick De Brabandere	Director - Chairman	De Hees 9, 5975 NL, Sevenum, the Netherlands
Michel Rehim	Director	De Hees 9, 5975 NL, Sevenum, the Netherlands

Patrick De Brabandere (1959) holds a degree in Applied Economic Sciences from UCL Louvain-la-Neuve (Belgium). He started his career at the audit firm, Arthur Andersen. In 1987 he joined Almabo as Project Controller. He became Chief Financial Officer of CMB in 1998. In 2002 he was appointed director of CMB. After the split CMB/EXMAR in 2003 he became director and chief financial officer of EXMAR. Since 2008 he is Chief Operating Officer (COO) of EXMAR. Patrick De Brabandere holds directorships in various EXMAR Group companies and is a director and member of the Audit Committee of the West of England Ship Owners Mutual Insurance Association (Luxembourg).

Michel Rehim (1967) is Director Tax since 2003 with responsibility for EXMAR's tax position worldwide.
He holds a Master Degree in International Tax from the University Antwerp Management School.
He has over 30-year experience in the tax industry. In 1988 he started his career at Umicore. In 1993 he joined CMB. After the split CMB/EXMAR in 2003 he became Director Tax of EXMAR.
Michel Rehim holds directorships in various EXMAR group companies.

Management
The table below sets out the name of the members of the Management of EXMAR Netherlands BV:

Name	Position	Business address
Patrick De Brabandere	Director - Chairman	De Hees 9, 5975 NL, Sevenum, the Netherlands
Michel Rehim	Director	De Hees 9, 5975 NL, Sevenum, the Netherlands

See descriptions under Board of Directors of EXMAR Netherlands NV.

EXMAR NV

Board of Directors
The table below sets out the names of the members of the Board of Directors of EXMAR NV:

Name	Position	Business address
Nicolas Saverys	Executive Chairman	De Gerlachekaai 20, 2000 Antwerp, Belgium De Gerlachekaai 20, 2000 Antwerp, Belgium
Francis Mottrie	Chief Executive Officer	
NV JALCOS Ludwig Criel	Non-executive director	De Gerlachekaai 20, 2000 Antwerp, Belgium
Michel Delbaere	Independent director	De Gerlachekaai 20, 2000 Antwerp, Belgium
Baron Philippe Vlerick	Non-executive director	De Gerlachekaai 20, 2000 Antwerp, Belgium
Pauline Saverys	Non-excutive director	De Gerlachekaai 20, 2000 Antwerp, Belgium
Ariane Saverys	Non-executive director	De Gerlachekaai 20, 2000 Antwerp, Belgium
Barbara Saverys	Non-executive director	De Gerlachekaai 20, 2000 Antwerp, Belgium
Isabelle Vleurinck	Independent director	De Gerlachekaai 20, 2000 Antwerp, Belgium
Wouter De Geest	Independent director	De Gerlachekaai 20, 2000 Antwerp, Belgium

Nicolas Saverys (1958) is the Executive Chairman of EXMAR, a shipping company specialising in the marine transportation and transformation of LNG, LPG, anhydrous ammonia and petrochemical gases. He has been involved in the family shipowning business since graduating from the University of Ghent with a degree in economics in 1980. He has been responsible for developing EXMAR from a small subsidiary of a shipyard in the early 1980's to its current position as an independent gas shipowning companies plus becoming provider of a full value chain of infrastructure and integrated logistics to address the industry's need for environmental friendly and competitively priced energy solutions. In addition to shipping, his current business activities include ship management and real estate. For almost 20 years, Nicolas Saverys was Chairman of the Royal Belgian Shipowners Association and, during that period, he was the driving force behind the successful regeneration of the Belgian register which led to an unprecedented growth in the national fleet. He is also Chairman of the Benelux Committee of Bureau Veritas, in addition to serving as a Director of NileDutch and of Bexco.

Francis Mottrie (1964) is CEO of EXMAR since April 2020. He holds an MBA law degree from KU Leuven and a special degree Marine Science from UFSIA Antwerpen.
He has over 30 years' experience in the maritime Industry. In 1987 he started his career as Lawyer at the Antwerp bar. Between 1990 – 2012 he held various management positions (legal, HR , commercial , general management) in CMB , Safmarine and AP Moller Maersk Group .From 2012 until 2020 Francis Mottrie was CEO of Bexco NV, manufacturer of ropes for Offshore, Marine and Industry. He was deputy CEO of EXMAR since January 2020.

Ludwig Criel (1951), representing NV JALCOS,) graduated from the University of Ghent with a degree in Applied Economic Sciences. He also holds a degree in Management (Vlerick School of Management).

In 1976 he joined Boelwerf as Project Manager. In 1983 he became Administrative Manager of Almabo. He held various management positions within the Almabo/EXMAR Group and later became Chief Financial Officer of CMB. In 1999, he became Managing Director of the Wah Kwong Group in Hong Kong until 2004. He is still a member of the board of the Wah Kwong Shipping Group.

He is member of the board and chairman of De Persgroep, member of the board of Bank Degroof Petercam and also member of the board and chairman of ASL Aviation Group Ltd.

Michel Delbaere (1953) holds a master degree in law (Catholic University of Leuven – 1975) and a master degree in economic sciences (Catholic University of Louvain – 1975).

He started his career as management trainee and account manager at the Morgan Guaranty Trust Company of New York.

He's the founder and managing director / director of: Crop's N.V. (Belgium), Hesbayefrost S.A. (Belgium), Monliz S.A (Portugal and Spain), MDC Foods Ltd (UK), Crop's & Partners (Serbia) and Messem (the Netherlands and Morocco).

He's also a member of the Regional Board of Directors of BNP Paribas Fortis. He's a member of the Executive Committee of the VBO (Alliance of Belgian Companies). He's a member of the Board of Directors and honorary chairman of Voka (Flemish network of companies). He's also a member of the Board of Directors of Sioen Industries, SD Worx, Delcredere and Montea.

Baron Philippe Vlerick (1955) graduated in philosophy from the University of Leuven in 1977. He also holds a diploma in law (Leuven – 1978), a MBA General Management (PUB) (Ghent, Vlerick School of Management in 1979) and a Master degree of Business Administration from Indiana University, Bloomington (USA – 1980).

He is Chairman and Managing Director of B.I.C. Carpets, Uco and other Vlerick Group Businesses. He is Chairman of Photo Hall Multimedia, HIFI International, Pentahold and BICC&I (Belgo-Indian Chamber of Commerce & Industry) and Vice-chairman of the KBC Group, KBL, Spector and Corelio. He is on the board of various companies, including EXMAR, Besix, BMT, Etex, IVC, Corelio, L.V.D. Company and Concordia Textiles.

Pauline Saverys (1982) graduated as Master in Psychology at the KUL (2006), with an internship in Credit Suisse New York at the Divisional Development Department and was involved in the different aspects of Human Resources, experiencing through extensive research on the various aspects of corporate and human development (High Potential/successful management), development of self-evaluation diagrams and Competency Models and Strategy Plans for the business.

She is author of a book on eating disorders that was published in the second semester of 2011.

In 2010 she created Renessence vzw, an organisation that attends to girls and boys suffering from eating disorders. Pauline has worked in that field extensively before starting up her own initiative.

Ariane Saverys (1983) graduated with a Master's degree in Nautical Sciences at the Maritime Academy of Antwerp (2007). In 2007 she started her career at Anglo-Eastern Shipmanagement in Antwerp and Hong-Kong at the operations department and HSEQ department.

In 2009 she joined Broere Shipping (now John T. Essberger) and sailed as a third mate onboard chemical tankers in the North Sea and European Waters.

In 2009 she joined EXMAR Ship Management and started a new division named Commercial Cruise Vessels. she was involved in various internal and external improvement projects for EXMAR Ship Management and became director of EXMAR Ship Management in 2014

Barbara Saverys (1981) holds a Bachelor degree in Law from the Catholic University of Leuven. She also graduated magna cum laude at the Artevelde School in Ghent in Office Management (2004).

Since 2010 she has been in charge of the administration and accountancy department of a medical practice.

Isabelle Vleurinck (1965) holds a master degree in Applied Economic Sciences from the KU-Leuven and a diploma of Financial Analyst of the Belgian Association of Financial Analysts.

She started her career in the Corporate Finance department with Bank Degroof. In 1992 she joined Almabo/CMB group where she was project coordinator within the finance department until 2004.

She is now member of the board of Axis Group and is a volunteer counselor to the Aid to Victims team for East-Flanders.

Wouter De Geest (1954) started his professional carreer as a member of the Gent's Bar. In 1982 joined BASF Antwerpen, as head of the legal department and later he became Director Human Resources. Later, in 1998 he moved to BASF's headquarter in Ludwigshafen. In 2001 he returned to Antwerp, were he became CEO in February 2007. Currently, he holds a director's mandate on the Supervisory Board of BASF Antwerp.

Mr. De Geest is the chairman of VOKA since June 2018.

Management
The table below set out the names of the members of the Management of EXMAR NV:

Name	Position	Business address
Francis Mottrie	CEO	De Gerlachekaai 20, 2000 Antwerp, Belgium
Patrick De Brabandere	Chief Financial Officer	De Gerlachekaai 20, 2000 Antwerp, Belgium
Jens Ismar	Executive Director Shipping	De Gerlachekaai 20, 2000 Antwerp, Belgium
Jonathan Raes	Executive Director Infrastructure	De Gerlachekaai 20, 2000 Antwerp, Belgium

Francis Mottrie
See description under Board of Directors of EXMAR NV

Patrick De Brabandere
See descriptions under Board of Directors of EXMAR Netherlands NV.

Jens Ismar (1957) is Executive Director of EXMAR shipping and member of the EXMAR Executive Committee since September 2019. He has been an EXMAR non-executive director for 9 years prior to this. From 1984 to 2001 he held various positions in Stomoco Shipbrokers and Lorentzen & Stemoco, where he was CEO from 1997. From 2001 until 2008 Mr. Ismar worked as Commercial Director in Bergesen dy ASA, later BW Gas ASA.

From 2008 until 2019 Mr. Ismar was CEO of Western Bulk AS.

Mr. Ismar has a Business Degree from Lund University, Sweden.

He is also a board member of Ocean Yield ASA.

Jonathan Raes (1985) is Executive Director Infrastructure since 2018, with responsibility for EXMAR's floating LNG import (FSRU) and export projects (FLNG).

He joined EXMAR in 2008, and after various traineeships within the EXMAR Group he started his career at EXMAR's technical department, prior to joining EXMAR's LNG Infrastructure division in 2012. He has extensively worked with a wide range of international energy companies for the provision of floating LNG infrastructure solutions and this under various development and commercial roles, including 3 years as business development manager and deputy managing director thereafter.

Jonathan Raes has a Master's Degree in Marine Technology from Delft University of Technology in The Netherlands. He is also an alumni of the Norwegian University of Science & Technology in Trondheim, Norway and has more than 10 years of experience in the LNG business.

9.2 Administrative, management and supervisory bodies conflicts of interest

There are no potential conflicts of interest between any duties to the Issuer or the Guarantor of the persons referred to in item 9.1 and their private interests and/or other duties.

10 Major shareholders

10.1 Ownership

EXMAR Netherlands BV

The share capital of EXMAR Netherlands BV is USD 3,000,000 divided into 3,000,000 shares at a nominal value of USD 1 each. The company has only one class of shares.

EXMAR Netherlands BV is wholly owned by EXMAR NV.

EXMAR NV

The share capital of EXMAR NV is USD 88,811,667 divided into 59,500,000 shares. 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. The shares are listed on Euronext Brussels and is part of the Bel Small index (Euronext: EXM).

Shareholders per 24 July 2020:

SAVEREX: 43.49 %
COBAS: 5.02 %
EXMAR treasury shares: 3.82 %
Free float: 47.67 %

Saverex NV is controlled by Mr. Nicolas Saverys (CEO of EXMAR NV). EXMAR NV has no knowledge of any agreements made between shareholders. The Articles of Association impose no restrictions on the transfer of shares.

10.2 Change of control of the company

There are no arrangements, known to the Company and the Guarantor, the operation of which may at a subsequent date result in a change in control of the Company and the Guarantor.

11 Financial information concerning the Company's assets and liabilities, financial position and profits and losses

11.1 Historical Financial statements

EXMAR Netherlands BV

The financial statements of EXMAR Netherlands BV have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS).

The accounting policies of EXMAR Netherlands BV are shown in Annual Report EXMAR Netherlands BV 2019, page 11 until 19.

The Annual Report EXMAR Netherlands BV 2018 and the Annual Report EXMAR Netherlands BV 2019 are attached as Annex 5. Historical financial information is available on the pages shown below.

	Annual Report	
	2019*)	2018*)
EXMAR Netherlands BV		
Statement of profit and loss and statement of other comprehensive income	P 8	P 8
Statement of financial position	P 7	P 7
Statement of cash flows	P 9	P 9
Notes	P 11-35	P 11-37

*) contains comparative information for the previous year

EXMAR NV

The consolidated financial statements of EXMAR NV 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 consolidated accounting policies of EXMAR NV are shown in Annual Report EXMAR NV 2019, page 66 until 75).

The Annual Report EXMAR NV 2018,the Annual Report EXMAR NV 2019 and the first quarter results 2020 are attached as Annex 6. Historical financial information is available on the pages shown below.

	Quarterly Report	Annual Report	
	Q1 2020*)	2019*)	2018*)
EXMAR NV Consolidated			
Consolidated statement of financial position	P1	P 61	P 63
Consolidated statement of profit or loss and consolidated statement of other comprehensive income	---	P 62	P 64
Consolidated statement of cash flow	---	P 63	P 65
Notes to the consolidated statements	---	P 66-121	P 68-120

*) contains comparative information for the previous year/quarter

11.2 Auditing of historical annual financial information

EXMAR Netherlands BV

The historical financial information for 2018 and 2019 has been audited. The audit has been conducted in accordance with Dutch law, including the Dutch standards on auditing.

A statement of audited historical financial information is referred to on p 39 of the annual report of EXMAR Netherlands BV 2018 and on p 37 of the annual report of EXMAR Netherlands BV 2019 (see Annex 5).

EXMAR NV

The historical financial information for 2018 and 2019 has been audited. The audit has been conducted in accordance with International Standards on Auditing (ISA), as applicable in Belgium.

A statement of audited historical financial information is given in the Annual Report EXMAR NV 2018, pages 121-123, and the Annual Report EXMAR NV 2019, pages 122 - 124 (see Annex 6).

The first quarter results 2020 have not been audited.

11.3 Legal and arbitration proceedings

EXMAR Netherlands BV

There has been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which EXMAR Netherlands BV is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on EXMAR Netherlands BV's financial position or profitability.

EXMAR NV

The LNGC 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.

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.

In July 2020, EXMAR commenced arbitration proceedings under the Agreements with YPF S.A. over the alleged force majeure claim.[1] The arbitration procedure with the London Court of Internation Arbitration (LCIA) can last several months. EXMAR is confident about the outcome.

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

Other than the above, there has been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which EXMAR NV is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on EXMAR NV's financial position or profitability.

[1] Reference is made to Section 8.2 of this Registration Document.

11.4 Significant change in financial position

EXMAR Netherlands BV

There has been no significant change in the financial position of EXMAR Netherlands BV which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published.

EXMAR NV

There has been no significant change in the financial position of EXMAR NV which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published.

12 Documents available

For the term of the Registration Document the following documents, where applicable, can be inspected at the website stated in clause 5.4 or in the in the annexes, respectively:

(a) the up to date memorandum and articles of association of the Issuer and the Guarantor;

(b) all reports, letters, and other documents, valuations and statements prepared by any expert at the company's request any part of which is included or referred to in the Registration Document.

Statement about this Registration Document

The Registration Document has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval shall not be considered as an endorsement of the Issuer that is the subjet of this Registration Document.

Joint Lead Managers's disclaimer

DNB Bank ASA, Nordea Bank Abp (Norwegian branch) and Pareto Securities AS, the Joint Lead Managers, have assisted the Company in preparing the Registration Document. The Joint Lead Managers have not verified the information contained herein. Accordingly, no representation, warranty or undertaking, expressed or implied, is made and the Joint Lead Managers expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this Registration Document or any other information supplied in connection with the issuance or distribution of bonds by EXMAR Netherlands BV.

This Registration Document is subject to the general business terms of the Joint Lead Managers, available at their websites. Confidentiality rules and internal rules restricting the exchange of information between different parts of the Joint Lead Managers may prevent employees of the Joint Lead Managers who are preparing this Registration Document from utilizing or being aware of information available to the Joint Lead Managers and/or any of its affiliated companies and which may be relevant to the recipient's decisions.

Each person receiving this Registration Document acknowledges that such person has not relied on the Joint Lead Managers, nor on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

Oslo, 31 August 2020

DNB Bank ASA (www.dnb.no)	Nordea Bank Abp (Norwegian branch) (www.nordea.no)	Pareto Securities AS (www.paretosec.no)

Annex 1 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%
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.

Annex 2 Fleet list

LPG

Midsize Gas Carriers	Type	Capacity	Built	Class	Flag	Status
TOURAINE	fr	39 270 m³	1996	BV	Hong Kong	Joint venture
EUPEN	fr	38 961 m³	1999	LR	Belgium	Joint venture
LIBRAMONT	fr	38 455 m³	2006	LR	Belgium	Joint venture
SOMBEKE	fr	38 447 m³	2006	DNV	Belgium	Joint venture
WAASMUNSTER	fr	38 115 m³	2014	LR	Belgium	Joint venture
WARISOULX	fr	38 115 m³	2014	LR	Belgium	Joint venture
WARINSART	fr	38 115 m³	2014	LR	Belgium	Joint venture
WAREGEM	fr	38 115 m³	2014	LR	Belgium	Joint venture
BRUSSELS	fr	35 454 m³	1997	LR	Belgium	Joint venture
BASTOGNE	fr	35 229 m³	2002	LR	Belgium	Joint venture
ANTWERPEN	fr	35 223 m³	2005	LR	Hong Kong	Time Chartered
KAPRIJKE	fr	38 500 m³	2015	LR	Belgium	Joint venture
KNOKKE	fr	38 500 m³	2016	LR	Belgium	Joint venture
KONTICH	fr	38 500 m³	2016	LR	Belgium	Joint venture
KORTRIJK	fr	38 500 m³	2016	LR	Belgium	Joint venture
KALLO	fr	38 500 m³	2017	LR	Belgium	Joint venture
KRUIBEKE	fr	38 500 m³	2017	LR	Belgium	Joint venture
KAPELLEN	fr	38 500 m³	2018	LR	Belgium	Joint venture
KOKSIJDE	fr	38 500 m³	2018	LR	Belgium	Joint venture
SYLVIE	fr	35 217 m³	2007	LR	Hong Kong	Time Chartered
WEPION	fr	38 200 m³	2018	LR	Belgium	Joint venture

Newbuilds	Type	Capacity	Built	Class	Flag	Status
VLGC JIANGNAN H2667	fr	86 000 m³	Delivery 2021	LR	Belgium	Owned
VLGC JIANGNAN H2668	fr	86 000 m³	Delivery 2021	LR	Belgium	Owned

Pressurised	Type	Capacity	Built	Class	Flag	Status
SABRINA	pr	5 019 m³	2009	NK	Hong Kong	Owned
HELANE	pr	5 018 m³	2009	NK	Hong Kong	Owned
FATIME	pr	5 018 m³	2010	NK	Hong Kong	Owned
ELISABETH	pr	3 542 m³	2009	BV	Hong Kong	Owned
MAGDALENA	pr	3 541 m³	2008	BV	Belgium	Owned
ANNE	pr	3 541 m³	2010	NK	Hong Kong	Owned
ANGELA	pr	3 540 m³	2010	BV	Belgium	Owned
JOAN	pr	3 540 m³	2009	BV	Hong Kong	Owned
MARIANNE	pr	3 539 m³	2009	BV	Hong Kong	Owned
DEBBIE	pr	3 518 m³	2009	NK	Hong Kong	Owned

Semi-Refrigerated	Type	Capacity	Built	Class	Flag	Status
TEMSE	sr	12 030 m³	1995	LR	Belgium	Joint venture

Very Large Gas Carriers	Type	Capacity	Built	Class	Flag	Status
BW TOKYO	fr	83 300 m³	2009	NK	Singapore	Time Chartered
LEVANT	fr	83 000 m³	2015	LR	Marshall Islands	Managed
PASSAT	fr	83 000 m³	2015	LR	Marshall Islands	Managed
SIROCCO	fr	83 000 m³	2015	LR	Marshall Islands	Managed
AVANCE	fr	84 270 m³	2003	ABS	Marshall Islands	Managed
BREEZE	fr	83 000 m³	2015	LR	Marshall Islands	Managed
MISTRAL	fr	83 000 m³	2015	LR	Marshall Islands	Managed
MONSOON	fr	83 000 m³	2015	LR	Marshall Islands	Managed

LNG

LNG Carriers	Type	Capacity	Built	Class	Flag	Status
EXCALIBUR	lng	138 034 m³	2002	BV	Belgium	Joint venture

FSRU

FSRU	Type	Capacity	Built	Class	Flag	Status
EXCELLENCE	FSRU	138 000 m³	2003	BV	Belgium	Managed
EXCELSIOR	FSRU	138 000 m³	2003	BV	Belgium	Managed
EXEMPLAR	FSRU	150 900 m³	2009	BV	Belgium	Managed
EXPEDIENT	FSRU	150 900 m³	2008	BV	Belgium	Managed
EXPLORER	FSRU	150 900 m³	2007	BV	Belgium	Managed
EXPRESS	FSRU	150 900 m³	2008	BV	Belgium	Managed
EXQUISITE	FSRU	150 900 m³	2008	BV	Marshall Islands	Managed
FSRU S-188	FSRU	600 mmscfd	2017	BV	Liberia	Owned
FSRU TOSCANA	FSRU	138 000 m³	2011	RINA	Italy	Managed
SUMMIT LNG	FSRU	138 000 m³	2005	BV	Belgium	Managed

FLNG

FLNG	Type	Capacity	Built	Class	Flag	Status
TANGO FLNG 0.5MTPA	FLNG	16 100 m³	2017	BV	Liberia	Owned

Offshore

Accommodation / Barge	Type	Capacity	Built	Class	Flag	Status
NUNCE	Accomo / Barge	350 persons	2009	ABS	Liberia	Joint venture
WARIBOKO	Accomo / Barge	300 persons	2010	ABS	Liberia	Joint venture
F(P)SO	**Type**	**Capacity**	**Built**	**Class**	**Flag**	**Status**
NKOSSA II	FPSO	78 000 m³	1992	BV	Bahamas	Managed

Annex 3 Articles of Association for EXMAR Netherlands BV

Annex 4 Articles of Association for EXMAR NV

Annex 5 Annual Report 2018 and 2019 for EXMAR Netherlands BV

Annex 6 Annual Report 2018 and 2019 and first quarter results 2020 for EXMAR NV

EXMAR NETHERLANDS B.V.
(the "Company")

INFORMATION ABOUT THE COMPANY

1. Incorporation
The Company was incorporated by deed of the Civil Law Notary, Mr. L. J. M. Teunissen at Breda, the Netherlands, on 18 December 2012.

2. Amendment of the articles of association
The articles of association of the Company were amended by deed of the Civil Law Notary Mr. J. L. E. Huyben at Breda, the Netherlands on 23 December 2014.

Name and registered office
Article 1
1. The company bears the name: **EXMAR Netherlands B.V.**
2. The company has its registered office at Sevenum.

Object
Article 2
The object of the company is:
a. the operation of intellectual property in the widest sense of the word (including managing, acquiring and relicensing);
b. all activities in connection with the transport at sea and fitting ships for sea, including chartering in and out, the purchase and sale of vessels, the introduction and operation of shipping lines;
c. the hiring in and out of offshore infrastructure and LNG infrastructure;
d. the formation and procurement of, the participation in, the cooperation with, the management of, as well as the (joint) financing of other companies, in whatever legal form;
e. the provision and contracting of loans, the management and disposal of property subject to registration and the provision of securities, also for the debts of third parties;
f. performing all other acts that are related to or may be conducive to one of the objects referred to above, in the broadest sense.

Capital and shares
Article 3
The capital of the company consists of one or more shares of one (1) American dollar (1 USD) each.
Article 4
1. The shares are registered shares and are numbered consecutively, starting with 1.
2. Share certificates cannot be issued.

Shareholders' register
Article 5
The board keeps a shareholders' register as referred to in article 2:194 of the Dutch Civil Code.
Right of usufruct / right of pledge
Article 6
1. A right if usufruct and a right of pledge may be established in respect of shares. The shareholder has the right to vote on shares which are subject to a right of usufruct or a right of pledge. Contrary to this, the holder of a right of usufruct or a right of pledge has the right to vote:
   - if this has been decided when the restricted right was established, whether or not under a condition precedent, or if this has been agreed in writing later between the shareholder and the holder of a right of usufruct or right of pledge respectively, or

- if it concerns a right of usufruct as referred to in articles 4:19 and 4:21 of the Dutch Civil Code, unless provided otherwise by the parties or the subdistrict court when the right of usufruct was established in accordance with article 4:23 paragraph 4 of the Dutch Civil Code.

2. The shareholder who does not have the right to vote and the holder of a right of usufruct or right of pledge who does have the right to vote have the right to attend meetings. The holder of a right of usufruct or a right of pledge who does not have voting rights has the right to attend meeting s if not provided otherwise when the right of usufruct or the right of pledge was established or transferred.

Transfer of shares

Article 7

1. The transfer of a share, including the acquisition of a share by the company, and the issuance of a share or the transfer or establishment of a restricted right on a share requires a deed executed before a civil-law notary practising in the Netherlands to which those involved are a party.
2. The transfer of shares is not restricted within the meaning of article 2:195 of the Dutch Civil Code.

Board of directors

Article 8

1. The company has a board of directors, comprising one or more directors to be determined by the general meeting.
2. The board of directors is appointed by the general meeting and may at all times be suspended and dismissed by the general meeting.
3. The board of directors is charged with managing the company. In discharging its role, the directors will be guided by the interest of the company and the company affiliated with it.
4. In the event of the absence or inability to act of the director, a person to be appointed by the general meeting will be temporarily charged with the management of the company.

Representation

Article 9

1. The board will represent the company
   The following persons will also be authorised to represent the company:
   a. each director with the title general director individually;
   b. a director A acting jointly with director B.
2. Legal acts, which do not form part of the company's ordinary business operations under the stipulated conditions, which the company performs with respect to the holder of all shares in the capital of the company or with respect to a partner in a matrimonial community of property or a registered partnership to which all shares in the capital of the company belong, and whereby the company is represented by this shareholder or by one of the partners, will be put down in writing.

Annual accounts

Article 10

1. The financial year of the company coincides with the calendar year.
2. Every year within five months of the end of the financial year of the company, subject to an extension of this period by a maximum of six months by the general meeting on the grounds of special circumstances, the board will draw up the annual accounts, which will be open for inspection by the shareholders at the office of the company.
   Within this same term, the board will also make the annual report available for inspection, unless by law the company is exempt from the obligation to prepare an annual report.
   The annual accounts are signed by the director.
   If his signature is lacking, the reasons for this omission must be given.
3.
   a. The company will have the annual accounts audited, unless it is exempted from this by law.

The general meeting will at all times be authorised to have the annual accounts audited. If it does not have the annual accounts audited, the board will be authorised to have the annual accounts audited.
The instruction to have the annual accounts audited may at all times be withdrawn by the general meeting and by the person who has given this instruction.

b. The instruction is given to an auditor authorised by law. The appointment of an auditor will not be restricted by any recommendation
c. The person instructed to carry out the audit will report to the board in writing.

4. The company will ensure that that the annual accounts, and in so far as an annual report has been prepared, this annual report, and the information to be provided pursuant to article 2:392, paragraph 1 of the Dutch Civil Code are available for inspection at its offices from the moment notice of the general meeting is given, to be dealt with by the general meeting. The shareholders and other persons entitled to attend the meeting may inspect the documents there and obtain a copy free of charge.

Adoption of the annual accounts

Article 11

1. The annual accounts will be adopted by the general meeting.
   The annual report will be adopted by the board.
2. After the motion to adopt the annual accounts has been dealt with, a motion will be put to the general meeting to grant discharge to the directors for their policy conducted in the financial year concerned, in so far as this policy is evidenced by the annual accounts or this policy has been made known to the general meeting.
3. If a person entitled to attend the meeting is also a director of the company, the signing of the annual accounts by the director will also count as adoption within the meaning of paragraph 1 and it will discharge the director.

Profit appropriation

Article 12

1. The general meeting is authorised to appropriate the profit, which has been determined by the adoption of the annual accounts, and to make distributions, in so far as the equity capital is larger than the reserves that must be maintained by law of these articles of association.
2. A resolution to distribute the profits does not have any consequences as long as the board has not given its approval. The board will only withhold its approval if it knows or should reasonably foresee that after the distribution the company cannot continue with the payment of its due debts.
3. The company may also make interim distributions. The provisions in this article will in that case apply by analogy.

General meeting

Article 13

1. The general meeting will be held in the Netherlands in the municipality where the company is registered.
2. If the annual accounts of the preceding financial year have not been adopted in accordance with article 11 paragraph 3, at least one general meeting will be held every year and resolutions adopted as referred to in article 15. Other meetings will be held at the request of the director as well as according to statutory provisions.
3. The board keeps minutes of the resolutions adopted.

Passing resolutions

Article 14

1. Each share carries the right to cast one vote.
2. All resolutions of the general meeting which by law or under these articles of association do not require a larger majority will be passed by an absolute majority of the votes cast.
3. In the event of a tie of votes, the motion will be rejected.
4. Meetings will be convened in accordance with the law.

Adopting resolutions outside the meeting

Article 15

1. Resolutions may also be adopted by shareholders outside the meeting, provided that all persons entitled to attend the meeting agree in writing or by electronic means with this manner of adopting resolutions. The votes are cast in writing. The requirement that the votes are cast in writing will also be met if the resolution, stating the manner in which each shareholder has voted, has been recorded in writing or by electronic means. The director will be given an opportunity to make a recommendation prior to the adoption of the resolution.
2. If the adoption of resolutions takes place in accordance with paragraph 1, all requirements concerning quorum and qualified majority as provided by law will apply by analogy, on the condition that at least as many votes must be cast as the quorum requires for the resolution concerned.

Dissolution

Article 16

1. Following dissolution of the company, its assets will be liquidated by the director, unless the general meeting decides otherwise.
2. During the liquidation, the provisions of these articles of association will remain in force as far as possible. The provisions in them relating to the director will apply to the liquidator.
3. The balance of the company's assets after payment of all debts will be divided among all the shareholders in proportion to the nominal amounts of their shares.
4. The company will continue to exist after its dissolution in so far as this is necessary for the liquidation of its assets.

OFFICE TRANSLATION

EXMAR

Limited Liability Company

Registered Office : De Gerlachekaai 20, 2000 Antwerpen
Antwerp RPR (BE) 860.409.202

CO-ORDINATED ARTICLES OF ASSOCIATION

15 MAY 2018

SECTION ONE

FORM, DENOMINATION, REGISTERED OFFICE, OBJECT AND DURATION OF THE COMPANY.

Article 1. The Company is a limited liability company. Its denomination reads "EXMAR". It is a commercial company, which does a public recourse to the savings capital.

The registered office of the company is established at Antwerp, De Gerlachekaai 20; it may be transferred to any other place in Belgium by decision of the board of directors.

The board of directors is permitted to set up administrative offices, branches and agencies both in Belgium and abroad.

Article 2. The object of the company is to operate in all activities related to maritime transport and ship ownership, such as inward and outward chartering, acquisition and sale of ships, opening and operation regular shipping lines. It can build port equipment, cargo sheds and other installations likely to foster the realisation of its object, to simplify and expand the loading and unloading, storage, clearance, forwarding and re-forwarding of goods, purchasing all necessary immovable goods and material.

The company is also entitled to provide its assets as collateral security for financing granted to companies of the group to which it belongs, to the extent that such financing is useful for its activity or the realisation of its corporate purpose.

Deposit all guaranties for account of all companies of the group

Furthermore, the company may acquire, maintain and manage a patrimony consisting of movable and immovable goods. To that end, the company can buy, sell, rent, let, lease, develop, exchange, any goods, both movable and immovable, provide surety for, subdivide, equip, furnish and bring to value in any possible manner all vacant immovable goods; build, renovate, adapt and repair all buildings and constructions by means of all techniques and in any stage of finishing, to hold immovable goods under trust, the specific activity of real estate promotion; all this for own account and in the capacity of main merchant, or as broker, intermediary, agent or commission agent, as main contractor or as subcontractor, both in Belgium and abroad, and within the scope of the relevant legal and administrative regulations.

This enumeration is not restrictive.

Furthermore, the object of the company also comprises the acquisition, management, sale and transfer of equity holdings in any existing or still to be incorporated companies, with industrial, financial or commercial activities.

The company is also authorised to associate with any private persons, companies or associations having a similar objective, merge with them and

contribute to them or transfer to them, temporarily or definitely, all or part of its assets.

The company performs all financial, commercial and industrial transactions likely to foster the realisation of its object and specifically all operations related to transport of whatever kind, be it by air, by sea or waterways, or by land.

The general meeting of shareholders can amend the company object under the conditions set out in the code of companies.

Article 3. The company is founded for an unlimited period of time.

It may be dissolved by decision of the general meeting of shareholders taken in accordance with the prescriptions required for the amendment of the articles of association.

SECTION TWO

SHARE CAPITAL, SHARES, SHAREHOLDERS

Article 4. The share capital of the company amounts to 88,811,667 US dollar and is represented by 59,500,000 shares without par value. The capital is paid up in full.

In order to comply with the Company laws, the reference value for the capital is established at EUR 72,777,924.85.
This value is established as follows: at the time of constitution of the company this value was established based on the closing quotation of the US dollar of the 28th February 2003, as it results on the attestation of the Fortis bank, attached at the notarial deed passed by Benoît De Cleene public notary at Antwerp replacing Patrick Van Ooteghem public notary at Temse on the 11th May 2004.
For the amount of the capital increase of 10 November 2006, the reference value was established based on the EUR/USD quotation, as it results on the attestation of KBC Bank, attached at the notarial deed passed by Patrick Van Ooteghem public notary at Temse on the 10th November two 2006.
For the amount of the capital increase of 10 December 2009, the reference value was established based on the EUR/USD quotation, as it results on the attestation of BNP PARISBAS FORTIS Bank , attached at the notarial deed passed by Patrick Van Ooteghem public notary at Temse on the 10th December 2009.

The board of directors may authorise the division of shares into denominations.

Article 5. By a resolution of the general meeting of 16 May 2017, the board of directors is authorized, within a period of five years from the date of publication of the resolution, to increase the capital in one or in several instalments, in the manner and under the terms to be specified by the board of directors, by a maximum amount of twelve million US dollars.

In order to comply with the company laws, the reference value is established at 7.703.665,66 euro. This value is established based on the closing quotation of the US dollar of the twentieth of May two thousand and eight, as it results on the attestation of the Fortis bank of the twentieth of May two thousand and eight, attached at the notarial deed passed by Jan Boeykens public notary at Antwerp replacing Patrick Van Ooteghem public notary at Temse on the twentieth of May two thousand and eight.

This amount constitutes the authorised capital, to be distinguished from the previously mentioned issued capital.

Within the above-mentioned limits, the board of directors may decide to increase the share capital of the company, either by way of a contribution in cash, or, not withstanding the legal limitations, by way of a contribution in kind, or by way of an incorporation of reserves of any kind and/or issue premiums into the share capital, all of these with or without the issue of new shares.

The board of directors may enter into agreements with respect to the paying up of the capital increase, which it has decided upon.

If, on the occasion of a capital increase decided on by the board of directors, an issue premium is paid, this will, as required by law, be booked in a blocked account, called the “Issue Premium” account, which will provide a guarantee to third parties to the same extent as the company’s capital, and which, except for the right of the board of directors to incorporate this issue premium into capital, may only be reduced or abolished by a resolution of the general meeting of shareholders passed in the manner specified in the Code of Companies.

In accordance with the provisions of the Code of Companies, the board of directors has the authority to limit or abolish the preferential right of the shareholders in the interest of the company. This limitation or abolition can also be done in favour of one or more particular persons other than members of the personnel of the company or one of its subsidiaries.

When abolishing the preferential right of the shareholders, the board of directors may give priority to the existing shareholders when allocating the new shares.

Within the limits of the authorised capital, the board of directors is also competent to issue convertible bonds or warrants.

When issuing convertible bonds, the limitation or abolition of the preferential right can be decided upon by the board of directors in favour of one or more particular persons other than members of the personnel of the company or one of its subsidiaries.

The board of directors is also empowered to use the authorisation given to it under this article to increase the capital of the company, after the company has been notified by the Financial Services and Markets Authority (FSMA) of a public bid to buy its shares, insofar as the resolution of the board of directors to increase the capital is passed before 15 May 2021, and the relevant laws and regulations are complied with.

Article 6. Whenever the capital is increased, and except when the remuneration of contributions in kind is concerned, the owners of shares will have an application right for new shares, depending on the amount of shares in their possession.

However, notwithstanding the foregoing, the general shareholders' meeting can at all times decide, under the terms provided for amendments to the articles of association, that the whole or part of the new shares to be subscribed in cash, will not be offered by preference to the shareholders.

Whilst eliminating or limiting the preferential right, the general shareholders' meeting may give the existing shareholders a right of priority on the attribution of new shares.

In all cases, the board of directors is empowered, under the terms and conditions it thinks fit, to enter into agreements in order to ensure the subscription of the whole or part of the shares to be issued.

Article 7. The calls are done by registered letter, at least one month before their payability. The board of directors fixes the amount and the due date of the calls.

By default of payment on calls on the fixed date of maturity the interest rate due to the company will be the rate of interest of the marginal lending facility of the European Central Bank increased by one per cent, to be calculated as from the date of payability, without summons nor claims before court. In case the payment is not carried out within one month from the date of payability and within a week after the publication of a simple notice in the Belgian Official Gazette, the board of directors is empowered to have the shares that are in arrears with calls to be sold on the stock exchange through a stockbroker, for account and risk of the defaulting shareholders.

The defaulting shareholders will have to make up for the difference between the subscription price and the price obtained, less the payments already made.

The right to have the shares sold will not bar the company to exercise simultaneously other means provided by law.

Article 8. Shares that are not fully paid up are registered.
The shares that are fully paid up are registered or dematerialised.
At the written request of a shareholder, the board of directors will convert his shares into another form provided by the law

Article 9. A shareholder's register of the registered shares is kept at the company's registered office.
This register can also be in electronic format when the law so allows.
Proof of this registration will be delivered to the shareholders; this proof is signed by two directors.
The transfer and pledging of registered shares can only be done following
registration in the shareholders' register.
All provisions of this article also apply to all other securities issued by the company.

Article 10. The dematerialised share is represented by a booking on an account registered in the name of the owner or holder with a recognised institution that manages accounts. The dematerialised share is transferred by transfer from account to account.

Article 11. The owners of shares are only liable for the loss of the amount of their subscription.

The possession of a share implies the agreement with the articles of association and with the decisions of the general meeting of shareholders.

Article 12. The rights and obligations attached to a share remain with the share in no matter whose possession it may be. The company recognises only one owner for each share.

In case several persons own a share, the company is entitled to suspend the exercising of the rights attached thereto until one person has been appointed to act as the owner of the share in respect to the company.

The heirs, assignees, or creditors of a shareholder can under no circumstances cause the sealing of the goods and valuables of the company, nor interfere in any way in its management. In order to exercise their rights they must abide by the company's articles of association and by the decisions of the general meeting of shareholders.

Article 13. The company is authorised to issue bonds or certificates, whether on mortgage or not, by decision of the board of directors. The latter fixes the interest rate, the amount of the issue and of the refund, the duration and the manner of amortisation and of refund, the guarantees given to the certificates as well as any other condition regarding the issue of same.

Article 14. Every individual person or legal entity acquiring of selling, directly of indirectly securities with voting rights attached, must notify the company and the FSMA, if as a consequence of such acquisition of sale, these securities have reached a proportion as foreseen by law. Same notification must be made in case of passive threshold crossing.
The content of the notification is stipulated in the Transparency Legislation Act.

Upon receipt of such a notification, the company is obliged to publish the data of this notification.

No person may participate in the voting at the general meeting of shareholders for a number of votes above the number of votes accruing to the shares the possession of which has, pursuant to above paragraphs, been notified at least twenty days before the date of the general meeting of shareholders.

The content of the notifications and the terms within these notifications need to be disclosed are subject to the provisions of the Transparency act of 2nd May 2007 and its implementation decrees.

Article 15. By a resolution that was passed by the Extraordinary General Meeting of 15 May 2018 subject to compliance with the relevant laws and regulations, the Company is authorised, for a period of three (3) years from the publication

of said resolution in the Annexes to the Belgian official gazette, to acquire its own stock or profit participation certificates with voting rights or, where such exist, without voting rights, by purchase or exchange, either directly or through a person acting in his own name but on behalf of the company, without a resolution of the general meeting being required to this effect, if this acquisition is necessary to prevent the company from suffering serious and imminent prejudice. Such decision to acquire the company's own stock or profit participation certificates shall be taken in accordance with the relevant laws and regulations.

In such case the first meeting of shareholders following such acquisition shall be informed by the board of directors of the reasons for the acquisition and the objectives pursued, as well as of the number and nominal value or, in the absence of a nominal value, the accountable par of the acquired securities, of the proportion of the subscribed capital which they represent, and of the consideration for these shares.

The voting rights to which the shares or profit shares forming part of the company's assets are entitled, shall be suspended. They shall not be taken into account for the purpose of determining a quorum.

Article 16. The board of directors can, in accordance with the Code of Companies, without prior permission of the general meeting, sell the acquired shares of the company which are quoted on the first market of a stock exchange or on the official quotation of a stock exchange of a Member State of the European Union.

The Board of Directors may, in accordance with the provisions of the Companies Code, and without the prior consent of the general meeting, for a period of three (3) years from the publication in the Annexes to the Belgian official gazette of this authorisation granted by the Extraordinary General Meeting of 15 May 2018, dispose of acquired stock or profit participation certificates of the Company on the Stock Exchange or by way of an offer of sale addressed to all shareholders under the same terms in order to prevent serious or imminent prejudice to the company.

SECTION THREE

BOARD OF DIRECTORS AND AUDITORS

Article 17. The company is managed by a board of at least five directors, whether shareholders or not, appointed for a term of maximum three years by the general meeting of shareholders and at any time removable by it. They are re-eligible. The mandates of the retiring directors come to an end immediately after the ordinary general meeting of shareholders.
At least three of the thus appointed directors shall meet the criteria stated in the Code of Companies with respect to independent directors.

If a directorship is entrusted to a body corporate, it appoints one physical person as its permanent representative in accordance with the provisions of the Code of Companies, subject to acceptance of this person by the other members of the board of directors of the managed company.

Article 18. On proposal of the board of directors, the general meeting of shareholders may grant to the resigning directors the title of honorary chairman, honorary vice-chairman, honorary managing director, or honorary director of the company.

Whenever he deems it advisable, the chairman of the board of directors may invite the honorary directors to attend the meetings of the board, but with advisory vote only.

Article 19. In case of vacancy of a director's mandate due to the death, resignation or another reason, the remaining members of the board of directors may provisionally fill the vacancies until the following general meeting of shareholders when the final replacement may be proceeded to.

A director nominated under the circumstances mentioned here above, is only appointed for the time required to terminate the office of the director whose place he takes.

Article 20. The board of directors elects a chairman among its members and may also elect one or more vice-chairmen.

The board of directors can set up in its midst and under its responsibility one or more advisory committees. The board decides on the composition, powers, tasks and, if necessary, the remuneration of these committees and determines their working procedures.

The board of directors sets up, in its midst and under its responsibility an audit committee. The composition of this committee, the powers, tasks and working procedures, and the criteria for defining board members' independence should comply with the provisions of the Code of Companies.

The board of directors sets up, in its midst and under its responsibility, a nomination and remuneration committee. The composition of this committee, the powers, tasks and working procedures should comply with the provisions of the Code of Companies.

The board of directors can delegate its management powers to an executive committee in accordance with the provisions of the Code of Companies, provided that this delegation does not relate to general company policy or any activities reserved for the board of directors pursuant to other legal provisions. The board itself, however, remains competent to perform all acts for which it may have delegated powers to the executive committee.
If an executive committee is set up, the board of directors is charged with its supervision. The executive committee is accountable to and reports to the board of directors at each board meeting.
The executive committee consists of at least two members, who may or may not be directors. The powers, the conditions for the appointment of the members of the executive committee, their dismissal, their remuneration, the term of their appointment, the discharge and the working procedures of the executive committee are determined by the board of directors.
If a body corporate is appointed as a member of the executive committee, it appoints one physical person as its permanent representative in accordance with the provisions of the Code of Companies, subject to acceptance of this person by the other members of the board of directors of the managed company.

Moreover, the board of directors may delegate the daily management of the company, as well as the representation of the company regarding this management to one or more delegates, whether directors or not, also entrusted with the execution of the decisions of the board, delegate the management of the whole or of a definite part or a specific branch of the company's affairs to one or more managers and delegate specific powers to any proxy.
The board detemines their powers, duties, salaries or allowances. These agents, delegates, managers or proxies are responsible for their management. The board may dismiss them at any time.

Article 21. The board of directors meets at the request and under the chairmanship of its chairman, or in case of impediment of the latter, of a vice-chairman, or in their absence, of a director who is appointed by his colleagues, whenever this is required by the company's interest and whenever three directors at least are requesting it.
The meetings are held at the place mentioned in the convening notices.

Article 22. Except for cases or circumstances beyond one's control, the board of directors can only deliberate and decide validly when at least half of its members are present or represented. However, this requisite has not to be met in the cases where the legal provisions concerning conflicting interests of a financial nature are applicable.

A director, who is prevented or absent may give a proxy in writing or by telegram, telefax, or any other internet-based means of communication to any of his colleagues of the board to represent him at a determined meeting of the board and to vote in his place.

However, no member is allowed to represent more than one director in this way.

A director is equally permitted, but only in cases when at least half of the members of the board are present in person, to give his opinion and express his vote in writing or by telex, telefax or any other internet-based means of communication.

All decisions of the board of directors are taken by absolute majority of the votes. In case of equality of votes he who chairs the meeting of the board has a casting vote.

In exceptional circumstances, when required by urgent necessity and in the interest of the company, a written decision, signed and approved by all directors, is as valid and binding as a decision taken in a meeting of the board of directors, regularly convoked and held; any such decision may be constituted out of several documents, in similar form, each signed or authenticated by one or more directors. A written decision is not permitted for establishing the annual accounts and for the application of the authorised capital. A fax from a director is equal to a written decision; however, its text will have to be signed afterwards by this director. When a director is legally prevented from participating in the deliberation and/or voting (for instance when provisions concerning conflicting interests of a financial nature are applicable), the written board decision shall be adopted and signed by the other directors who are not prevented from participating. A copy of the

adopted decision shall be sent to the director(s) who could not participate for his (their) information.

Article 23. If a member of the executive committee has a direct or indirect interest which conflicts with a decision or activity falling within the scope of the powers of the executive committee, the executive committee will follow the procedure stated in §1 and §3 of article 524ter of the Code of Companies.

Article 24. With respect to intra-group transactions and decisions, in particular, the transactions of the company with an affiliated company (other than a subsidiary), and the transactions between a subsidiary of the company and a company affiliated with that subsidiary (other than a subsidiary of the latter), the procedure stated in the Code of Companies is applied.
All decisions and transactions of a non-listed subsidiary of the company with companies affiliated with the company may only be taken or take place after prior approval by the board of directors of the company, in accordance with the provisions of the Code of Companies.
The procedure mentioned does not apply to the exceptions stated in the Code of Companies.

Article 25. The deliberations of the board of directors are recorded in minutes, signed by the members who took part in the deliberation and taken down in a special register kept at the registered office of the company.

The copies and extracts of the minutes of meetings, to be produced in court cases or elsewhere, are certified and signed by the chairman, by two directors or by the secretary general.

Article 26. The board of directors has the power to carry out all acts necessary or useful to the realisation of the company's object with the exception of those reserved by law to the general shareholders' meeting. The board of directors remains competent to perform all acts for which it may have delegated powers to the executive committee in accordance with article twenty of these articles of association.

Article 27. The representation of the company in all deeds or in court is ensured either by two directors, or by one director and one member of the executive committee, or, in the event of delegation of powers to an executive committee, pursuant to article twenty of these articles of association, by two members of the executive committee, or by any other persons appointed for this purpose.

Article 28. The control over the financial situation, the annual accounts, and the regularity, from the legal point of view and according to the articles of association, of the transactions to be recorded in the annual accounts, is entrusted to one or several auditors.

The auditors are appointed by the general meeting of shareholders among the members, individuals or body corporates – provided that a permanent representative is appointed -, of the Institute of Auditors.

The auditors are appointed for a period of three years and are re-eligible.

The number of auditors and their allowance are determined by the general shareholders' meeting. The allowances will only consist in a fixed amount determined by the general shareholders' meeting at the beginning and for

the duration of the mandate. They can only be altered with the agreement of the parties involved.

The mandates of the retiring auditors expire immediately after the ordinary meeting of shareholders.

Article 29. The directors and the auditors may receive a fixed allowance to be charged to the general expenses, which amount is fixed by the general meeting of shareholders.

The board of directors is empowered to grant allowances to directors who are entrusted with special functions or missions; these will be charged to the general expenses.
The shareholders' meeting of 17 May 2011 has resolved to use the authorisation provided for in article 520ter of the Code of Companies, and has therefore expressly waived the application of the rules with respect to the definite acquisition of shares and share options by a director or a member of the executive committee and with respect to the staggering of the payment of the variable remuneration of executive directors and members of the executive committee. The decision with respect to the application of above-mentioned rules has been delegated to the board of directors that will act taking into account the proposals of the nomination and remuneration committee. The company will as such not be bound by any of the limitations provided for in article 520ter of the Code of Companies.

Article 30. The directors, members of the executive committee and auditors are not bound by any personal obligation regarding the commitments of the company.

They are only responsible for the execution of their mandate and for the shortcomings, which occurred during the execution of their task, in accordance with the legal provisions.

SECTION FOUR

GENERAL SHAREHOLDERS' MEETING

Article 31. The regularly convened general meeting of shareholders represents the whole of the shareholders. Its decisions are binding upon all of them, even upon the absent or dissenting shareholders.

Article 32. The ordinary general meeting of shareholders is held on the third Tuesday of the month of May, at 14.30 p.m., at the location mentioned in the convening notices

If that day is a legal holiday, the meeting will be held on the first following working day.

Article 33. The board of directors or the auditors may convene a meeting of shareholders.
It must be convened at the request of shareholders who represent one fifth of the share capital provided that the agenda items are set out in the convening notice.

One or more shareholders, holding solely or together at least 3% of the share capital, may, in accordance with the provisions of the Code of Companies, put forward agenda items for the shareholders' meeting or file proposed resolutions relating to items included or to be included in the agenda. This right does not apply to shareholders' meetings convened due to lack of quorum. All requests should be remitted to the company in writing at the latest on the twenty-second calendar day preceding the date of the shareholders' meeting, the day of the meeting not included, in the manner set out in the convening notice. The agenda items and the proposed resolutions added to the agenda in application of this article, will only be deliberated on if the required part of the capital has been registered on the record date as mentioned in article 34 of these articles of association.

Article 34. The shareholders' meetings are convened in accordance with the relevant provisions of the Code of Companies.

A shareholder has the right to attend and to vote at the shareholders' meeting on the basis of the registration of the shares on the fourteenth calendar day at 12 p.m. (Belgian time) preceding the date of the shareholders' meeting, the day of the meeting not included (the "record date"), either by registration in the company's register of registered shares, by registration in the accounts of an authorised custody account keeper or clearing institution, regardless of the number of shares owned by the shareholder on the day of the general meeting.

The owners of dematerialised shares that wish to attend the shareholders' meeting and have fulfilled the registration formalities, should submit to the company at the latest on the sixth calendar day before the shareholders' meeting, the day of the meeting not included – as set out in the convening notice – a certificate delivered by the authorised custody account keeper or clearing institution stating the number of dematerialised shares, presented or registered in the name of the shareholder in their accounts, at the record date and with which the shareholder intends to attend the shareholders' meeting.

The owners of registered shares that wish to attend the shareholders' meeting should inform the company by letter, fax or email – as set out in the convening notice – of their intention at the latest on the sixth calendar day before the meeting, the day of the meeting not included.

Shareholders that have fulfilled the registration formalities can attend the shareholders' meeting and vote, either in person or via a proxy.

Unless otherwise provided in the Code of Companies, a shareholder may designate, for a given meeting, only one person as a proxy.

A proxy may represent more than one shareholder.

The joint owners, usufructuaries and bare owners, the pledgees and the pledgors must respectively be represented by one and the same person.

The designation of a proxy by a shareholder should be formalised as set out in the convening notice.

The proxy forms are drawn up by the board of directors. No other forms will be accepted. The board of directors determines the place where and the period within which they should be deposited.

Only the proxy forms of shareholders that have fulfilled the required registration formalities will be taken into account."

Article 35. The chairman of the board of directors or another member of the board delegated for this purpose by his colleagues presides over the general meeting of shareholders; he appoints the secretary and the meeting

chooses two scrutineers among its attendants. The other attending directors complete the bureau.

An attendance sheet showing the identity of the shareholders and the number of shares they represent, must be signed by each of them or by their proxy before entering the general meeting.

The minutes of the general meeting of shareholders are signed by the chairman, the secretary, the two scrutineers and by those shareholders who ask to do so.

Article 36. In the votes at the general meeting, each share entitles to one vote, subject to the application of the provisions of the Code of Companies.

Except for the cases referred to in article thirty-eight hereafter, the decisions are taken, whatever the number of shares being presented at the meeting, at the absolute majority of the votes participating at the voting.

The voting is done by show of hands or by call-over, unless the general meeting would decide otherwise by the majority of the votes.

In case of an appointment and when no candidate secures the absolute majority at the first voting, there will be a second balloting among the two candidates who secured the highest number of votes. In case of equality of votes, after a second balloting, the elder candidate is chosen.

Article 37. The general meeting of shareholders deliberates on all the proposals of the board of directors, of the examining auditor(s) or of the other auditors provided that these items figure on the agenda and are inserted in the convening notices.

Article 38. Subject to the provisions provided in the Code of Companies when the general meeting of shareholders has to decide on : 1. an amendment to the articles of association; 2. an increase or reduction of the company's share capital; 3. the merger of the company in accordance with article two of the present articles of association, or of the total alienation of its property; 4. the dissolution of the company; 5. the transformation of the company into another of a different form; 6. the issuing of convertible bonds or of bonds with application right; it can only validly deliberate or decide under the following conditions:

Those who attend the meeting or are represented at the meeting must account for at least half of the number of shares.

Should these conditions not be fulfilled, a second convocation is necessary and the new meeting deliberates validly whatever the quorum of capital present or represented might be.

In either case the decision is only valid when it is taken with a three quarter majority of the votes participating in the voting, taking into account that for the conversion of the company in another form, a majority of four fiftieths of the votes is required.

SECTION FIVE

BALANCE SHEET, PROFIT, APPROPRIATION OF RESULTS

Article 39. The financial year begins on the first of January and ends on the thirty-first of December of each year. The documents required by law are prepared within the prescribed terms through the care of the board of directors.

Moreover, in relation with these documents and within the legal terms, the inspection and communication measures prescribed by the Code of Companies, will be undertaken.

The annual accounts, the directors' report and the auditors' report are sent, together with the convening notice, to the registered shareholders.

Article 40. The credit balance of the income statement is the net profit. From this profit, a minimum of five percent shall first be taken of for the legal reserve; this deduction is no longer compulsory when the reserve reaches one tenth of the company's share capital.

The board of directors may propose to the general meeting of shareholders to allocate the whole or part of the profit, after deduction for the legal reserve, either to a balance brought forward, or to the formation of a special reserve fund.

The dividends are paid at the times and places indicated by the board of directors. On its own responsibility, the latter can decide to distribute interim payments on dividends, subject to the provisions provided in the Code of Companies.

SECTION SIX

DISSOLUTION, POWERS OF THE LIQUIDATORS

Article 41. In case of premature dissolution, the general meeting of shareholders has the widest powers to regulate the mode of dissolution, to choose the liquidators and to fix their powers.

After the settlement of all debts and charges, as well as of the liquidation expenses or after deposits, which have been made to provide therefore, the net assets are divided among all the shares in cash or in securities.

In case all the shares should not be paid-up to an equal extent, the liquidators, prior to proceeding to the division foreseen in the preceding paragraph, will take this diversity into account and restore the balance by putting all the shares on an absolute equality, either by making complementary callings on the insufficiently paid-up shares or by means of preliminary refunds, in cash or in securities, to the shares that are paid-up to a higher proportion.

SECTION SEVEN

GENERAL PROVISIONS

Article 42. For the purpose of the implementation of the present articles of association, every director, member of the executive committee, auditor and liquidator, residing abroad, hereby elects domicile at the registered office of the company where all communications, summons, demands or notifications may be validly sent to him, without any other obligation for the company than to hold such documents at the disposal of the addressee.

Article 43. The shareholders undertake to abide entirely by the Code of Companies, and in consequence, the provisions of these acts that are not licitly departed from by the present articles of association are deemed to be contained therein, and the clauses that might be contrary to the imperative provisions of said acts are regarded as not having been written.

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Exmar Netherlands BV

Report on the Financial Statements for 2019

Exmar Netherlands BV

KPMG Audit
Document to which our report
1892009-20W00172097MST dated
10 July 2020
also refers.
KPMG Accountants N.V.

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Management report

The Board of Directors of Exmar Netherlands BV ("the company") hereby presents the financial statements for the financial year that ended 31 December 2019. These statements have been prepared according to International Financial Reporting Standards (EU-IFRS) and in conformity with the provisions of Part 9, Book 2 of the Netherlands Civil Code.

General information

The company, having its legal address at De Hees, 9 - 5975 PV Sevenum, is a private limited liability company under Dutch law. The company is registered in the trade register kept by the chamber of commerce under the number 56700075.

The purpose of the company is to provide financing activities within the EXMAR group. In order to provide such financing activities, the company issued unsecured bonds in 2014 and 2015 which were listed on the regulated Oslo Stock Exchange (ISIN NO 0010714512). In June 2019, the bond of NOK 1 billion has been fully repaid. This repayment was financed partially with a new bond issue and partially with available resources. The company has successfully completed a new unsecured bond issue in May 2019 on the Oslo Stock Exchange (ISIN NO 0010869738) of NOK 650 million with maturity date in May 2022. The new bond issue bears an interest of 3 months NIBOR plus 8.75%. All obligations of the company are guaranteed by its parent (EXMAR NV), having its legal address at De Gerlachekaai, 20 – 2000 Antwerpen, Belgium.

EXMAR group is specialized in providing floating solutions for the operations, transportation and transformation of gas. EXMAR designs, builds, certifies, owns, leases and operates specialized, floating maritime infrastructure for this purpose as well as aiming for the highest standards in performing commercial, technical, quality assurance and administrative management for the entire maritime energy industry.

The company is a 100% subsidiary of EXMAR NV and has a share investment in Bexco NV (22,18%) having its legal address at Industriepark Zwaarveld, 25 – 9220 Hamme, Belgium.

Financial Highlights and financial key performance indicators

Result for the financial year 2019 amounts to a profit of USD 2,541 thousand (profit of USD 1,560 thousand in 2018).

Operating expenses decreased compared to 2018 with USD 449 thousand and mainly consist of goods and services. The decrease in the operating expenses is mainly situated within the personnel expenses as a consequence of a decrease in the number of employees.

Financial income decreased by USD 2,170 thousand compared to 2018 and relates amongst others to the unrealized exchange gain in respect of the NOK bond registered in 2018. Financial expenses decreased compared to 2018 with USD 3,356 thousand amongst others as a result of the decreased interest expenses on the bond and decreased realized exchange losses.

At the end of 2019, the total assets amounted to USD 138,116 thousand (USD 141,856 thousand at the end of 2018), including USD 134,638 thousand receivables from affiliated companies (USD 134,938 thousand in 2018).

Cash and cash equivalents at year-end 2019 amounts to USD 123 thousand (USD 3,598 thousand at year-end 2018).

Total equity amounted to a positive USD 2,217 thousand at the end of 2019 (negative equity of USD 293 thousand in 2018). This increase is the effect of the total comprehensive result for the financial year 2019 amounting to USD 2,510 thousand. This increase positively influences the solvency position of the company. As per 31 December

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2019 the solvency ratio is positive and amounts to 1.61% (2018: negative and amounts to -0.21%). Solvency ratio has been calculated as follows: total equity/total balance sheet.

Total liabilities at the end of 2019 amounted to USD 135,899 thousand (USD 142,149 thousand at the end of 2018). In June 2019, the bond of NOK 1 billion has been fully repaid. This repayment was financed partially with a new unsecured bond issue amounting to NOK 650 million with maturity date in May 2022 and partially with available resources.

During the past financial year, no activity was carried out or planned in the area of research and development.

During 2019, the company had an average of 0.68 FTE (2018: 1.27 FTE) in the Netherlands and hence incurred salary and related social security charges during the year under review.

Risk management

The Board of Directors is in charge of the management of the company meaning that the Board of Director's responsibilities include the policy and business progress within the company and with this the achievement of the goals, strategy, profit development and the social aspects of doing business that are relevant for the company. The Board of Directors is also responsible for the compliance with legislation and regulations and the management of risks relating to the financing activities of the company.

Risk profile

Below is an overview of the risks that the company's management believes are most relevant to the achievement of our strategy. The sequence of risks below does not reflect an order of importance, vulnerability or materiality.

The overview is not exhaustive and should be considered with forward looking statements. There may be a risk not yet known to us or which currently not deemed to be material.

Reputation damage

The fact that we would not be able to fulfill our financial obligations (Compliance, Financial) may have a material adverse effect on our financial condition and of the entire EXMAR group. The company employs a rigorous quality and compliance management process before entering into new instruments or deals. Internal policies and Code of Conduct are designed to further mitigate incidents that could result in reputation damage.

Counterpart- and credit risk

The company finances the group company loans to the operating entities mainly via the NOK 650 million senior unsecured Bond. The borrowings to group companies are secured by EXMAR NV.

Credit risk is monitored closely on an ongoing basis by the company and creditworthiness controls are carried out if deemed necessary. At year-end no significant creditworthiness problems were noted. The borrowings to subsidiaries and associates of EXMAR NV consist mainly of shareholder loans to companies with operational activities; we do not anticipate any recoverability issues for these outstanding borrowings. All obligations of the subsidiaries towards Exmar Netherlands BV are guaranteed by EXMAR NV, the obligations of the associate (Electra Offshore Ltd.) are secured by a pledge on 100% of the shares of this associate.

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Cash flows and liquidity risks

The liquidity risk is actively managed and currently covered by funds available under the NOK 650 million senior unsecured bond that was signed in May 2019 with maturity in May 2022.

The company 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. The senior unsecured bonds require compliance with certain financial ratios tested at EXMAR's NV consolidated financial statements. As of 31 December 2019 EXMAR NV group was compliant with all covenants.

Interest risk, market risk and foreign currency risk

The company is exposed to floating interest rates and foreign currency risk following the long-term financing activities. The company actively manages this exposure and if deemed appropriate could cover itself for rising interest rates and foreign currency risk for its debt portfolio by means of various instruments.

The company 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. The NOK/ USD exposure and the NOK interest rate exposure are not covered by any financial instrument contract.

COVID-19

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 at the level of EXMAR group to ensure the safety and wellbeing of the group's personnel and continuity of the group's business operations. The majority of the group's ships are currently operating under medium to long-term contracts. EXMAR group is however subject to certain risks with respect to market dynamics and contractual counterparties. Until now the impact of COVID-19 on EXMAR's business and financial performance is rather limited but the further mentioned uncertainty remains (we refer in this respect to the going concern section). EXMAR continues to closely monitor the situation.

Appointment

The Board of Directors of the company is appointed by the General Meeting.

The company deviates from Article 2:276 of Book 2 of the Dutch Civil Code, which states that positions on the management should be distributed in a way so that at least 30% of positions are held by women and at least 30% by men. This deviation has been made to ensure that the company has a competent Board of Directors that has required knowledge of the company and the company's key market areas. When appointing members to the Board of Directors, the company shall aim for a complementary range of experience, gender and age.

The Board of Directors of the company is responsible for the maintenance and development of an accurate framework for risk management and control and also, the active management of the strategic, technological, operational, financial and compliance risks that the company faces.

We declare that the substantial risks with which the company is confronted are described in these financial statements. This financial statement provides insight into the extent to which risks are prevented and controlled. The company takes due consideration of the findings of the external auditor, KPMG Accountants NV, who audits the financial statements. Based on the reports, our own observations and experiences from the past, the Board of Directors declares, with reference to best practice provision II.1.5 of the Dutch Corporate Governance Code, that the framework for risk management and control, provides a reasonable assurance that the financial reporting does not contain any errors of material importance and that this framework worked properly in the 2019 reporting year.

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Management statement

The management of Exmar Netherlands BV hereby confirms that these financial statements give a true and fair view of the situation as per reporting date and of the course of the business during the year.

Outlook

Neither the activities of the company nor the number of personnel will change significantly.

We refer to note 14 Senior unsecured bonds and loans from EXMAR NV in the financial statements for a general understanding of the applicable terms and conditions of the bond loan.

Sevenum, 10 July 2020

The Board of Directors

Patrick De Brabandere

Michel Rehim

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Statement of financial position (after profit appropriation)

(in thousands of USD)

	NOTE	31/12/2019	31/12/2018
ASSETS			
Property, plant and equipment		0	2
Investments in equity accounted investees	8	3,233	3,306
Loans to subsidiaries and associates of Exmar NV	10	134,005	133,784
NON-CURRENT ASSETS		**137,238**	**137,092**
Loans to subsidiaries and associates of Exmar NV	10	633	1,154
Trade and other receivables	11	122	12
Cash and cash equivalents	12	123	3,598
CURRENT ASSETS		**878**	**4,764**
TOTAL ASSETS		**138,116**	**141,856**
EQUITY AND LIABILITIES			
Share capital	13	3,000	3,000
Retained earnings	13	-659	-3,201
Translation reserve	13	-124	-92
TOTAL EQUITY		**2,217**	**-293**
Senior unsecured bonds	14	72,785	0
NON-CURRENT LIABILITIES		**72,785**	**0**
Senior unsecured bonds	14	763	121,781
Loans from Exmar NV	14	62,093	15,416
Trade and other payables	15	258	4,952
CURRENT LIABILITIES		**63,114**	**142,149**
TOTAL EQUITY AND LIABILITIES		**138,116**	**141,856**

The notes from page 11 to page 35 are an integral part of these financial statements.

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Statement of profit or loss and statement of other comprehensive income

(in thousands of USD)

	NOTE	01/01/2019 - 31/12/2019	01/01/2018 - 31/12/2018
STATEMENT OF PROFIT OR LOSS			
CONTINUING OPERATIONS			
Revenue	2	93	0
Other operating income	3	1	843
Operating income		**94**	**843**
Goods and services	4	-184	-224
Personnel expenses	5	-69	-477
Depreciation		-2	-3
Operating result		**-161**	**139**
Finance income	6	17,914	20,084
Finance expenses	6	-15,170	-18,526
Net finance result		**2,744**	**1,558**
Result before income tax and share of result of equity accounted investees		**2,583**	**1,697**
Share of result of equity accounted investees (net of income tax)	8	-42	-137
Result before income tax		**2,541**	**1,560**
Income tax expense	7	0	0
Result for the period		**2,541**	**1,560**
STATEMENT OF COMPREHENSIVE INCOME			
Result for the period		**2,541**	**1,560**
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		-31	-79
		-31	-79
Items that will not be reclassified to profit or loss		0	0
Other comprehensive income for the period (net of income tax)		**-31**	**-79**
Total comprehensive income for the period		**2,510**	**1,481**

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Statement of cash flows

(in thousands of USD)

	NOTE	01/01/2019 - 31/12/2019	01/01/2018 - 31/12/2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Result for the period		2,541	1,560
Adjustments for:			
Share of result of equity accounted investees (net of income tax)	8	42	137
Depreciations		2	3
Interest income	6	-16,287	-14,908
Interest expense	6	13,643	14,948
Amortized transaction costs	6	945	1,237
Unrealized exchange difference		-1,394	-5,141
		-508	**-2,164**
Changes in trade and other receivables	11	-110	435
Changes in trade and other payables	15	-4,694	4,807
Cash generated from operating activities		**-5,312**	**3,078**
Interest paid		-12,530	-11,513
Interest received		1,254	2,877
NET CASH USED IN OPERATING ACTIVITIES		**-16,588**	**-5,558**
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans to subsidiaries and associates of Exmar NV	10	0	-250
Repayments from subsidiaries and associates of Exmar NV	10	15,321	4,350
NET CASH USED IN INVESTING ACTIVITIES		**15,321**	**4,100**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from new loans	14	136,433	9,228
Repayment of loans	14	-137,086	-5,000
Payment for banking fees/ debt transaction costs	14	-1,555	0
NET CASH FROM FINANCING ACTIVITIES		**-2,208**	**4,228**
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS		**-3,475**	**2,770**
RECONCILIATION OF NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Net cash and cash equivalents at 1 January		3,598	828
Net increase/(decrease) in cash and cash equivalents		-3,475	2,770
Exchange rate fluctuations on cash and cash equivalents		0	0
NET CASH AND CASH EQUIVALENTS AT 31 DECEMBER		**123**	**3,598**

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Statement of changes in equity

(in thousands of USD)		Share capital	Retained earnings	Translation reserve	Hedging reserve	Total equity
STATEMENT OF CHANGES IN EQUITY AS PER 31 DECEMBER 2018						
As per 1 January 2018, as previously reported	**NOTE**	**3,000**	**-4,761**	**-13**	**0**	**-1,774**
Result for the period		**0**	**1,560**	**0**	**0**	**1,560**
Foreign currency translation differences	8	0	0	-79	0	-79
Total other comprehensive result		**0**	**0**	**-79**	**0**	**-79**
Total comprehensive result for the period		**0**	**1,560**	**-79**	**0**	**1,481**
Total transactions with owners of the company		**0**	**0**	**0**	**0**	**0**
31 December 2018		**3,000**	**-3,201**	**-92**	**0**	**-293**

		Share capital	Retained earnings	Translation reserve	Hedging reserve	Total equity
STATEMENT OF CHANGES IN EQUITY AS PER 31 DECEMBER 2019						
As per 1 January 2019	**NOTE**	**3,000**	**-3,201**	**-92**	**0**	**-293**
Result for the period		**0**	**2,541**	**0**	**0**	**2,541**
Foreign currency translation differences	8	0	0	-31	0	-31
Total other comprehensive result		**0**	**0**	**-31**	**0**	**-31**
Total comprehensive result for the period		**0**	**2,541**	**-31**	**0**	**2,510**
Total transactions with owners of the company		**0**	**0**	**0**	**0**	**0**
31 December 2019		**3,000**	**-659**	**-124**	**0**	**2,217**

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Notes to the financial statements

1. Accounting policies

Reporting entity

Exmar NETHERLANDS BV ("the company") is a company with its registered address at De Hees, 9 - 5975 PV Sevenum in the Netherlands and a 100% subsidiary of EXMAR NV (Belgium). The financial statements of the company comprise the company and its interest in an associate. The company operates as a financing company within the EXMAR group and issued senior unsecured bonds for a total amount of NOK 650 million which are traded on the Oslo Bors.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as adopted by EU (EU-IFRS) and with part 9 of Book 2 of the Netherlands Civil Code.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for the derivative financial instruments that are accounted for at fair value.

New standards, amendments and interpretations

The company has adopted the following new standards, amendments to standards, including any consequential amendments to other standards, and new interpretations with a date of initial application of 1 January 2019. These new standards and amendments did not have a material impact on our financial statements.

- IFRS 16 Leasing
- 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)
- 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 financial statements. These standards, amendments or interpretations are not expected to have a significant impact on the financial statements:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).
- 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
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Functional and presentation currency

The accounts are presented in USD and all values are rounded to the nearest thousand unless otherwise indicated. USD is the functional and presentation currency of the company.

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Use of judgements and estimates

The preparation of the financial statements in accordance with EU-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 financial statements, the company has made judgements, estimates and assumptions regarding the fair value of its derivative financial instruments, the valuation of its loans to subsidiaries and associates of EXMAR NV and the useful lives of its assets.

Judgements: Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the relevant notes.

Assumptions and estimation uncertainties: Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 31 December 2019 are included in the relevant notes.

Measurement of fair values: a number of the company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The company has an established control framework with respect to the measurement of fair values. The company regularly reviews unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then evidence obtained is assessed from the third parties to support the conclusion that these valuations meet the requirements of EU-IFRS, including the level of fair value hierarchy in which the valuations should be classified. When measuring the fair value of an asset or liability, the company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset 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).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 16.

Going concern

The financial statements have been prepared using the going concern basis of accounting, as it is assumed by the management of EXMAR Netherlands BV that the granted loans to subsidiaries of EXMAR NV, and the interest proceeds thereon are collectable in order to settle the quarterly interest with the bond holders and repayment of the bond loan in May 2022 and that the loan from EXMAR NV will not be called by EXMAR NV within short notice. In this respect, EXMAR NV confirmed it will provide the financial support that is necessary to ensure EXMAR Netherlands BV's ability to continue as a going concern for a period of at least 18 months from 15 June 2020 onwards. Consequently, the going concern of EXMAR Netherlands BV's activities depends on EXMAR NV.

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Within this perspective it should be noted that the 2019 financial statements of EXMAR NV, dated 6 April 2020, have also been prepared using the going concern basis of accounting. However, we draw your attention to the "significant judgement and estimates - going concern" paragraph in those financial statements in which the EXMAR NV's Board of Directors assumed going concern following a timely and successful completion of certain management measures to provide sufficient liquidity to the EXMAR NV group of companies (including EXMAR Netherlands BV). We, the Board of Directors of EXMAR Netherlands BV, have been informed by EXMAR NV's Board of Directors that since the date of issuing the 2019 financial statements of EXMAR NV progress has been made in relation to certain of these management measures and that additional measures are worked on:

• In May 2020, EXMAR NV and its subsidiaries entered into a financing facility with Belfius Bank, KBC Bank and BNP Paribas/Fortis amounting to EUR 18 million. Repayment is due on 1 February 2022. This financing agreement replaces the existing bridge loan Revolving Credit facilities.

• 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. In April 2020, the Bank of China has given its consent to withdraw excess cash, after payments to the debt servicing account. However please note that in relation to the considerations received from YPF, EXMAR NV announced on 25 June 2020 that it has received written notification of force majeure from YPF. YPF claims that effects of the coronavirus (COVID-19) pandemic both worldwide and in Argentina have hindered YPF's ability to perform its obligations under the Agreements, including but not limited to its ability to pay the invoices due for services performed for the period starting the second half of March 2020. EXMAR NV considers the Notice to be unlawful, has reserved its rights and is considering its best option to defend its interests. Irrespective of the outcome of the dispute with YPF in respect of the Notice, EXMAR is contemplating several measures to safeguard its liquidity position, which is on the basis of our current forecast, not at risk till the end of 2020.

• EXMAR NV's updated cash flow projections show cash flows from refinancing of a part of the shipping fleet. This refinancing should result in a cash inflow of USD 152 million while a repayment of USD 140 million is forecasted. According to EXMAR NV's Board of Directors, this refinancing is subject to approval of the credit committee of one of the banks and signing of the final term sheets. As such this new financing is not yet committed. EXMAR NV's Board of Directors is confident that the necessary approval will be obtained.

• 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 NV to ensure the safety and wellbeing of its personnel and continuity of its business operations. The majority of EXMAR NV's ships are currently operating under medium to long-term contracts. EXMAR NV is however subject to certain risks with respect to market dynamics and its contractual counterparties as failure of such counterparties to meet their obligations could cause EXMAR NV to suffer losses or impact its liquidity position. Until now the impact of COVID-19 on EXMAR's business and financial performance is rather limited but the aforementioned uncertainty remains. EXMAR continues to closely monitor the situation.

The Board of Directors of both EXMAR NV and EXMAR Netherlands BV are confident that the Board of Directors of EXMAR NV will be able to timely and successfully implement the management measures, as disclosed in the 2019 financial statements of EXMAR NV and updated above, and therefore EXMAR NV has an appropriate basis for the use of the going concern assumption. However, in the event that EXMAR NV's management measures are not timely met, there is a material uncertainty whether EXMAR NV and therefore also EXMAR Netherlands BV will have sufficient liquidities to fulfil its obligations. The described events and conditions indicate the existence of a material uncertainty that may cause significant doubt on EXMAR BV's ability to continue as a going concern.

Significant accounting policies

a) Interest in an associate

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The interest in equity accounted investees comprises an interest in an associate. Associates are those entities in which the company has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the company holds between 20% and 50% of the voting power. A joint venture is an arrangement in which the company has joint control, whereby the company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates 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 financial statements include the 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 company 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 company has an obligation or has made payments on behalf of the investee. In such case, a liability is recognized for the net amount.

b) Foreign currency

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

Our investment in an associate is translated to USD using the closing rate at reporting date. The share in the result of the associate is converted to USD at the average exchange rate. Foreign currency differences are recognized directly in other comprehensive income. The foreign currency differences are presented within the translation reserve. When the associate is disposed of, 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 company disposes of only part of its investment in an associate 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 statement of financial position when the company 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.

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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 company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the company 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 company 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.

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Derecognition of financial assets

The company 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 company 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 company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The company 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 company 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.

Derivative financial instruments & hedge accounting

The company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the 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.

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The company 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.

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

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) Property, plant and equipment

Items of property, plant and equipment are stated at cost 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.

Property, plant and equipment are depreciated over their estimated useful life using the straight-line depreciation method. The estimated depreciation percentage of the various types of assets is 20%.

e) Impairment of assets

Financial assets measured at amortized 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 company 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 company 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 company'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.

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f) Employee benefits

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 company 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.

Termination benefits are recognised as an expense when the company 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 company 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.

g) Provisions

A provision is recognised in the statement of financial position when the company 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.

h) Revenue

Revenue from services is recognised in the profit or loss statement over time as the services are provided. The amount of revenue to recognise is assessed based on the stage of completion of the transaction at the balance sheet date. Invoices and related payment terms depend on individual contractual terms.

i) Leases

Policy applicable from 1 January 2019

At inception of a contract, the company 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 company uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 January 2019.

Currently, Exmar Netherlands does not have any leasing contracts that should be accounted for in accordance with IFRS 16.

Policy applicable before 1 January 2019

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.

j) Finance income and expenses

Finance income and expense consists amongst others of foreign currency gains or losses on financial assets and financial liabilities and the reclassification of net gains/losses previously recognized in OCI. Interest income or expense is recognized using the effective interest method. Dividend income is recognised in the profit or loss statement on the date that the dividend is declared.

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k) 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 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. 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.

l) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the entity has access at that date. The fair value of a liability reflects its non-performance risk.

A number of accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the entity measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the entity uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. If an asset or a liability measured at fair value has a bid price and an ask price, then the company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the entity determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

m) Segment reporting

Considering the activities of the company, no operating or geographical segments are identified by management.

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2. Revenue

Revenue of the company for the year ending December 31, 2019 amounts to USD 93 thousand (2018: USD 0 thousand) and relates entirely to management fees charged to other companies of the EXMAR group in respect of provided services to these companies.

3. Other operating income

Other operating income of the company for the year ending December 31, 2019 amounts to USD 1 thousand (2018: USD 843 thousand) and relates entirely to goods and services and personnel expenses recharged to EXMAR subsidiaries for the services performed by Exmar Netherlands BV. As a consequence of the decrease in the number of employees, no goods and services and personnel expenses are recharged in 2019.

4. Goods and services

(in thousands of USD)	2019	2018
Rent	-16	-15
Accountant and consulting fees	-94	-103
ICT expenses	-4	-4
Travelling expenses	0	-78
Hotel and restaurant expenses	0	-23
Other	-70	-1
	-184	**-224**

5. Personnel expenses

(in thousands of USD)	2019	2018
Salaries and wages	-67	-473
Social security charges	-2	-4
	-69	**-477**

In the year ending December 31, 2019 0.68 employees were employed (2018: 1.27 employees). The movements in the personnel expenses can be amongst others explained by the decrease in the number of employees.

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6. Finance income / expenses

(in thousands of USD)	2019	2018
Interest income and expenses		
Interest income		
Interest income on loans to subsidiaries and associates of Exmar NV	16,257	14,907
Interest income on cash and cash equivalents	30	1
	16,287	**14,908**
Interest expenses		
Interest expenses on loans from Exmar NV	-1,343	-385
Interest expenses on senior unsecured bonds	-12,300	-14,563
	-13,643	**-14,948**
Other finance income and expenses		
Other finance income		
Exchange gains	1,627	5,176
	1,627	**5,176**
Other finance expenses		
Exchange losses	-524	-2,278
Amortized transaction costs	-945	-1,237
Other bank charges	-58	-63
	-1,527	**-3,578**
Total finance income and expense recognised in profit or loss		
Finance income	17,914	20,084
Finance expense	-15,170	-18,526
Finance income and expense recognised directly in equity		
Foreign currency translation differences	-31	-79
	-31	**-79**
Recognised in:		
Translation reserve	-31	-79
	-31	**-79**

7. Income taxes

Due to losses in previous financial years, no income taxes are due regarding financial year 2019. No deferred tax assets have been recognised on the available tax losses carried forward (USD 508 thousand at year-end 2019 and USD 3,091 thousand at year-end 2018) considering the uncertainties regarding the timing and amount of taxable profits in the coming years. At year-end 2019 and 2018 no current, neither deferred tax receivables or payables are outstanding.

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(in thousands of USD)		2019	2018
Reconciliation of the effective tax rate			
Result before income tax		**2,541**	**1,560**
Tax at domestic tax rate	**20 - 25%**	**-635**	**-390**
Share of profit of equity accounted investees net of tax		**-10**	-34
Increase/decrease resulting from:			
Current year tax losses/ credits for which no deferred tax asset has been recognised			
Use of tax losses carried forward		646	424
	0%	**0**	**0**

8. Investments in equity accounted investees

Balance as per 1 January 2018		**3,521**
Changes during the financial year		
	Share in the profit/loss(-)	-137
	Foreign currency translation difference	-79
Balance as per 31 December 2018		**3,306**
Changes during the financial year		
	Share in the profit/loss(-)	-42
	Foreign currency translation difference	-31
Balance as per 31 December 2019		**3,233**

On 26 December 2014 a participating interest was acquired in Bexco NV (a rope manufacturer for the shipping and offshore industry which was incorporated in Belgium and with its principal place of business in Belgium). Exmar Netherlands BV acquired 2,000 shares or 22.18% of the share capital of Bexco NV. Part of the purchase price paid (USD 1.442 thousand) has been allocated to the land and buildings owned by Bexco NV and will be amortised over the remaining useful life of the land and buildings as from 2015. The residual balance of the purchase price paid is recognised as goodwill (USD 804 thousand). The under IFRS required (annual) impairment test was performed and did not result in any findings. The discounted cash flow model used by management includes cash flow forecast for the coming 5 years and a terminal value cash flow. The 5 years cash flow forecasts are estimated by management based upon the past experience as well as current market expectations.

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going forward. During the 5 years cash flow forecast the average growth rate is set a 2% while the terminal value growth rate is set at nil. The weighted average cost of capital (WACC) is set at 4.9%. During the financial year 2019 no additions or disposals have occurred and the movements relate to the share in the result of Bexco NV and the USD/EUR exchange rate difference on the EUR investment.

9. Financial information equity accounted investees

The following table summarises the financial information of Bexco NV for 100%, adjusted for fair value adjustments at acquisition. The information presented in the table includes the results of Bexco NV for the period from 1 January to 31 December, for 2019 and 2018 respectively.

(in thousands of USD)	2019	2018
Balance sheet		
Non-current assets	14,726	16,405
Current assets	20,465	11,547
Non-current liabilities	-5,013	-5,664
Current liabilities	-15,604	-7,385
Equity	-14,574	-14,903
Income statement		
Revenue	32,517	18,543
Depreciations and amortizations	-1,843	-1,933
Interest income	0	0
Interest expense	-219	-154
Income tax expense	180	213
Result for the period	-188	-616

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10. Loans to subsidiaries and associates of Exmar NV

(in thousands of USD)	Exmar LNG Investment	Travel Plus	Electra Offshore	Exmar Energy Netherlands	Total
As per 1 January 2018	**55,319**	**601**	**15,940**	**55,175**	**127,035**
New loans	250	0	0	0	250
Repayments	0	0	-4,350	0	-4,350
Capitalised interest	6,719	0	0	6,690	13,409
Exchange rate difference	0	-27	0	0	-27
Accrued interest receivable	0	0	-1,378	0	-1,378
As per 31 December 2018	**62,288**	**574**	**10,212**	**61,864**	**134,938**
More than 1 year	**62,288**	**574**	**9,058**	**61,864**	**133,784**
Less than 1 year	**0**	**0**	**1,154**	**0**	**1,154**
As per 1 January 2019	**62,288**	**574**	**10,212**	**61,864**	**134,938**
New loans	0	0	0	0	0
Repayments	0	0	-1,000	-14,321	-15,321
Capitalised interest	7,553	0	0	7,501	15,054
Exchange rate difference	0	-11	0	0	-11
Accrued interest receivable	0	0	-21	0	-21
As per 31 December 2019	**69,841**	**563**	**9,190**	**55,044**	**134,638**
More than 1 year	**69,841**	**563**	**8,557**	**55,044**	**134,005**
Less than 1 year	**0**	**0**	**633**	**0**	**633**

The repayment obligations of amounts due by the different subsidiaries of EXMAR NV (Exmar LNG Investment Ltd., Travel Plus NV and Exmar Energy Netherlands) under these loans are guaranteed by EXMAR NV. Repayment of the loan by Electra Offshore Ltd. is secured by a pledge on 100% of the shares of Electra Offshore Ltd. The company can call on these loans at any time, taking into account the notice period as described below. Considering the issue of a new bond with maturity date in May 2022, EXMAR NV does not have the intention to call on these loans in the near future. All loans are therefore presented as non-current assets, except for the Electra Offshore loan. The amount presented on short term for the Electra Offshore facility is in accordance with the repayment schedule.

Exmar LNG Investment Ltd

On 14 August 2014 a fund of USD 45,000,000 is made available for Exmar LNG Investments Ltd. Interests on the drawn principal amount are 6.7%. There is no fixed maturity date but at least six months' notice for repayment

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of the loan. In December 2015 and in December 2016, this agreement was amended and the maximum outstanding principal amount was increased by USD 30,000,000 and by USD 25,000,000 respectively. As of 7 July 2017 the interest percentage applicable on the drawn loan amount has been adjusted to 11.45%.

Travel Plus NV

A subordinated loan of EUR 500,000 was granted to Travel Plus NV. This subordinated loan is granted for a period of 5 years with an interest of EURIBOR plus 1% margin, payable half-yearly.

Electra Offshore Ltd

In May 2016, EXMAR sold part of its ownership (60%) in Electra Offshore Ltd. At the moment of this partial sale, the loan made available to Electra Offshore Ltd. was renegotiated. A loan of USD 17,400,000 was made available with a fixed interest percentage of 12%.

Exmar Energy Netherlands

During 2017 a shareholders advance of USD 55,000,000 has been given to Exmar Energy Netherlands. There is no fixed maturity date but at least three months' notice for repayment of the loan. The interest percentage applicable on the loan amounts to 11.45%.

11. Trade and other receivables

(in thousands of USD)	2019	2018
Trade receivables (intercompany)	116	0
Deferred charges *	6	12
	122	**12**
Of which financial assets (note 16)	**116**	**0**

* *'Deferred charges' comprise expenses already invoiced relating to the next accounting year.*

The exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in note 16. The residual term of all trade and other receivables is expected to be less than one year.

12. Cash and cash equivalents

(in thousands of USD)	2019	2018
Cash at bank	123	3,598

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Cash at bank is free at disposal of the company.

13. Equity

Share capital and premium

	2019	2018
Number of ordinary shares		
Issued shares as per 1 January	3,000,000	3,000,000
Issued shares as per 31 December - paid in full	**3,000,000**	**3,000,000**

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. The company's share capital amounts to USD 3,000,000 (2018: USD 3,000,000) and consists of 3,000,000 ordinary shares each with a nominal value of USD 1. All shares are subscribed and paid-in.

Treasury shares

The company holds no treasury shares.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of our investment in an associate not reporting in USD as functional currency.

Result appropriation

The Board of Directors proposes to the General Meeting to appropriate the 2019 net results to Retained Earnings. This appropriation has already been reflected in the financial statements.

Capital management

The policy is to maintain an acceptable share capital for the company. The balance between capital and loans is monitored on a continuous basis. No dividend policy or targets regarding return on capital are determined for Exmar Netherlands BV. The company is not subject to externally imposed capital requirements.

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14. Senior unsecured bonds and loans from Exmar NV

(in thousands of USD)	Loans from Exmar NV	Senior unsecured bonds	Total
As per 1 January 2018	**10,847**	**123,682**	**134,529**
New loans	9,228	0	9,228
Transaction costs	0	0	0
Repayments	-5,000	0	-5,000
Capitalized interest	385	0	385
Amortized transaction costs	0	1,237	1,237
Foreign currency translation difference	-44	-6,188	-6,232
Accrued interest payable	0	11	11
Call premium	0	3,039	3,039
As per 31 December 2018	**15,416**	**121,781**	**137,197**
More than 1 year	0	0	0
Less than 1 year	15,416	121,781	137,197
As per 31 December 2018	**15,416**	**121,781**	**137,197**

As per 1 January 2019	**15,416**	**121,781**	**137,197**
New loans	61,010	75,423	136,433
Transaction costs	0	-1,555	-1,555
Repayments	-15,664	-121,422	-137,086
Capitalized interest	1,343	0	1,343
Amortized transaction costs	0	945	945
Foreign currency translation difference	-12	-1,394	-1,406
Accrued interest payable	0	-1,749	-1,749
Call premium	0	1,519	1,519
As per 31 December 2019	**62,093**	**73,548**	**135,641**
More than 1 year	0	72,785	72,785
Less than 1 year	62,093	763	62,856
As per 31 December 2019	**62,093**	**73,548**	**135,641**

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Loans from Exmar NV

On 31 January 2013 a fund of EUR 3,000,000 was made available by EXMAR NV under the form of a subordinated loan. Interests on the drawn principal amount are at a floating annual rate of EURIBOR 3 months plus 0.5% margin. There is no fixed maturity date but at least six months' notice for repayment of the loan.

On 1 March 2015 a fund of USD 50,000,000 is made available by EXMAR NV under the form of a shareholder facility agreement. The loan is not collaterised. Interests on the drawn principal amount are at a floating rate of LIBOR 3 months plus 0.5% margin. There is no fixed maturity date but at least three months' notice for repayment of the loan. With effect from January 1, 2019 the initial amount of USD 50,000,000 has been increased up to a maximum amount of USD 100,000,000.

The loans from EXMAR NV are not expected to be settled within 12 months from the reporting date but are presented as current liabilities considering that both loans are repayable on demand with a notice period of respectively six and three months.

Senior unsecured bonds

The issuance in 2014 was based on a novation agreement with DNB Bank ASA and EXMAR NV, in which EXMAR NV has transferred the senior unsecured bonds to Exmar Netherlands BV. The issuance of the first tranche of NOK 700 million took place in July 2014. During 2015, an additional amount of NOK 300 million was issued. The total nominal amount outstanding amounted to NOK 1 billion with maturity date in July 2017. The maturity date of the bond was extended to July 2019 at a bondholders' meeting held in June 2017. 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 interest percentage on the exchanged USD bonds amounted to 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 unsecured bond issue amounting to NOK 650 million in May 2019 and partially with available resources. The new bond issue bears an interest of 3 months NIBOR plus 8.75% and matures in May 2022.

All obligations of the issuer are guaranteed by EXMAR NV ("guarantor"). The bond trustee (on behalf of the bondholders), may make a demand to the guarantor for immediate payment of any due and unpaid amount. EXMAR NV has to maintain direct or indirect a 100% ownership in the issuer. The bond agreement requires EXMAR NV to be compliant with the following financial covenants:
- minimum free cash of USD 20,000,000;
- NIBD/ equity <=2.50;
- minimum equity of USD 300,000,000;
- minimum ratio of EBITDA to net interest expense of 2 to 1;
- minimum positive working capital.

All financial covenants are calculated on EXMAR NV group level. In the event of a continuing default, the bond trustee can require acceleration of the maturity date of amounts due under the bond agreement. At year-end 2019 EXMAR NV group was compliant with all financial covenants.

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15. Trade and other payables

(in thousands of USD)	2019	2018
Trade payables	236	4,947
Other payables	22	5
	258	**4,952**
Of which financial liabilities	**236**	**4,947**

16. Financial risks and derivative financial instruments

During the normal course of its business, the company is exposed to financial risks. The company is exposed to credit, interest, currency and liquidity risks and in order to hedge this exposure, the company uses various financial instruments when considered necessary.

Derivative Financial instruments

The company 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. The NOK/ USD exposure and the NOK interest rate exposure are not covered by any derivative financial instrument contract.

Credit risk

Credit risk policy

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

Credit risk is monitored closely on an ongoing basis by the company and creditworthiness controls are carried out if deemed necessary. At year-end no significant creditworthiness problems were noted. The borrowings to subsidiaries and associates of EXMAR NV consist mainly of shareholder loans to companies with operational activities; we do not anticipate any recoverability issues for these outstanding borrowings. All obligations of the subsidiaries towards Exmar Netherlands BV are guaranteed by EXMAR NV, the obligations of the associate (Electra Offshore Ltd.) are secured by a pledge on 100% of the shares of this associate.

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Exposure to risk

(in thousands of USD)	2019	2018
Carrying amounts of financial assets		
Loans to subsidiaries and associates of Exmar NV	134,638	134,938
Trade and other receivables	116	0
Cash at bank	123	3,598
	134,877	**138,536**

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 company 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. The NOK interest rate exposure is not covered by any derivative financial instrument contract.

Exposure to risk

(in thousands of USD)	2019	2018
Total loans with variable interest rate	135,641	137,197
of which senior unsecured bonds	*73,548*	*121,781*
of which loans from Exmar NV	*62,093*	*15,416*
Loans to subsidiaries and associates of Exmar NV with variable interest	-563	-574
Net exposure	**135,078**	**136,623**

Except the loan to Travel Plus all loans to subsidiaries and associates of EXMAR NV have a fixed rate interest and are not included in the interest exposure analysis.

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Sensitivity analysis

In case the interest rate would increase/decrease with 50 basis points, the financial statements would be impacted with the following amounts (assuming that all other variables remain constant) .

(in thousands of USD)	+ 50 bps	- 50 bps	+ 50 bps	- 50 bps
Loans with variable interest rate	-678	678	-686	686
Loans to subsidiaries and associates of Exmar NV	3	-3	3	-3
Derivative financial instruments	0	0	0	0
Sensitivity (net)	**-675**	**675**	**-683**	**683**
Impact on net result and net equity	**-675**	**675**	**-683**	**683**

Currency risk

Currency risk policy

The Group makes use of financial instruments hedging the currency risk when management is of the opinion that it is favorable to do so.

Exposure to risk

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the company. The currency risk relating to the operating activities is mainly affected by the EUR/USD ratio. The company has successfully completed a new unsecured bond issue of NOK 650 million in May 2019 with a coupon of 3 months NIBOR plus 8.75% and with maturity date in May 2022.

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

	2019		**2018**	
	EUR	NOK	EUR	NOK
Non-current assets	501	0	501	0
Current assets	119	246	0	101
Non-current liabilities	0	-650,000	0	0
Current liabilities	-761	-6,699	-1,032	-930,821
Balance sheet exposure	-141	-656,453	-531	-930,720
In thousands of USD	**-158**	**-74,764**	**-608**	**-107,131**

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Sensitivity Analysis

As per 31 December 2019 an increase in the year-end EUR/USD rate of 10% would affect the income statement with USD -16 thousand (USD -61 thousand for 2018). A 10% decrease of the EUR/USD rate would impact the profit or loss statement with the same amount (opposite sign).

An increase in the year-end NOK/USD rate of 10% would affect the statement of profit or loss with USD -7.5 million (USD -10.7 million for 2018). 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

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company 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. The senior unsecured bonds require compliance with certain financial ratios. As of 31 December 2019 EXMAR NV group was compliant with all covenants (we refer to note 14).

Maturity analysis of financial liabilities and loans to subsidiaries and associates of Exmar NV

Our current financial liabilities such as trade and other payables are expected to be paid within the next twelve months and therefore not included in below tables. The following are the contractual maturities of our financial liabilities and our borrowings to subsidiaries and associates to EXMAR NV, including estimated interest payments:

						Contractual cash flows			
				Carrying amount	Total	0-12 mths	1-2 years	2-5 years	> 5 years
[redacted]									
Non-derivative financial liabilities:									
Senior unsecured bonds	NOK	Nibor + 8% Libor +8.5%	2019	-121,781	- 130,633	-130,633	0	0	0
Loans from Exmar NV	USD	Libor +0.5%	-	-14,477	-14,921	-14,921	0	0	0
Loans from Exmar NV	EUR	Euribor +0.5%	-	-939	-944	-944	0	0	0
				137,197	**- 146,498**	**-146,498**	**0**	**0**	**0**
Loans to subsidiaries and associates of Exmar NV	USD	11.45% Euribor + 1% 12%	-	**134,938**	**197,545**	**0**	**0**	**197,545**	**0**

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(in thousands of USD)					Contractual cash flows			
				Carrying amount	Total	0-12 mths	1-2 years	2-5 years	> 5 years
As per 31 December 2019									
Non-derivative financial liabilities:									
Senior unsecured bonds	NOK	Nibor + 8.75%	2022	-73,548	-93,825	-7,950	-7,919	-77,956	0
Loans from Exmar NV	USD	Libor +0.5%	-	-61,505	-62,834	-62,834	0	0	0
Loans from Exmar NV	EUR	Euribor +0.5%	-	-588	-591	-591	0	0	0
				-135,641	**-157,250**	**-71,375**	**-7,919**	**-77,956**	**0**
Loans to subsidiaries and associates of Exmar NV	USD	11.45% Euribor + 1% 12%	-	**134,638**	**176,821**	**0**	**0**	**176,821**	**0**

Fair values

Carrying amounts versus fair values

(in thousands of USD)	Fair value hierarchy (*)	2019		2018	
		Carrying amount	Fair value	Carrying amount	Fair value
Senior unsecured bonds	1	-73,548	-74,141	121,781	-116,246
		-73,548	**-74,141**	**121,781**	**-116,246**

(*) 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.

Basis for determining fair values:

Senior unsecured bonds	quoted closing bid price at reporting date for NOK bond

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For certain financial assets and liabilities (loans to subsidiaries and associates of EXMAR NV, trade and other receivables, cash and cash equivalents, loans from EXMAR NV 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.

17. Related parties

Identity of related parties

The company has a related party relationship with its shareholder, associate, its directors and with the subsidiaries of EXMAR NV.

Transaction with related parties

There have been no transactions between the company and its directors or its associate. The company has different transactions with its shareholder, its associate and with subsidiaries of EXMAR NV, such transactions were made on terms equivalent to those that prevail in at arm's length transactions. For a description of these transactions we refer to notes 2, 3, 10 and 14.

18. Auditor's fees

The following fees were charged by KPMG Accountants NV to the company as referred in Section 2:382a(1) and (2) of the Netherlands Civil Code.

(in thousands of USD)	2019	2018
Auditor's fees		
Audit of the financial statements	45	45
	45	**45**

19. Remuneration of managing and supervisory directors

The remuneration of managing and supervisory directors as referred to in Section 2:383 (1) of the Netherlands civil code, amounts to USD 37 thousand (2018: USD 38 thousand).

20. Major exchange rates used

	Closing rates		Average rates	
	2019	2018	2019	2018
EUR	0.8902	0.8734	0.8918	0.8447
NOK	8.7803	8.6885	8.7857	8.1245

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

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21. Subsequent events

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 at the level of EXMAR group to ensure the safety and wellbeing of the group's personnel and continuity of the group's business operations. The majority of the group's ships are currently operating under medium to long-term contracts. EXMAR group is however subject to certain risks with respect to market dynamics and contractual counterparties. Until now the impact of COVID-19 on EXMAR's business and financial performance is rather limited but the aforementioned uncertainty remains (we refer in this respect to the going concern section). EXMAR continues to closely monitor the situation.

No other subsequent events identified at the date of this report.

Sevenum, 10 July 2020

The Board of Directors

Patrick De Brabandere

Michel Rehim

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Other Information

Provisions in the Articles of Association governing the appropriation of profit

The general meeting is authorized according to article 12 of the Articles of Association to appropriate the profit, which has been determined by the adoption of the annual accounts, and to make distributions, in so far as the equity capital is larger than the reserves that must be maintained by law or these articles of association.
A resolution to distribute the profits does not have any consequences as long as the board has not given its approval. The board will only withhold its approval if it knows or should reasonably foresee that after the distribution the company cannot continue with the payment of its due debts. The company may also make interim distributions. The provisions in this article will in that case apply by analogy.

Auditor's report
The auditor's report with respect to the financial statements is set out on the next page.

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Independent auditor's report

To: the General Meeting of Shareholders of Exmar Netherlands B.V. ("the Company")

Report on the audit of the financial statements 2019 included in the Report on the Financial Statements for 2019

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of Exmar Netherlands B.V. as at 31 December 2019 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2019 of Exmar Netherlands B.V. based in Sevenum.

The financial statements comprise:

1 the statement of financial position as at 31 December 2019;

2 the following statements for the year ended 31 December 2019: profit or loss and other comprehensive income, changes in equity and cash flows; and

3 the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Exmar Netherlands B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

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Material uncertainty related to going concern

We draw attention to the going concern paragraph in the notes of the financial statements 2019 of EXMAR Netherlands B.V., which states that the ability of EXMAR Netherlands B.V. to fulfil its obligations depends on the timely and successful completion of certain EXMAR N.V.'s management measures which also can be negatively impacted by COVID-19. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The appropriateness of the going concern assumption depends on management's assessment of the future economic environment and whether EXMAR N.V.'s management will be able to timely and successfully implement the management measures, as disclosed in the 2019 financial statements of EXMAR N.V. and updated in the going concern paragraph in the notes to the financial statements of EXMAR Netherlands B.V. Our procedures to assess the appropriateness of management's assessment primarily consisted of:

— challenge and evaluation of the aforementioned EXMAR Netherlands B.V. management's assessment;

— discussions with both the management of EXMAR N.V. and EXMAR Netherlands B.V. to evaluate its plans for future financing transactions and whether EXMAR N.V. management's measures are feasible in the circumstances;

— corroborate EXMAR Netherlands B.V. management's future business plans and to identify potential contradictory information, amongst others by reading the EXMAR Netherlands B.V. management's minutes;

— evaluating the 2019 group financial statements of EXMAR N.V. (including the going concern disclosure) and the audit opinion of EXMAR N.V.'s external auditor.

Furthermore, we have evaluated the situation and uncertainties as described in the aforementioned disclosure and consider the disclosure to be adequate. However, an audit cannot predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to the impact of COVID-19.

Audit approach

Summary

Materiality
— Materiality of USD 1.3 million — 0.9% of total assets
Key audit matter
— Valuation of loan receivables
Opinion
Unqualified — material uncertainty related to going concern

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Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at USD 1.3 million (2018: USD 1.3 million). The materiality is determined with reference to total assets (0.9%). We consider total assets as the most appropriate benchmark as the main stakeholders are primarily focused on the assets and the most common benchmark, being profit before tax is negative. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Board of Directors that misstatements in excess of USD 50,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the Board of Directors. The key audit matter is not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the 'Material uncertainty related to going concern' section we have determined the matter described below to be the key audit matter to be communicated in our report.

Valuation of loan receivables

Description

The Company is a financing entity entering into financing arrangements in order to provide loans to Exmar group companies. The Company has no substantial assets other than the loans granted to the Exmar group companies and cash and cash equivalents. The Company values loans provided to Exmar group companies at amortised cost less a provision for impairment.

The financing arrangements consist of the issuance of bonds which are guaranteed by the ultimate parent company, Exmar N.V., and shareholder loans from Exmar N.V. The Company is therefore interrelated with and dependent on the financial performance of the group for the repayment of (accrued) interest and principal loan amounts. This is highlighted in notes 10 and 14 of the financial statements. Given this pervasive impact on the financial statements of the Company, we considered the valuation of the loans provided to the Exmar group companies and the accrued related interest a key audit matter.

Our response

Our audit procedures included amongst others testing of the financial viability of Exmar N.V., the ultimate parent company, to assess its ability to meet its contractual obligations towards the Company. We evaluated the liquidity and solvency of Exmar N.V. based on its 2019 audited financial statements, analysed 2020 press releases of Exmar N.V. and inquired with the Company's management on the progress made on the completion of Exmar N.V.'s management measures as referred to in the 2019 audited financial statements of Exmar N.V. Furthermore, we inquired with the Company's management regarding any conditions existing as at or subsequent to the Company's year-end, that may indicate that Exmar N.V. is unable to meet its contractual obligations.

Our observation

We found that the credit risk related to the loan receivables from Exmar group companies has been appropriately taken into account and disclosed in the financial statements.

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Report on the other information included in the Report on the Financial Statements

In addition to the financial statements and our auditor's report thereon, the Report on the Financial Statements for 2019 contains other information.

Based on the following procedures performed, we conclude that the other information:

— is consistent with the financial statements and does not contain material misstatements; and

— contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board of Directors of Exmar Netherlands B.V. is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the General Meeting of Shareholders as auditor of Exmar Netherlands B.V. on 23 April 2020 for the audit of the financial statements 2019. We have operated as statutory auditor of Exmar Netherlands B.V. since 2014.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors of Exmar Netherlands B.V. is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors of Exmar Netherlands B.V. is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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As part of the preparation of the financial statements, the Board of Directors of Exmar Netherlands B.V. is responsible for assessing Exmar Netherlands B.V.'s ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors of Exmar Netherlands B.V. should prepare the financial statements using the going concern basis of accounting unless the Board of Directors of Exmar Netherlands B.V. either intends to liquidate Exmar Netherlands B.V. or to cease operations, or has no realistic alternative but to do so. The Board of Directors of Exmar Netherlands B.V. should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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 financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in appendix of this auditor's report. This description forms part of our auditor's report.

Maastricht-Airport, 10 July 2020

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M.G. Lutters RA

Appendix:
Description of our responsibilities for the audit of the financial statements

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Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

— identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

— obtaining 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 Exmar Netherlands B.V.'s internal control;

— evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of Exmar Netherlands B.V.;

— concluding on the appropriateness of the Exmar Netherlands B.V.'s Board of Directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Exmar Netherlands B.V.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;

— evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and

— evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the Board of Directors in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

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

From the matters communicated with the Board of Directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

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Exmar Netherlands BV

Report on the Financial Statements for 2018

Exmar Netherlands BV

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Management report

The Board of Directors of Exmar Netherlands BV ("the company") hereby presents the financial statements for the financial year that ended 31 December 2018. These statements have been prepared according to International Financial Reporting Standards (EU-IFRS) and in conformity with the provisions of Part 9, Book 2 of the Netherlands Civil Code.

General information

The company, having its legal address at De Hees, 9 - 5975 PV Sevenum, is a private limited liability company under Dutch law. The company is registered in the trade register kept by the chamber of commerce under the number 56700075.

The purpose of the company is to provide financing activities within the Exmar group. In order to provide such financing activities, the company issued unsecured bonds which are listed on the regulated Oslo Stock Exchange (ISIN NO 0010714512). All obligations of the company are guaranteed by its parent (Exmar N.V), having its legal address at De Gerlachekaai, 20 – 2000 Antwerpen, Belgium.

Exmar group is specialized in providing floating solutions for the operations, transportation and transformation of gas. Exmar designs, builds, certifies, owns, leases and operates specialized, floating maritime infrastructure for this purpose as well as aiming for the highest standards in performing commercial, technical, quality assurance and administrative management for the entire maritime energy industry.

The company is a 100% subsidiary of EXMAR NV and has a share investment in Bexco NV (22,18%) having its legal address at Industriepark Zwaarveld, 25 – 9220 Hamme, Belgium.

Financial Highlights and financial key performance indicators

Result for the financial year 2018 amounts to a profit of USD 1,560 thousand (loss of USD -1,204 thousand in 2017).

Operating expenses decreased compared to 2017 and mainly consist of personnel expenses.

Financial income increased by USD 5,721 thousand compared to 2017 and relates almost entirely to the unrealized exchange gain in respect of the NOK bond. Financial expenses increased compared to 2017 with USD 3,425 thousand as a result of the increased interest expenses on the bond. EXMAR has a call option on the bond at any time. The call option price and redemption price at maturity amounts to 105%. Per 31 December 2018 the bond is registered at an amortised cost of 103.75%.

At the end of 2018, the total assets amounted to USD 141,856 thousand (USD 132,900 thousand at the end of 2017), including USD 134,938 thousand receivables from affiliated companies (USD 127,035 thousand in 2017). During the year 2018 USD 4,350 thousand was repaid by the subsidiaries and associates of Exmar NV.

Cash and cash equivalents at year-end 2018 amounts to USD 3,598 thousand (USD 828 thousand at year-end 2017).

Total equity amounted to a negative USD 293 thousand at the end of 2018 (negative equity of USD 1,774 thousand in 2017). This increase is the effect of the total comprehensive result for the financial year 2018 amounting to USD 1,481 thousand. This increase positively influences the solvency position of the company. As per 31 December 2018 the solvency ratio is negative and amounts to -0.2% (2017: also negative and amounts to -1.3%). Solvency ratio has been calculated as follows: total equity/total balance sheet.

Total liabilities at the end of 2018 amounted to USD 142,149 thousand (USD 134,675 thousand at the end of 2017). No repayments were done on the senior unsecured bond as per 2018. The maturity date of the bond was extended to July 2019 at a bondholders' meeting held in June 2017. In June 2019, the bond of NOK 1 billion has been fully repaid.

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This repayment was financed partially with a new unsecured bond issue amounting to NOK 650 million with maturity date in May 2022 and partially with available resources.

During the past financial year, no activity was carried out or planned in the area of research and development.

During 2018, the company had an average of 1.27 FTE (2017: 1.6 FTE) in the Netherlands and hence incurred salary and related social security charges during the year under review.

Risk management

The Board of Directors is in charge of the management of the company meaning that the Board of Director's responsibilities include the policy and business progress within the company and with this the achievement of the goals, strategy, profit development and the social aspects of doing business that are relevant for the company. The Board of Directors is also responsible for the compliance with legislation and regulations and the management of risks relating to the financing activities of the company.

Risk profile

Below is an overview of the risks that the company's management believes are most relevant to the achievement of our strategy. The sequence of risks below does not reflect an order of importance, vulnerability or materiality.

The overview is not exhaustive and should be considered with forward looking statements. There may be a risk not yet known to us or which currently not deemed to be material.

Reputation damage

The fact that we would not be able to fulfill our financial obligations (Compliance, Financial) may have a material adverse effect on our financial condition and of the entire Exmar group. The company employs a rigorous quality and compliance management process before entering into new instruments or deals. Internal policies and Code of Conduct are designed to further mitigate incidents that could result in reputation damage.

Counterpart- and credit risk

The company finances the group company loans to the operating entities mainly via the NOK 1,000 million senior unsecured Bond. The borrowings to group companies are secured by Exmar NV.

Credit risk is monitored closely on an ongoing basis by the company and creditworthiness controls are carried out if deemed necessary. At year-end no significant creditworthiness problems were noted. The borrowings to subsidiaries and associates of Exmar NV consist mainly of shareholder loans to companies with operational activities or assets under construction; we do not anticipate any recoverability issues for these outstanding borrowings. All obligations of the subsidiaries towards Exmar Netherlands BV are guaranteed by Exmar NV, the obligations of the associate (Electra Offshore Ltd.) are secured by a pledge on 100% of the shares of this associate.

Cash flows and liquidity risks

The liquidity risk is actively managed and currently covered by funds available under the NOK 700.0 million senior unsecured bond that was signed in July 2014 and an additional NOK 300.0 million senior unsecured bond that was signed in April 2015. Both amounts had an initial maturity date in July 2017, this maturity date was extended to July 2019 at a bondholders' meeting held in June 2017. In June 2019, the bond of NOK 1 billion has been fully repaid. This repayment was financed partially with a new unsecured bond issue amounting to NOK 650 million with maturity date in May 2022 and partially with available resources.

The company manages the liquidity risk in order to meet financial obligations as they fall due. Risk is managed through a continuous cash flow projection follow-up, monitoring balance sheet liquidity ratio's against internal and

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regulatory requirements and maintaining a diverse range of funding sources with adequate back-up facilities. The senior unsecured bonds require compliance with certain financial ratios (tested at EXMAR NV's consolidated financial statements). As of 31 December 2018 EXMAR NV group was compliant with all covenants.

Interest risk and market risk

The company is exposed to floating interest rates following the long-term financing activities. The company 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.

EXMAR Netherlands successfully closed a NOK 700 million senior unsecured bond issue in 2014 and issued an additional NOK 300 million in 2015. The floating interest rate exposure (3m NIBOR) and the NOK/USD exposure (NOK 1,000 million) were managed by a cross currency interest rate swap (NOK 700 million) and a cross currency swap (NOK 300 million). These contracts have ended in July 2017. As per 31 December 2018, the floating interest rate exposure is no longer covered by swap contracts.

Foreign currency risk

Currency risks on the NOK/USD exchange rate were avoided in prior periods by the use of foreign exchange derivatives. Per 31 December 2018, the NOK/USD exposure is no longer covered by foreign exchange financial instruments. Per 31 December 2018, an unrealized exchange gain of USD 5,174 has been registered in the statement of profit or loss in respect of the NOK bond.

COVID-19

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 at the level of EXMAR group to ensure the safety and wellbeing of the group's personnel and continuity of the group's business operations. The majority of the group's ships are currently operating under medium to long-term contracts. EXMAR group is however subject to certain risks with respect to market dynamics and contractual counterparties. Until now the impact of COVID-19 on EXMAR's business and financial performance is rather limited but the further mentioned uncertainty remains (we refer in this respect to the going concern section). EXMAR continues to closely monitor the situation.

Appointment

The Board of Directors of the company is appointed by the General Meeting.

The company deviates from Article 2:276 of Book 2 of the Dutch Civil Code, which states that positions on the management should be distributed in a way so that at least 30% of positions are held by women and at least 30% by men. This deviation has been made to ensure that the company has a competent Board of Directors that has required knowledge of the company and the company's key market areas. When appointing members to the Board of Directors, the company shall aim for a complementary range of experience, gender and age.

The Board of Directors of the company is responsible for the maintenance and development of an accurate framework for risk management and control and also, the active management of the strategic, technological, operational, financial and compliance risks that the company faces.

We declare that the substantial risks with which the company is confronted are described in these financial statements. This financial statement provides insight into the extent to which risks are prevented and controlled. The company takes due consideration of the findings of the external auditor, KPMG Accountants NV., who audits the financial statements. Based on the reports, our own observations and experiences from the past, the Board of Directors declares, with reference to best practice provision II.1.5 of the Dutch Corporate Governance Code, that the framework for risk

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management and control, provides a reasonable assurance that the financial reporting does not contain any errors of material importance and that this framework worked properly in the 2018 reporting year.

Management statement

The management of Exmar Netherlands BV hereby confirms that these financial statements give a true and fair view of the situation as per reporting date and of the course of the business during the year.

Outlook

Neither the activities of the company nor the number of personnel will change significantly.

We refer to note 13 Senior unsecured bonds and loans from Exmar NV in the financial statements for a general understanding of the applicable terms and conditions of the bond loan. The maturity date of the bond was extended to July 2019 at a bondholders' meeting held in June 2017. In June 2019, the bond of NOK 1 billion has been fully repaid. This repayment was financed partially with a new unsecured bond issue amounting to NOK 650 million with maturity date in May 2022 and partially with available resources.

There is no need for additional or other re-financing, therefore expectations for additional financing and investments are at a minimum level.

Sevenum, 10 July 2020

The Board of Directors

Patrick De Brabandere

Michel Rehim

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Statement of financial position (after profit appropriation)

(in thousands of USD)

	NOTE	31/12/2018	31/12/2017
ASSETS			
Property, plant and equipment		2	4
Investments in equity accounted investees	7	3,306	3,521
Loans to subsidiaries and associates of Exmar NV	9	133,784	121,153
NON-CURRENT ASSETS		**137,092**	**124,678**
Loans to subsidiaries and associates of Exmar NV	9	1,154	5,882
Trade and other receivables	10	12	447
Derivative financial instruments	15	0	1,065
Cash and cash equivalents	11	3,598	828
CURRENT ASSETS		**4,764**	**8,222**
TOTAL ASSETS		**141,856**	**132,900**
EQUITY AND LIABILITIES			
Share capital	12	3,000	3,000
Retained earnings	12	-3,201	-4,761
Translation reserve	12	-92	-13
TOTAL EQUITY		**-293**	**-1,774**
Senior unsecured bonds	13	0	121,181
NON-CURRENT LIABILITIES		**0**	**121,181**
Senior unsecured bonds	13	121,781	2,501
Loans from Exmar NV	13	15,416	10,847
Trade and other payables	14	4,952	145
CURRENT LIABILITIES		**142,149**	**13,494**
TOTAL EQUITY AND LIABILITIES		**141,856**	**132,900**

The notes from page 11 to page 37 are an integral part of these financial statements.

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Statement of profit or loss and statement of other comprehensive income

(in thousands of USD)

	NOTE	01/01/2018 - 31/12/2018	01/01/2017 - 31/12/2017
STATEMENT OF PROFIT OR LOSS			
CONTINUING OPERATIONS			
Other operating income	2	843	905
Operating income		**843**	**905**
Goods and services	3	-224	-236
Personnel expenses	4	-477	-735
Depreciation		-3	-3
Operating result		**139**	**-70**
Finance income	5	20,084	14,363
Finance expenses	5	-18,526	-15,101
Net finance result		**1,558**	**-738**
Result before income tax and share of result of equity accounted investees		**1,697**	**-808**
Share of result of equity accounted investees (net of income tax)	7	-137	-395
Result before income tax		**1,560**	**-1,204**
Income tax expense	6	0	0
Result for the period		**1,560**	**-1,204**
STATEMENT OF COMPREHENSIVE INCOME			
Result for the period		**1,560**	**-1,204**
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences	12	-79	225
Net change in fair value of cash flow hedges - hedge accounting	12	0	661
		-79	886
Items that will not be reclassified to profit or loss		0	0
Other comprehensive income for the period (net of income tax)		**-79**	**886**
Total comprehensive income for the period		**1,481**	**-318**

The notes from page 11 to page 37 are an integral part of these financial statements.

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Statement of cash flows

(in thousands of USD)

	NOTE	01/01/2018 - 31/12/2018	01/01/2017 - 31/12/2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Result for the period		1,560	-1,204
Adjustments for:			
Share of result of equity accounted investees (net of income tax)	7	137	395
Depreciations		3	3
Interest income	5	-14,908	-14,285
Interest expense	5	14,948	12,453
Amortized transaction costs	5	1,237	1,163
Unrealized exchange difference		-5,141	1,359
		-2,164	**-116**
Changes in trade and other receivables	10	435	-237
Changes in trade and other payables	14	4,807	-2,126
Cash generated from operating activities		**3,078**	**-2,480**
Interest paid		-11,513	-7,462
Interest received		2,877	1,716
NET CASH USED IN OPERATING ACTIVITIES		**-5,558**	**-8,226**
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans to subsidiaries and associates of Exmar NV	9	-250	-55,000
Repayments from subsidiaries and associates of Exmar NV	9	4,350	97,638
NET CASH USED IN INVESTING ACTIVITIES		**4,100**	**42,638**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from new loans	13	9,228	0
Repayment of loans	13	-5,000	-61,504
Payment for banking fees/ debt transaction costs	13	0	-2,475
(Increase)/decrease in restricted cash	11	0	23,860
NET CASH FROM FINANCING ACTIVITIES		**4,228**	**-40,120**
NET DECREASE IN CASH AND CASH EQUIVALENTS		**2,770**	**-5,708**
RECONCILIATION OF NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Net cash and cash equivalents at 1 January		828	6,536
Net increase/(decrease) in cash and cash equivalents		2,770	-5,708
Exchange rate fluctuations on cash and cash equivalents		0	0
NET CASH AND CASH EQUIVALENTS AT 31 DECEMBER		**3,598**	**828**

The notes from page 11 to page 37 are an integral part of these financial statements.

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Statement of changes in equity

(in thousands of USD)		Share capital	Retained earnings	Translation reserve	Hedging reserve	Total equity
STATEMENT OF CHANGES IN EQUITY AS PER 31 DECEMBER 2017						
As per 1 January 2017, as previously reported	**NOTE**	**3,000**	**-3,556**	**-238**	**-661**	**-1,455**
Result for the period		**0**	**-1,204**	**0**	**0**	**-1,204**
Foreign currency translation differences	7	0	0	225	0	225
Net change in fair value of cash flow hedges - hedge accounting	5	0	0	0	661	661
Total other comprehensive result		**0**	**0**	**225**	**661**	**886**
Total comprehensive result for the period		**0**	**-1,204**	**225**	**661**	**-318**
Total transactions with owners of the company		**0**	**0**	**0**	**0**	**0**
31 December 2017		**3,000**	**-4,761**	**-13**	**0**	**-1,774**

		Share capital	Retained earnings	Translation reserve	Hedging reserve	Total equity
STATEMENT OF CHANGES IN EQUITY AS PER 31 DECEMBER 2018						
As per 1 January 2018	**NOTE**	**3,000**	**-4,761**	**-13**	**0**	**-1,774**
Result for the period		**0**	**1,560**	**0**	**0**	**1,560**
Foreign currency translation differences	7	0	0	-79	0	-79
Net change in fair value of cash flow hedges - hedge accounting	5	0	0	0	0	0
Total other comprehensive result		**0**	**0**	**-79**	**0**	**-79**
Total comprehensive result for the period		**0**	**1,560**	**-79**	**0**	**1,481**
Total transactions with owners of the company		**0**	**0**	**0**	**0**	**0**
31 December 2018		**3,000**	**-3,201**	**-92**	**0**	**-293**

The notes from page 11 to page 37 are an integral part of these financial statements.

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Notes to the financial statements

1. Accounting policies

Reporting entity

EXMAR NETHERLANDS BV ("the company") is a company with its registered address at De Hees, 9 - 5975 PV Sevenum in the Netherlands and a 100% subsidiary of EXMAR NV (Belgium). The financial statements of the company comprise the company and its interest in an associate. The company operates as a financing company within the Exmar group and issued senior unsecured bonds for a total amount of NOK 1.000 million which are traded on the Oslo Bors.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as adopted by EU (EU-IFRS) and with part 9 of Book 2 of the Netherlands Civil Code.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for the derivative financial instruments that are accounted at fair value.

New standards, amendments and interpretations

The company has adopted the following new standards, amendments to standards, including any consequential amendments to other standards, and new interpretations with a date of initial application of 1 January 2018. These new standards and amendments did not have a material impact on our financial statements.

- EU - IFRS 9 Financial instruments
- EU - IFRS 15 Revenue from contracts with customers
- Annual improvements to EU - IFRS's 2014-2016 cycle
- Foreign currency transactions and Advance consideration (IFRIC 22)

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2018, and have not been applied in preparing these financial statements. These standards, amendments or interpretations are not expected to have a significant impact on the financial statements:

- EU-IFRS 16 Leasing: In January 2016, the IASB issued a new standard for lease accounting, applicable for annual periods beginning on or after January 1, 2019. EU-IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. EU-IFRS 16 eliminates the classification of leases as either operating or finance leases for a lessee and introduces a single lease accounting model for lessees. All leases, except leases with a term of lease less than twelve months or low-value leases, are capitalized by recognizing the present value of the lease payments and presenting them as a right of use asset in the statement of financial position of the lessee. Lease payments that are paid over time should be presented as a financial liability. In the statement of profit or loss, the depreciation charge of the lease asset will be presented separately from the interest expense on the lease liability. EU-IFRS 16 does not change substantially lease accounting for lessors. A lessor will continue to classify leases as either operational or finance lease and account for those two types of leases differently. EU-IFRS 16 is effective for the annual reporting beginning on or after 1 January 2019.

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- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to EU - IFRS 10 and IAS 28).
- Uncertainty over Income Tax Treatments (IFRIC 23).
- Long-term interest in Associates and Joint Ventures (Amendments to IAS 28).
- Annual improvements to EU - IFRS 2015-2017 cycle
- Amendments to IAS 19: plan amendment, curtailment or settlement
- Amendments to EU - IFRS 9 Prepayment features with negative compensation
- Amendments to References to the Conceptual Framework in EU - IFRS Standards
- Amendments to EU - IFRS 3 Business combinations
- Amendments to IAS 1 and IAS 8 Definition of Material

Functional and presentation currency

The accounts are presented in USD and all values are rounded to the nearest thousand unless otherwise indicated. USD is the functional and presentation currency of the company.

Use of judgements and estimates

The preparation of the financial statements in accordance with EU-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 financial statements, the company has made judgements, estimates and assumptions regarding the fair value of its derivative financial instruments, the valuation of its loans to subsidiaries and associates of Exmar NV and the useful lives of its assets.

Judgements: Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the relevant notes.

Assumptions and estimation uncertainties: Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 31 December 2018 are included in the relevant notes.

Measurement of fair values: a number of the company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The company has an established control framework with respect to the measurement of fair values. The company regularly reviews unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then evidence obtained is assessed from the third parties to support the conclusion that these valuations meet the requirements of EU-IFRS, including the level of fair value hierarchy in which the valuations should be classified. When measuring the fair value of an asset or liability, the company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 15.

Going concern

The financial statements have been prepared using the going concern basis of accounting, as it is assumed by the management of EXMAR Netherlands BV that the granted loans to subsidiaries of EXMAR NV, and the interest proceeds thereon are collectable in order to settle the quarterly interest with the bond holders and repayment of the bond loan in May 2022 and that the loan from EXMAR NV will not be called by EXMAR NV within short notice. In this respect, EXMAR NV confirmed it will provide the financial support that is necessary to ensure EXMAR Netherlands BV's ability to continue as a going concern for a period of at least 18 months from 15 June 2020 onwards. Consequently, the going concern of EXMAR Netherlands BV's activities depends on EXMAR NV.

Within this perspective it should be noted that the 2019 financial statements of EXMAR NV, dated 6 April 2020, have also been prepared using the going concern basis of accounting. However, we draw your attention to the "significant judgement and estimates - going concern" paragraph in those financial statements in which the EXMAR NV's Board of Directors assumed going concern following a timely and successful completion of certain management measures to provide sufficient liquidity to the EXMAR NV group of companies (including EXMAR Netherlands BV). We, the Board of Directors of EXMAR Netherlands BV, have been informed by EXMAR NV's Board of Directors that since the date of issuing the 2019 financial statements of EXMAR NV progress has been made in relation to certain of these management measures and that additional measures are worked on:

• In May 2020, EXMAR NV and its subsidiaries entered into a financing facility with Belfius Bank, KBC Bank and BNP Paribas/Fortis amounting to EUR 18 million. Repayment is due on 1 February 2022. This financing agreement replaces the existing bridge loan Revolving Credit facilities.

• 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. In April 2020, the Bank of China has given its consent to withdraw excess cash, after payments to the debt servicing account. However please note that in relation to the considerations received from YPF, EXMAR NV announced on 25 June 2020 that it has received written notification of force majeure from YPF. YPF claims that effects of the coronavirus (COVID-19) pandemic both worldwide and in Argentina have hindered YPF's ability to perform its obligations under the Agreements, including but not limited to its ability to pay the invoices due for services performed for the period starting the second half of March 2020. EXMAR NV considers the Notice to be unlawful, has reserved its rights and is considering its best option to defend its interests. Irrespective of the outcome of the dispute with YPF in respect of the Notice, EXMAR is contemplating several measures to safeguard its liquidity position, which is on the basis of our current forecast, not at risk till the end of 2020.

• EXMAR NV's updated cash flow projections show cash flows from refinancing of a part of the shipping fleet. This refinancing should result in a cash inflow of USD 152 million while a repayment of USD 140 million is forecasted. According to EXMAR NV's Board of Directors, this refinancing is subject to approval of the credit committee of one of the banks and signing of the final term sheets. As such this new financing is not yet committed. EXMAR NV's Board of Directors is confident that the necessary approval will be obtained.

• 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 NV to ensure the safety and wellbeing of its personnel and continuity of its business

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operations. The majority of EXMAR NV's ships are currently operating under medium to long-term contracts. EXMAR NV is however subject to certain risks with respect to market dynamics and its contractual counterparties as failure of such counterparties to meet their obligations could cause EXMAR NV to suffer losses or impact its liquidity position. Until now the impact of COVID-19 on EXMAR's business and financial performance is rather limited but the aforementioned uncertainty remains. EXMAR continues to closely monitor the situation.

The Board of Directors of both EXMAR NV and EXMAR Netherlands BV are confident that the Board of Directors of EXMAR NV will be able to timely and successfully implement the management measures, as disclosed in the 2019 financial statements of EXMAR NV and updated above, and therefore EXMAR NV has an appropriate basis for the use of the going concern assumption. However, in the event that EXMAR NV's management measures are not timely met, there is a material uncertainty whether EXMAR NV and therefore also EXMAR Netherlands BV will have sufficient liquidities to fulfil its obligations. The described events and conditions indicate the existence of a material uncertainty that may cause significant doubt on EXMAR BV's ability to continue as a going concern.

Significant accounting policies

a) Interest in an associate

The interest in equity accounted investees comprises an interest in an associate. Associates are those entities in which the company has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the company holds between 20% and 50% of the voting power. A joint venture is an arrangement in which the company has joint control, whereby the company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates 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 financial statements include the 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 company 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 company has an obligation or has made payments on behalf of the investee. In such case, a liability is recognized for the net amount.

b) Foreign currency

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

Our investment in an associate is translated to USD using the closing rate at reporting date. The share in the result of the associate is converted to USD at the average exchange rate. Foreign currency differences are recognized directly in other comprehensive income. The foreign currency differences are presented within the translation reserve. When the associate is disposed of, 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 company disposes of only part of its investment in an associate 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.

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c) Financial instruments

Policy applicable as of 1 January 2018

Financial assets and financial liabilities are recognised in the statement of financial position when the company 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 company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the company 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 company 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

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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 company 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 company 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 company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The company 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

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Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company 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.

Derivative financial instruments & hedge accounting

The company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the 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 company 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.

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

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) Property, plant and equipment

Items of property, plant and equipment are stated at cost 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.

Property, plant and equipment are depreciated over their estimated useful life using the straight-line depreciation method. The estimated depreciation percentage of the various types of assets is 20%.

e) Impairment of assets

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Financial assets measured at amortized 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 company 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 company 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 company'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.

f) Employee benefits

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 company 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.

Termination benefits are recognised as an expense when the company 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 company 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.

g) Provisions

A provision is recognised in the statement of financial position when the company 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.

h) Revenue

Revenue from services is recognised in the profit or loss statement over time as the services are provided. The amount of revenue to recognise is assessed based on the stage of completion of the transaction at the balance sheet date. Invoices and related payment terms depend on individual contractual terms.

i) Leases

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.

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j) Finance income and expenses

Finance income and expense consists of foreign currency gains or losses on financial assets and financial liabilities and the reclassification of net gains/losses previously recognized in OCI. Interest income or expense is recognized using the effective interest method. Dividend income is recognised in the profit or loss statement on the date that the dividend is declared.

k) 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 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. 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.

l) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the entity has access at that date. The fair value of a liability reflects its non-performance risk.

A number of accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the entity measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the entity uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. If an asset or a liability measured at fair value has a bid price and an ask price, then the company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the entity determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument

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but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

m) Segment reporting

Considering the activities of the company, no operating or geographical segments are identified by management.

2. Other operating income

Other operating income of the company for the year ending 31 December 2018 amounts to USD 843 thousand (2017: USD 905 thousand) and relates entirely to goods and services and personnel expenses recharged to Exmar subsidiaries for the services performed by Exmar Netherlands BV.

3. Goods and services

(in thousands of USD)	2018	2017
Rent	-15	-15
Accountant and consulting fees	-103	-65
ICT expenses	-4	-4
Travelling expenses	-78	-115
Hotel and restaurant expenses	-23	-34
Other	-1	-2
	-224	**-236**

4. Personnel expenses

(in thousands of USD)	2018	2017
Salaries and wages	-473	-731
Social security charges	-4	-4
	-477	**-735**

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In the year ending December 31, 2018 1.27 employees were employed (2017: 1.6 employees). The movements in the personnel expenses can be amongst others explained by the decrease in the number of employees.

5. Finance income / expenses

(in thousands of USD)	2018	2017
Interest income and expenses		
Interest income		
Interest income on loans to subsidiaries and associates of Exmar NV	14,907	14,084
Interest income on cash and cash equivalents	1	201
	14,908	**14,285**
Interest expenses		
Interest expenses on loans from Exmar NV	-385	-978
Interest expenses on senior unsecured bonds	-14,563	-10,402
Interest expenses on derivative financial instruments	0	-1,073
	-14,948	**-12,453**
Other finance income and expenses		
Other finance income		
Exchange gains	5,176	77
	5,176	**77**
Other finance expenses		
Exchange losses	-2,278	-1,431
Amortized transaction costs	-1,237	-1,163
Other bank charges	-63	-54
	-3,578	**-2,649**
Total finance income and expense recognised in profit or loss		
Finance income	20,084	14,363
Finance expense	-18,526	-15,101
Finance income and expense recognised directly in equity		
Foreign currency translation differences	-79	225
Net change in fair value of cash flow hedges - hedge accounting	0	661
	-79	**886**
Recognised in:		
Translation reserve	-79	225
Hedging reserve	0	661

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6. Income taxes

Due to losses in previous financial years, no income taxes are due regarding financial year 2018. No deferred tax assets have been recognised on the available tax losses carried forward (USD 3,091 thousand at year-end 2018 and USD 4,788 thousand at year-end 2017) considering the uncertainties regarding the timing and amount of taxable profits in the coming years. At year-end 2018 and 2017 no current, neither deferred tax receivables or payables are outstanding.

(in thousands of USD)		2018	2017
Reconciliation of the effective tax rate			
Result before income tax		**1,560**	**-1,204**
Tax at domestic tax rate	**20 - 25%**	**-390**	**301**
Share of profit of equity accounted investees net of tax		**-34**	-99
Increase/decrease resulting from:			
Current year tax losses/ credits for which no deferred tax asset has been recognised			-201
Use of tax losses carried forward		424	
	0%	**0**	**0**

7. Investments in equity accounted investees

Balance as per 1 January 2017		**3,692**
Changes during the financial year		
	Share in the profit/loss(-)	-395
	Foreign currency translation difference	225
Balance as per 31 December 2017		**3,521**
Changes during the financial year		
	Share in the profit/loss(-)	-137
	Foreign currency translation difference	-79
Balance as per 31 December 2018		**3,306**

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On December 26, 2014 a participating interest was acquired in Bexco NV (a rope manufacturer for the shipping and offshore industry which was incorporated in Belgium and with its principal place of business in Belgium). Exmar Netherlands BV acquired 2,000 shares or 22.18% of the share capital of Bexco NV. Part of the purchase price paid (USD 1.442 thousand) has been allocated to the land and buildings owned by Bexco NV and will be amortised over the remaining useful life of the land and buildings as from 2015. The residual balance of the purchase price paid is recognised as goodwill (USD 804 thousand). The under IFRS required (annual) impairment test was performed and did not result in any findings. The discounted cash flow model used by management includes cash flow forecast for the coming 5 years and a terminal value cash flow. The 5 years cash flow forecasts are estimated by management based upon the past experience as well as current market expectations going forward. During the 5 years cash flow forecast the average growth rate is set a 2% while the terminal value growth rate is set at nil. The weighted average cost of capital (WACC) is set at 4.9%. During the financial year 2018 no additions or disposals have occurred and the movements relate to the share in the result of Bexco NV and the USD/EUR exchange rate difference on the EUR investment.

8. Financial information equity accounted investees

The following table summarises the financial information of Bexco NV for 100%, adjusted for fair value adjustments at acquisition. The information presented in the table includes the results of Bexco NV for the period from 1 January to 31 December, for 2018 and 2017 respectively.

(in thousands of USD)	2018	2017
Balance sheet		
Non-current assets	16,405	18,396
Current assets	11,547	8,335
Non-current liabilities	-5,664	-6,609
Current liabilities	-7,385	-4,249
Equity	-14,903	-15,873
Incor		
Revenue	18,543	16,010
Depreciations and amortizations	-1,933	-1,931
Interest income	0	0
Interest expense	-154	-146
Income tax expense	213	194
Result for the period	-616	-1,783

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9. Loans to subsidiaries and associates of Exmar NV

(in thousands of USD)	Exmar Marine	Exmar LNG Investment	Travel Plus	Electra Offshore	Exmar Energy Netherlands	Total
As per 1 January 2017	**62,495**	**75,334**	**529**	**18,674**	**0**	**157,032**
New loans	0	0	0	0	55,000	55,000
Repayments	-68,193	-26,452	0	-2,993	0	-97,638
Capitalised interest	5,698	6,437	0	0	175	12,311
Exchange rate difference	0	0	72	0	0	72
Accrued interest receivable	0	0	0	259	0	259
As per 31 December 2017	**0**	**55,319**	**601**	**15,940**	**55,175**	**127,035**
More than 1 year	**0**	**55,319**	**601**	**10,058**	**55,175**	**121,153**
Less than 1 year	**0**	**0**	**0**	**5,882**	**0**	**5,882**
As per 1 January 2018	**0**	**55,319**	**601**	**15,940**	**55,175**	**127,035**
New loans	0	250	0	0	0	250
Repayments	0	0	0	-4,350	0	-4,350
Capitalised interest	0	6,719	0	0	6,690	13,409
Exchange rate difference	0	0	-27	0	0	-27
Accrued interest receivable	0	0	0	-1,378	0	-1,378
As per 31 December 2018	**0**	**62,288**	**574**	**10,212**	**61,864**	**134,938**
More than 1 year	**0**	**62,288**	**574**	**9,058**	**61,864**	**133,784**
Less than 1 year	**0**	**0**	**0**	**1,154**	**0**	**1,154**

The repayment obligations of amounts due by the different subsidiaries of Exmar NV (Exmar Marine NV, Exmar LNG Investment Ltd., Travel Plus NV and Exmar Energy Netherlands) under these loans are guaranteed by Exmar NV. Repayment of the loan by Electra Offshore Ltd. is secured by a pledge on 100% of the shares of Electra Offshore Ltd. The company can call on these loans at any time, taking into account the notice period as described below. Considering that the bond was extended to July 2019 and the issue of a new bond with maturity date in May 2022, Exmar NV does not have the intention to call on these loans in the near future. All loans are therefore presented as non-current assets, except for the Electra Offshore loan. The amount presented on short term for the Electra Offshore facility is in accordance with the repayment schedule.

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Exmar Marine NV

On 14 August 2014 a fund of USD 100,000,000 is made available for Exmar Marine NV. Interests on the drawn principal amount are 6.7%. As of 7 July 2017 the interest percentage applicable on the drawn loan amount has been adjusted to 11.45%. There is no fixed maturity date but at least six months' notice for repayment of the loan. The loan has been fully repaid in the fourth quarter of 2017.

Exmar LNG Investment Ltd

On 14 August 2014 a fund of USD 45,000,000 is made available for Exmar LNG Investments Ltd. Interests on the drawn principal amount are 6.7%. There is no fixed maturity date but at least six months' notice for repayment of the loan. In December 2015 and in December 2016, this agreement was amended and the maximum outstanding principal amount was increased by USD 30,000,000 and by USD 25,000,000 respectively. As of 7 July 2017 the interest percentage applicable on the drawn loan amount has been adjusted to 11.45%.

Travel Plus NV

A subordinated loan of EUR 500,000 was granted to Travel Plus NV. This subordinated loan is granted for a period of 5 years with an interest of EURIBOR plus 1% margin, payable half-yearly.

Electra Offshore Ltd

In May 2016, Exmar sold part of its ownership (60%) in Electra Offshore Ltd. At the moment of this partial sale, the loan made available to Electra Offshore Ltd. was renegotiated. A loan of USD 17,400,000 was made available with a fixed interest percentage of 12%.

Exmar Energy Netherlands

During 2017 a shareholders advance of USD 55,000,000 has been given to Exmar Energy Netherlands. There is no fixed maturity date but at least three months' notice for repayment of the loan. The interest percentage applicable on the loan amounts to 11.45%.

10. Trade and other receivables

(in thousands of USD)	2018	2017
Trade receivables (intercompany)	0	435
Deferred charges *	12	12
	12	**447**
Of which financial assets (note 15)	**0**	**435**

'Deferred charges' comprise expenses already invoiced relating to the next accounting year.

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The exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in note 15. The residual term of all trade and other receivables is expected to be less than one year.

11. Cash and cash equivalents

(in thousands of USD)	2018	2017
Cash at bank	3,598	828

Cash at bank is free at disposal of the company.

12. Equity

Share capital and premium

	2018	2017
Number of ordinary shares		
Issued shares as per 1 January	3,000,000	3,000,000
Issued shares as per 31 December - paid in full	**3,000,000**	**3,000,000**

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. The company's share capital amounts to USD 3,000,000 (2017: USD 3,000,000) and consists of 3,000,000 ordinary shares each with a nominal value of USD 1. All shares are subscribed and paid-in.

Treasury shares

The company holds no treasury shares.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of our investment in an associate 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. The financial instruments contracts relating to the NOK bond matured in July 2017.

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(in thousands of USD)	2018	2017
Balance as per 1 January	**0**	**-661**
Recognised in the hedging reserve	0	661
Reclassified to profit and loss	0	0
Balance as per 31 December	**0**	**0**

Result appropriation

The Board of Directors proposes to the General Meeting to appropriate the 2018 net results to Retained Earnings. This appropriation has already been reflected in the financial statements.

Capital management

The policy is to maintain an acceptable share capital for the company. The balance between capital and loans is monitored on a continuous basis. No dividend policy or targets regarding return on capital are determined for Exmar Netherlands BV. The company is not subject to externally imposed capital requirements.

13. Senior unsecured bonds and loans from Exmar NV

(in thousands of USD)	Loans from Exmar NV	Senior unsecured bonds	Total
As per 1 January 2017	**38,421**	**115,450**	**153,871**
New loans	0	119,159	119,159
Transaction costs	0	-2,475	-2,475
Repayments	-28,663	-152,000	-180,663
Capitalized interest	971	0	971
Amortized transaction costs	0	1,163	1,163
Foreign currency translation difference	118	38,364	38,483
Accrued interest payable	0	2,501	2,501
Call premium	0	1,519	1,519
As per 31 December 2017	**10,847**	**123,682**	**134,529**
More than 1 year	0	121,181	121,181
Less than 1 year	10,847	2,501	13,348
As per 31 December 2017	**10,847**	**123,682**	**134,529**

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(in thousands of USD)	Loans from Exmar NV	Senior unsecured bonds	Total
As per 1 January 2018	**10,847**	**123,682**	**134,529**
New loans	9,228	0	9,228
Transaction costs	0	0	0
Repayments	-5,000	0	-5,000
Capitalized interest	385	0	385
Amortized transaction costs	0	1,237	1,237
Foreign currency translation difference	-44	-6,188	-6,232
Accrued interest payable	0	11	11
Call premium	0	3,039	3,039
As per 31 December 2018	**15,416**	**121,781**	**137,197**
More than 1 year	0	0	0
Less than 1 year	15,416	121,781	137,197
As per 31 December 2018	**15,416**	**121,781**	**137,197**

Loans from Exmar NV

On 31 January 2013 a fund of EUR 3,000,000 was made available by EXMAR NV under the form of a subordinated loan. Interests on the drawn principal amount are at a floating annual rate of EURIBOR 3 months plus 0.5% margin. There is no fixed maturity date but at least six months' notice for repayment of the loan.

On 1 March 2015 a fund of USD 50,000,000 is made available by Exmar NV under the form of a shareholder facility agreement. The loan is not collaterised. Interests on the drawn principal amount are at a floating rate of LIBOR 3 months plus 0.5% margin. There is no fixed maturity date but at least three months' notice for repayment of the loan.

The loans from Exmar NV are not expected to be settled within 12 months from the reporting date but are presented as current liabilities considering that both loans are repayable on demand with a notice period of respectively six and three months.

Senior unsecured bonds

The issuance in 2014 is based on a novation agreement with DNB Bank ASA and EXMAR NV, in which EXMAR NV has transferred the senior unsecured bonds to Exmar Netherlands BV. The nominal value per bond amounts to NOK 1,000,000. The issuance of the first tranche of NOK 700 million took place at 100% of the nominal value. 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 amounts to NOK 1.000 million with maturity date in July 2017. The bonds bear interest at a floating rate of three months NIBOR plus 4.50%, the interest is payable on a quarterly basis. The floating interest rate exposure (3m NIBOR) and the NOK/USD exposure (NOK 1.000

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million) were managed by a cross currency interest rate swap (NOK 700 million) and a cross currency swap (NOK 300 million).

The maturity date of the bond was extended to July 2019 at a bondholders' meeting held in June 2017. 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 amounts to three-month NIBOR plus a margin of 8%. The exchanged USD bonds bear an interest percentage of three-month LIBOR plus a margin of 8.5%. EXMAR has received instructions for exchanges which represents an amount of USD 15,622,732. EXMAR has a call option on the bond at any time. The call option price and redemption price at maturity amounts to 105%. Per 31 December 2018 the bond is registered at an amortised cost of 103.75%. The bond extension in 2017 has been presented in the above roll forward schedule as a new loan and a loan repayment in accordance with applicable IFRS guidance. In the cash flow statement of 2017, the net effect between the new loan and the repayment is shown as this is the effective cash out. This cash out represents the settlement of the cross currency contracts which have ended in July 2017.

As per 31 December 2017, a forward exchange contract was outstanding to cover the NOK/USD exposure. As per 31 December 2018, the floating interest rate exposure and the NOK/ USD exposure are no longer covered by swap contracts or forward contracts.

In June 2019, the bond of NOK 1 billion has been fully repaid. This repayment was financed partially with a new unsecured bond issue amounting to NOK 650 million with maturity date in May 2022 and partially with available resources.

All obligations of the issuer are guaranteed by Exmar NV ("guarantor"). The bond trustee (on behalf of the bondholders), may make a demand to the guarantor for immediate payment of any due and unpaid amount. Exmar NV has to maintain direct or indirect a 100% ownership in the issuer. The bond agreement requires Exmar NV to be compliant with the following financial covenants:
- minimum free cash of USD 25,000,000;
- NIBD/ equity <=2.75;
- minimum equity of USD 300,000,000;
- minimum ratio of EBITDA to net interest expense of 2 to 1;
- minimum positive working capital.

All financial covenants are calculated on EXMAR NV group level. In the event of a continuing default, the bond trustee can require acceleration of the maturity date of amounts due under the bond agreement. At year-end 2018 the company was compliant with all financial covenants.

14. Trade and other payables

(in thousands of USD)

	2018	2017
Trade payables	4,947	142
Other payables	5	3
Accrued expenses *	0	0
	4,952	**145**
Of which financial liabilities	**4,947**	**142**

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15. Financial risks and derivative financial instruments

During the normal course of its business, the company is exposed to financial risks. The company is exposed to credit, interest, currency and liquidity risks and in order to hedge this exposure, the company uses various financial instruments such as forward contracts.

Derivative Financial instruments

(in thousands of USD)	2018	2017
Current assets		
Fx Forward	0	1,065
Total assets	**0**	**1,065**

In 2014, the company entered into a cross currency swap to hedge the NOK 700 million floating interest bearing bond. In the cross currency swap the company received USD 114 million and paid NOK 700 million. Quarterly the company receives floating NOK interest and pays fixed USD interest. The cross currency swap hedges the variability of principal and interest payments of the bond due to foreign exchange and interest rate risk.
Due to an additional bond issue of NOK 300 million, the company entered into a cross currency swap exchanging NOK 300 in USD 38 million. Quarterly the company receives floating NOK interest and pay USD floating interest. This swap is designated as a cash flow hedge fixing the variability of foreign currency risk of the bond. The cross currency swap contracts have ended in July 2017. As per 31 December 2017, a forward exchange contract was outstanding to cover the NOK/USD exposure. As per 31 December 2018, the floating interest rate exposure and the NOK/ USD exposure are no longer covered by swap contracts or forward contracts.

Fair value hierarchy

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(in thousands of USD)	Level 1	Level 2	Level 3	Total
31-Dec-18				
Total financial assets carried at fair value	**0**	**0**	**0**	**0**

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As per 31 December 2018, the floating interest rate exposure and the NOK/ USD exposure are no longer covered by swap contracts or forward contracts.

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

Credit risk

Credit risk policy

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

Credit risk is monitored closely on an ongoing basis by the company and creditworthiness controls are carried out if deemed necessary. At year-end no significant creditworthiness problems were noted. The borrowings to subsidiaries and associates of Exmar NV consist mainly of shareholder loans to companies with operational activities; we do not anticipate any recoverability issues for these outstanding borrowings. All obligations of the subsidiaries towards Exmar Netherlands BV are guaranteed by Exmar NV, while the obligations of the associate (Electra Offshore Ltd.) are secured by a pledge on 100% of the shares of this associate.

Exposure to risk

(in thousands of USD)	2018	2017
Carrying amounts of financial assets		
Loans to subsidiaries and associates of Exmar NV	134,938	127,035
Trade and other receivables	0	435
Cash at bank	3,598	828
	138,536	**128,297**

The carrying amounts of the financial assets represent the maximum credit exposure. All obligations of the subsidiaries towards Exmar Netherlands BV are guaranteed by Exmar NV, while the obligations of the associate (Electra Offshore Ltd.) are secured by a pledge on 100% of the shares of this associate.

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

In 2014, a cross currency interest rate swap was entered into in order to hedge the currency and floating interest exposure on the issued NOK 700 million senior unsecured bonds. In July 2015, a new cross currency swap was closed on the additional amount of NOK 300 million that has been issued in 2015 to cover the currency exposure.

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Both financial instruments ended in accordance with the initial contractual maturity date in July 2017 as the maturity date of these financial instruments was not extended. As per 31 December 2018, the floating interest rate exposure is no longer covered by swap contracts.

Exposure to risk

(in thousands of USD)	2018	2017
Total loans with variable interest rate	137,197	134,529
of which senior unsecured bonds	*121,781*	*123,682*
of which loans from Exmar NV	*15,416*	*10,847*
Loans to subsidiaries and associates of Exmar NV with variable interest	-574	-601
Net exposure	**136,623**	**133,928**

Except the loan to Travel Plus all loans to subsidiaries and associates of Exmar NV have a fixed rate interest and are not included in the interest exposure analysis.

Sensitivity analysis

In case the interest rate would increase/decrease with 50 basis points, the financial statements would be impacted with the following amounts (assuming that all other variables remain constant) .

	2018		2017	
(in thousands of USD)	+ 50 bps	- 50 bps	+ 50 bps	- 50 bps
Loans with variable interest rate	-686	686	-673	673
Loans to subsidiaries and associates	3	-3	3	-3
Derivative financial instruments	0	0	0	0
Sensitivity (net)	**-683**	**683**	**-670**	**670**
Impact on net result and net equity	-683	683	-670	670

Currency risk

Currency risk policy

The Group makes use of financial instruments hedging the currency risk when management is of the opinion that it is favorable to do so.

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Exposure to risk

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the company. The currency risk relating to the operating activities is mainly affected by the EUR/USD ratio. In 2014, a NOK 700 million senior unsecured bond was issued (initially equivalent to USD 114 million). During 2015, an additional amount of NOK 300 million has been issued (second tranche on the original NOK 700 million bond).

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

	2018		2017	
	EUR	NOK	EUR	NOK
Non-current assets	501	0	501	0
Current assets	0	101	358	100
Non-current liabilities	0	0	0	-912,450
Current liabilities	-1,032	-930,821	-936	-17,611
Balance sheet exposure	-531	-930,720	-77	-929,961
Fx forward	0	0	0	600,000
On balance	-531	-930,720	-77	-329,961
In thousands of USD	**-608**	**-107,121**	**-92**	**-40,214**

Sensitivity Analysis

As per 31 December 2018 an increase in the year-end USD/EUR rate of 10% would affect the income statement with USD -61 thousand (USD -9 thousand for 2017). A 10% decrease of the USD/EUR rate would impact the profit or loss statement with the same amount (opposite sign).

An increase in the year-end NOK/USD rate of 10% would affect the statement of profit or loss with USD -10.7 million (USD -4 million for 2017), including the effect on any forward exchange contracts. 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

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company 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 ratios against internal and regulatory requirements and maintaining a diverse range of funding sources with adequate back-up facilities.

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The senior unsecured bonds require compliance with certain financial ratios. As of 31 December 2018 EXMAR NV group was compliant with all covenants (we refer to note 13).

Maturity analysis of financial liabilities and loans to subsidiaries and associates of Exmar NV

Our current financial liabilities such as trade and other payables are expected to be paid within the next twelve months and therefore not included in below tables. The following are the contractual maturities of our financial liabilities and our borrowings to subsidiaries and associates to Exmar NV, including estimated interest payments:

					Contractual cash flows			
				Carrying amount	Total	0-12 mths	1-2 years	2-5 years	> 5 years
As per 31 December 2017									
Non-derivative financial liabilities:									
Senior unsecured bonds	NOK	Nibor + 8% Libor +8.5%	2019	-123,682	-147,770	-11,344	-136,426	0	0
Loans from Exmar NV	USD	Libor +0.5%	-	-9,869	-10,134	-10,134	0	0	0
Loans from Exmar NV	EUR	Euribor +0.5%	-	-978	-983	-983	0	0	0
				-134,529	**-158,887**	**-22,461**	**-136,426**	**0**	**0**
Derivative financial instruments (net):									
Fx forward	NOK/USD			1,065	1,065	1,065	0	0	0
				1,065	**1,065**	**1,065**	**0**	**0**	**0**
Loans to subsidiaries and associates of Exmar NV	USD	11.45% Euribor + 1% 12%		**127,035**	**201,895**	**4,350**	**0**	**197,545**	**0**

(in thousands of USD)

					Contractual cash flows			
				Carrying amount	Total	0-12 mths	1-2 years	2-5 years	> 5 years
As per 31 December 2018									
Non-derivative financial liabilities:									
Senior unsecured bonds	NOK	Nibor + 8% Libor +8.5%	2019	-121,781	-130,633	-130,633	0	0	0
Loans from Exmar NV	USD	Libor +0.5%	-	-14,477	-14,921	-14,921	0	0	0
Loans from Exmar NV	EUR	Euribor +0.5%	-	-939	-944	-944	0	0	0
				-137,197	**-146,498**	**-146,498**	**0**	**0**	**0**
Loans to subsidiaries and associates of Exmar NV	USD	11.45% Euribor + 1% 12%	-	**134,938**	**197,545**	**0**	**0**	**197,545**	**0**

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Fair values

Carrying amounts versus fair values

(in thousands of USD)	Fair value hierarchy (*)	2018 Carrying amount	2018 Fair value	2017 Carrying amount	2017 Fair value
Senior unsecured bonds	1	-121,781	-116,246	-123,682	-126,218
Derivative financial instruments - assets	2	0	0	1,065	1,065
		-121,781	**-116,246**	**-122,617**	**-125,153**

(*) 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.

Basis for determining fair values:

Senior unsecured bonds	quoted closing bid price at reporting date for NOK bond
Derivative financial instruments:	present value of future cash flows, discounted at the market rate of interest at reporting date

For certain financial assets and liabilities (loans to subsidiaries and associates of Exmar NV, trade and other receivables, cash and cash equivalents, loans from Exmar NV 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.

16. Related parties

Identity of related parties

The company has a related party relationship with its shareholder, associate, its directors and with the subsidiaries of Exmar NV.

Transaction with related parties

There have been no transactions between the company and its directors or its associate. The company has different transactions with its shareholder and with subsidiaries of Exmar NV, such transactions were made on terms equivalent to those that prevail in at arm's length transactions. For a description of these transactions we refer to notes 2, 9 and 13.

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17. Auditor's fees

The following fees were charged by KPMG Accountants NV to the company as referred in Section 2:382a(1) and (2) of the Netherlands Civil Code.

(in thousands of EUR)	2018	2017
Auditor's fees		
Audit of the financial statements	45	41
	45	**41**

18. Remuneration of managing and supervisory directors

The remuneration of managing and supervisory directors as referred to in Section 2:383 (1) of the Netherlands civil code, amounts to USD 38 thousand (2017: USD 35 thousand).

19. Major exchange rates used

	Closing rates		Average rates	
	2018	2017	2018	2017
EUR	0.8734	0.8338	0.8447	0.889
NOK	8.6885	8.205	8.1245	8.2753

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

20. Subsequent events

In June 2019, the bond of NOK 1 billion has been fully repaid. This repayment was financed partially with a new unsecured bond issue amounting to NOK 650 million with maturity date in May 2022 and partially with available resources.

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 at the level of EXMAR group to ensure the safety and wellbeing of the group's personnel and continuity of the group's business operations. The majority of the group's ships are currently operating under medium to long-term contracts. EXMAR group is however subject to certain risks with respect to market dynamics and contractual counterparties. Until now the impact of COVID-19 on EXMAR's business and financial performance is rather limited but the aforementioned

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uncertainty remains (we refer in this respect to the going concern section). EXMAR continues to closely monitor the situation.

No other subsequent events identified at the date of this report.

Sevenum, 10 July 2020

The Board of Directors

Patrick De Brabandere

Michel Rehim

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Other information

Provisions in the Articles of Association governing the appropriation of profit

The general meeting is authorized according to article 12 of the Articles of Association to appropriate the profit, which has been determined by the adoption of the annual accounts, and to make distributions, in so far as the equity capital is larger than the reserves that must be maintained by law or these articles of association.
A resolution to distribute the profits does not have any consequences as long as the board has not given its approval. The board will only withhold its approval if it knows or should reasonably foresee that after the distribution the company cannot continue with the payment of its due debts. The company may also make interim distributions. The provisions in this article will in that case apply by analogy.

Auditor's report
The auditor's report with respect to the financial statements is set out on the next page.

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Independent auditor's report

To: the General Meeting of Shareholders of Exmar Netherlands B.V. ("the Company")

Report on the audit of the financial statements 2018 included in the Report on the Financial Statements for 2018

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of Exmar Netherlands B.V. as at 31 December 2018 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2018 of Exmar Netherlands B.V. based in Sevenum.

The financial statements comprise:

1 the statement of financial position as at 31 December 2018;

2 the following statements for the year ended 31 December 2018: profit or loss and other comprehensive income, changes in equity and cash flows; and

3 the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Exmar Netherlands B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

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Document to which our report
1891998-20W00172095MST dated
10 July 2020
also refers.
KPMG Accountants N.V.

Material uncertainty related to going concern

We draw attention to the going concern paragraph in the notes of the financial statements 2018 of EXMAR Netherlands B.V., which states that the ability of EXMAR Netherlands B.V. to fulfil its obligations depends on the timely and successful completion of certain EXMAR N.V.'s management measures which also can be negatively impacted by COVID-19. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The appropriateness of the going concern assumption depends on management's assessment of the future economic environment and whether EXMAR N.V.'s management will be able to timely and successfully implement the management measures, as disclosed in the 2019 financial statements of EXMAR N.V. and updated in the going concern paragraph in the notes to the financial statements of EXMAR Netherlands B.V. Our procedures to assess the appropriateness of management's assessment primarily consisted of:

— challenge and evaluation of the aforementioned EXMAR Netherlands B.V. management's assessment;

— discussions with both the management of EXMAR N.V. and EXMAR Netherlands B.V. to evaluate its plans for future financing transactions and whether EXMAR N.V. management's measures are feasible in the circumstances;

— corroborate EXMAR Netherlands B.V. management's future business plans and to identify potential contradictory information, amongst others by reading the EXMAR Netherlands B.V. management's minutes;

— evaluating the 2019 group financial statements of EXMAR N.V. (including the going concern disclosure) and the audit opinion of EXMAR N.V.'s external auditor.

Furthermore, we have evaluated the situation and uncertainties as described in the aforementioned disclosure and consider the disclosure to be adequate. However, an audit cannot predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to the impact of COVID-19.

Audit approach

Summary

Materiality
— Materiality of USD 1.3 million — 0.9% of total assets
Key audit matter
— Valuation of loan receivables
Opinion
Unqualified — material uncertainty related to going concern

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at USD 1.3 million (2017: USD 1.3 million). The materiality is determined with reference to total assets (0.9%). We consider total assets as the most appropriate benchmark as the main stakeholders are primarily focused on the assets and the most common benchmark, being profit before tax is negative. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Board of Directors that misstatements in excess of USD 50,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the Board of Directors. The key audit matter is not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the 'Material uncertainty related to going concern' section we have determined the matter described below to be the key audit matter to be communicated in our report.

Valuation of loan receivables

Description

The Company is a financing entity entering into financing arrangements in order to provide loans to Exmar group companies. The Company has no substantial assets other than the loans granted to the Exmar group companies and cash and cash equivalents. The Company values loans provided to Exmar group companies at amortised cost less a provision for impairment.

The financing arrangements consist of the issuance of bonds which are guaranteed by the ultimate parent company, Exmar N.V., and shareholder loans from Exmar N.V. The Company is therefore interrelated with and dependent on the financial performance of the group for the repayment of (accrued) interest and principal loan amounts. This is highlighted in notes 9 and 13 of the financial statements. Given this pervasive impact on the financial statements of the Company, we considered the valuation of the loans provided to the Exmar group companies and the accrued related interest a key audit matter.

Our response

Our audit procedures included amongst others testing of the financial viability of Exmar N.V., the ultimate parent company, to assess its ability to meet its contractual obligations towards the Company. We evaluated the liquidity and solvency of Exmar N.V. based on its 2019 audited financial statements, analysed 2020 press releases of Exmar N.V. and inquired with the Company's management on the progress made on the completion of Exmar N.V.'s management measures as referred to in the 2019 audited financial statements of Exmar N.V. Furthermore, we inquired with the Company's management regarding any conditions existing as at or subsequent to the Company's year-end, that may indicate that Exmar N.V. is unable to meet its contractual obligations.

Our observation

We found that the credit risk related to the loan receivables from Exmar group companies has been appropriately taken into account and disclosed in the financial statements.

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Report on the other information included in the Report on the Financial Statements

In addition to the financial statements and our auditor's report thereon, the Report on the Financial Statements for 2018 contains other information.

Based on the following procedures performed, we conclude that the other information:

— is consistent with the financial statements and does not contain material misstatements; and

— contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board of Directors of Exmar Netherlands B.V. is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the General Meeting of Shareholders as auditor of Exmar Netherlands B.V. on 23 April 2020 for the audit of the financial statements 2018. We have operated as statutory auditor of Exmar Netherlands B.V. since 2014.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors of Exmar Netherlands B.V. is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors of Exmar Netherlands B.V. is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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As part of the preparation of the financial statements, the Board of Directors of Exmar Netherlands B.V. is responsible for assessing Exmar Netherlands B.V.'s ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors of Exmar Netherlands B.V. should prepare the financial statements using the going concern basis of accounting unless the Board of Directors of Exmar Netherlands B.V. either intends to liquidate Exmar Netherlands B.V. or to cease operations, or has no realistic alternative but to do so. The Board of Directors of Exmar Netherlands B.V. should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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 financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in appendix of this auditor's report. This description forms part of our auditor's report.

Maastricht-Airport, 10 July 2020

KPMG Accountants N.V.

M.G. Lutters RA

Appendix:
Description of our responsibilities for the audit of the financial statements

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Document to which our report
1891998-20W00172095MST dated
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also refers.
KPMG Accountants N.V.

Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

— identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

— obtaining 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 Exmar Netherlands B.V.'s internal control;

— evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of Exmar Netherlands B.V.;

— concluding on the appropriateness of the Exmar Netherlands B.V.'s Board of Directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Exmar Netherlands B.V.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;

— evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and

— evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the Board of Directors in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

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

From the matters communicated with the Board of Directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

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FIRST QUARTER RESULTS 2020

Antwerp
30/04/2020 5.45 pm
Regulated information

The Executive Committee of EXMAR NV today reports its first quarter results 2020.

Key figures

Consolidated income statement according IFRS (in million USD)	International Financial Reporting Standards (IFRS)		Management Reporting based on "Proportionate Consolidation"	
	First Quarter 2020	First Quarter 2019	First Quarter 2020	First Quarter 2019
Turnover	**44.6**	**30.6**	**69.3**	**52.3**
EBITDA	**16.1**	**1.1**	**30.8**	**13.6**
Depreciations	**-6.1**	**-5.1**	**-14.5**	**-13.3**
Operating result (EBIT)	**10.0**	**-4.0**	**16.3**	**0.3**
Financial Result:	**5.4**	**-6.9**	**1.5**	**-11.6**
- Of which Change in Fair Value of Financial	***0.0***	***0.0***	***0.0***	***0.0***
Share in the result of equity accounted investees	**2.1**	**-0.3**	**-0.3**	**0.1**
Result before taxes	**17.5**	**-11.2**	**17.5**	**-11.2**
Income taxes	**-0.8**	**-0.2**	**-0.8**	**-0.2**
Consolidated result after taxation	**16.7**	**-11.4**	**16.7**	**-11.4**
- Share of the group in the result	16.7	-11.4	16.7	-11.4

Information per share (in USD per share)	First Quarter 2020	First Quarter 2019	First Quarter 2020	First Quarter 2019
Weighted average number of shares during the period	57,226,737	57,226,737	57,226,737	57,226,737
EBITDA	0.28	0.02	0.54	0.24
EBIT	0.17	-0.07	0.28	0.01
Consolidated result after taxation	0.29	-0.20	0.29	-0.20

Contribution to the consolidated operating result (EBIT) of the various operating divisions (in million USD)	First Quarter 2020	First Quarter 2019
Shipping	5.2	4.0
Infrastructure	12.0	-3.2
Supporting Services and Holding	-0.9	-0.5
Consolidated operating result	**16.3**	**0.3**

IFRS Figures: The figures in these columns have been prepared in accordance with International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU and have not been reviewed by the statutory auditor.
Proportionate Consolidated Figures: The figures in these columns show joint ventures applying the proportionate consolidation method instead of applying the equity method and have not been reviewed by the statutory auditor.

Cash Flow from operations (EBITDA) as per proportionate consolidation method for the first quarter 2020 is USD 30.8 million (USD 13.6 million for first quarter 2019).
The EBIT for the first quarter of 2020 was USD 16.3 million compared to USD 0.3 million in the first quarter of 2019. The strong improvement of the EBIT is due to the full contribution of *TFLNG* during the quarter and to improved LPG rates.
The net result of USD 16.7 million includes an unrealised exchange difference of USD 12.2 million on the NOK 650 million unsecured Bond, calculated based on the USD / NOK exchange rate of 10,5057 at 31 March 2020.

The net financial debt at 31 March 2020 amounted to USD 527.6 million compared to USD 605.3 million at 31 March 2019.

For further information contact:
Patrick De Brabandere | CFO | +32 3 247 56 16 | www.exmar.be

Time – Charter Equivalent for the LPG fleet

Time-Charter Equivalent (in USD per day)	First Quarter 2020	First Quarter 2019
Midsize (38,115 m³)	20,276	18,091
VLGC (83,300 m³)	30,903	13,920
Pressurized (3,500 m³)	6,684	7,605
Pressurized (5,000 m³)	8,422	9,130

Highlights First Quarter 2020 and Outlook

Shipping

The EBIT for the Business Unit Shipping in the first quarter of 2020 was USD 5.2 million compared to USD 4.0 million in the first quarter of 2019.

The VLGC time charter return equivalent has continued to be strong during the first quarter and going through April supported by falling bunker prices and underpinned by solid LPG exports out of the US and the Middle East. EXMAR only trading VLGC *BW Tokyo* is fixed until November 2020.

The Midsize market has remained strong during the first quarter and into April at levels around USD 800.000 per month for both spot and period business. Albeit the current uncertain environment, we expect the market for Midsize vessels to remain around the present levels. EXMAR has 81% coverage for the balance of the year.

The Pressurized freight market has been muddling through thus far this year. EXMAR has 61% coverage for the balance of the year.

Infrastructure

The EBIT for the Business Unit Infrastructure in the first quarter of 2020 was USD 12.0 million compared to USD -3.2 million in the first quarter of 2019.

TANGO FLNG has produced its fourth cargo of liquefied natural gas from the Vaca Muerta gas field in Argentina. The unit has an uptime of 99% and continues to perform above expectations during the first quarter.

FSRU S188, EXMAR's floating regasification barge, has been performing as per contract. Arbitration with respect to a dispute of the contract is ongoing.

Accommodation barge *NUNCE* has contributed as anticipated under its long term charter with Sonangol.
Accommodation barge *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, commencing August 2020 for duration of 18 months.

Engineering and construction supervision of EOC's third semisubmersible floating production system, under construction for Murphy Oil's KING'S QUAY project in the Gulf of Mexico continues. Furthermore, a Front End Engineering Design (FEED) study for a FLNG was concluded and a pre-FEED was started for BHP's Trion development for a semi-submersible *OPTI*® hull design in collaboration with Genesis.

Supporting Services
The EBIT for the Supporting Services in the first quarter of 2020 was USD -0.9 million compared to USD -0.5 million in the first quarter of 2019.

Update on Liquidity Position
We refer to our press release dated 26 March 2020.

Update on COVID-19 disease
The COVID-19 virus and the subsequent energy demand destruction together with the volatility of oil price add more uncertainty in the world. Several operational measures on-shore and on-board have been taken by EXMAR to ensure the safety and wellbeing of our personnel and the continuity of our business operations. The majority of our ships are currently operating under medium to long-term contracts. The effect of the COVID-19 pandemic is foreseen to be limited for EXMAR's results in 2020 but the situation is closely monitored.

The 2019 Annual Financial Report is available on the website www.exmar.be

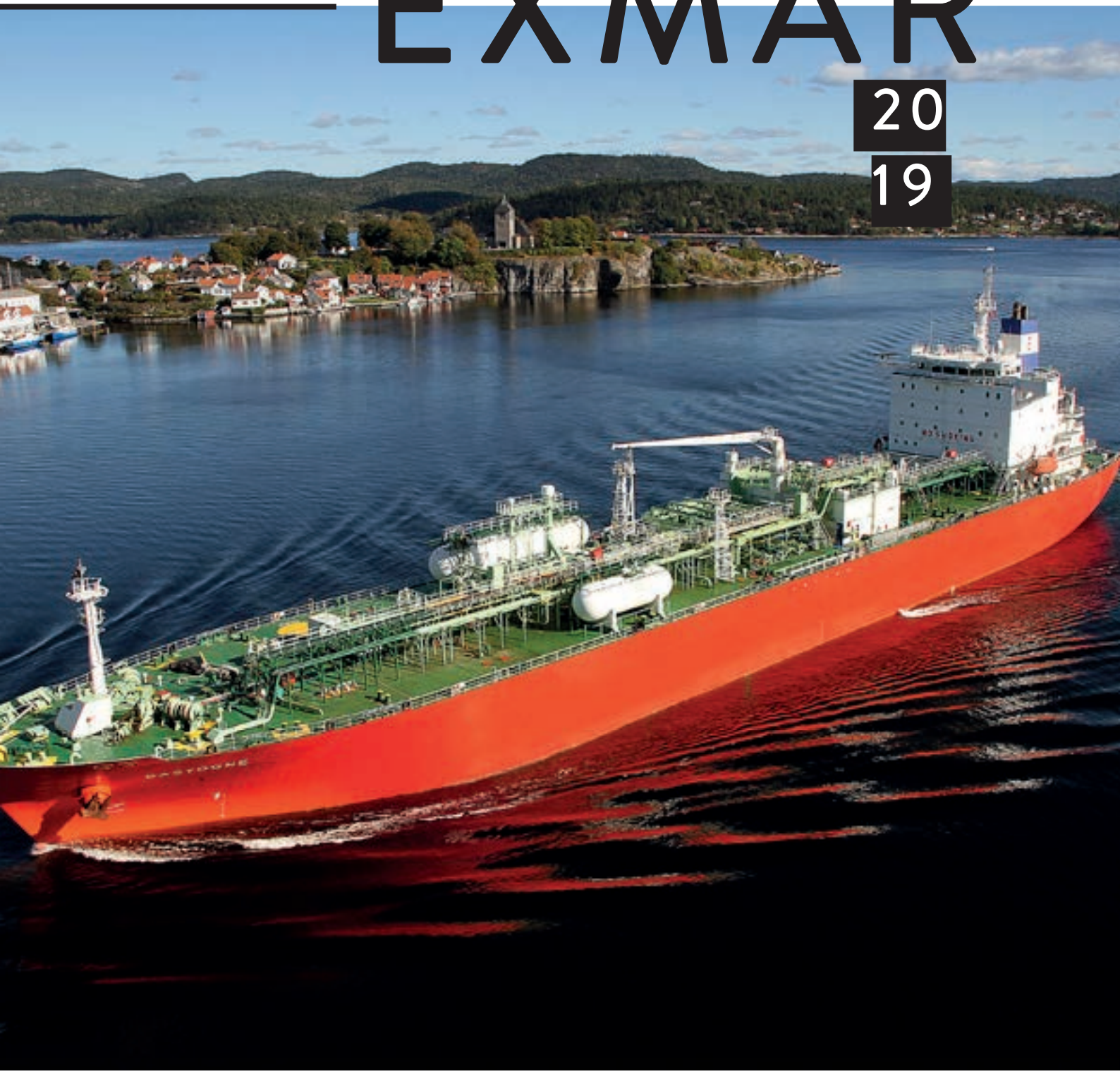
Annual Shareholders meeting: 19 May 2020

It is EXMAR's priority to preserve the health and safety of its shareholders, employees and stakeholders. Due to the exceptional COVID-19 situation, it has been decided in accordance to the Royal Decree of 9 April 2020 to modify the participation modalities regarding the Ordinary General Meeting to be held on Tuesday 19 May 2020. The meeting will be held without physical participation of the shareholders.

The new participation modalities will be available on www.exmar.be as from 5 May 2020. Holders of registered shares will be informed by separate letter.
For further information please contact: corporate@exmar.be

EXMAR

2019



EXMAR

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

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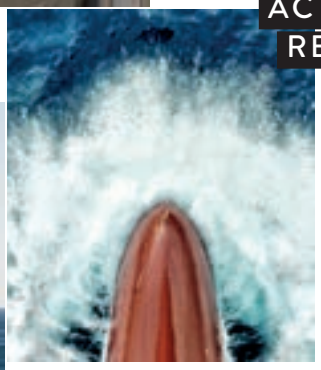
#02 ACTIVITY REPORT



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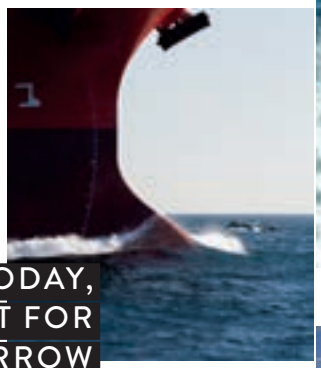
#03 CARE FOR TODAY, RESPECT FOR TOMORROW



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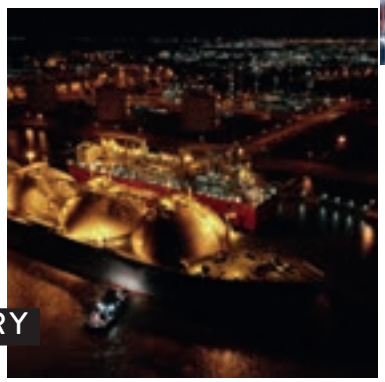
#05 GLOSSARY



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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

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2000 Antwerp
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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.

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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.

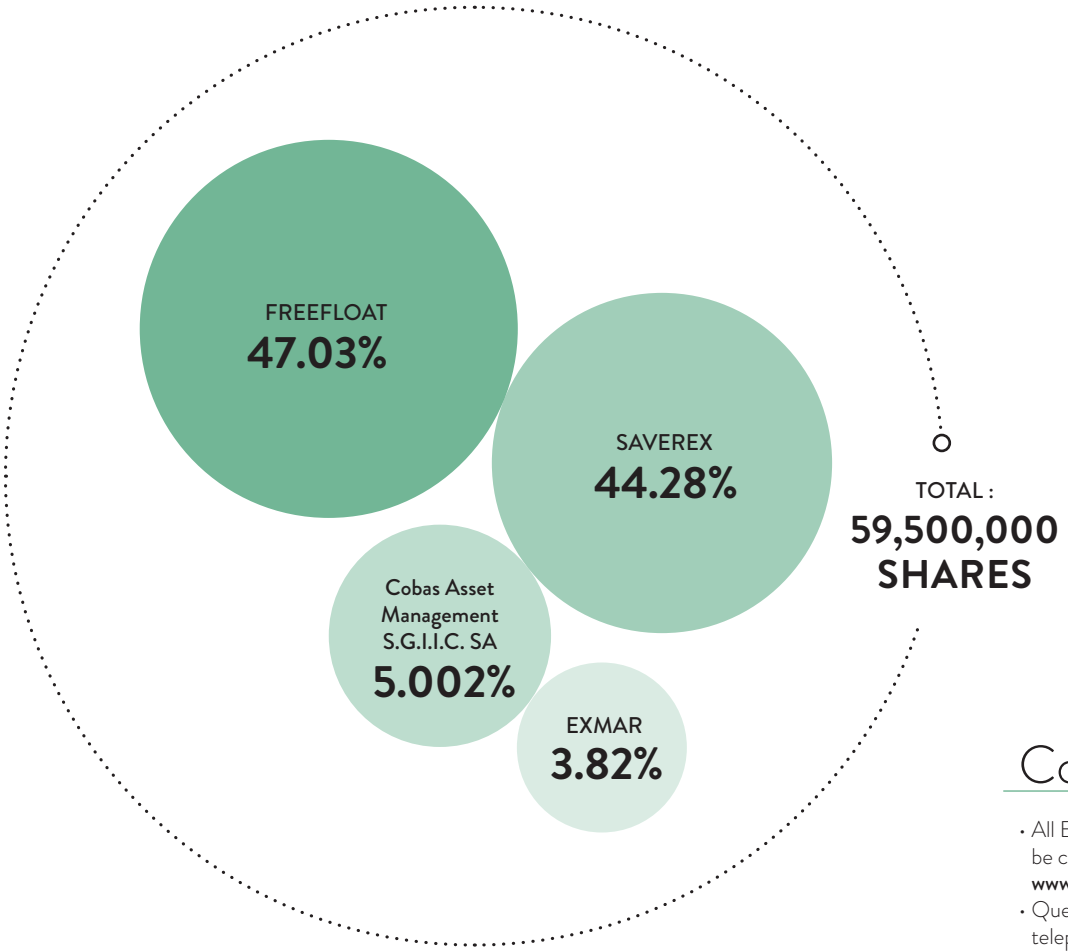
Nicolas Saverys
Francis Mottrie

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**

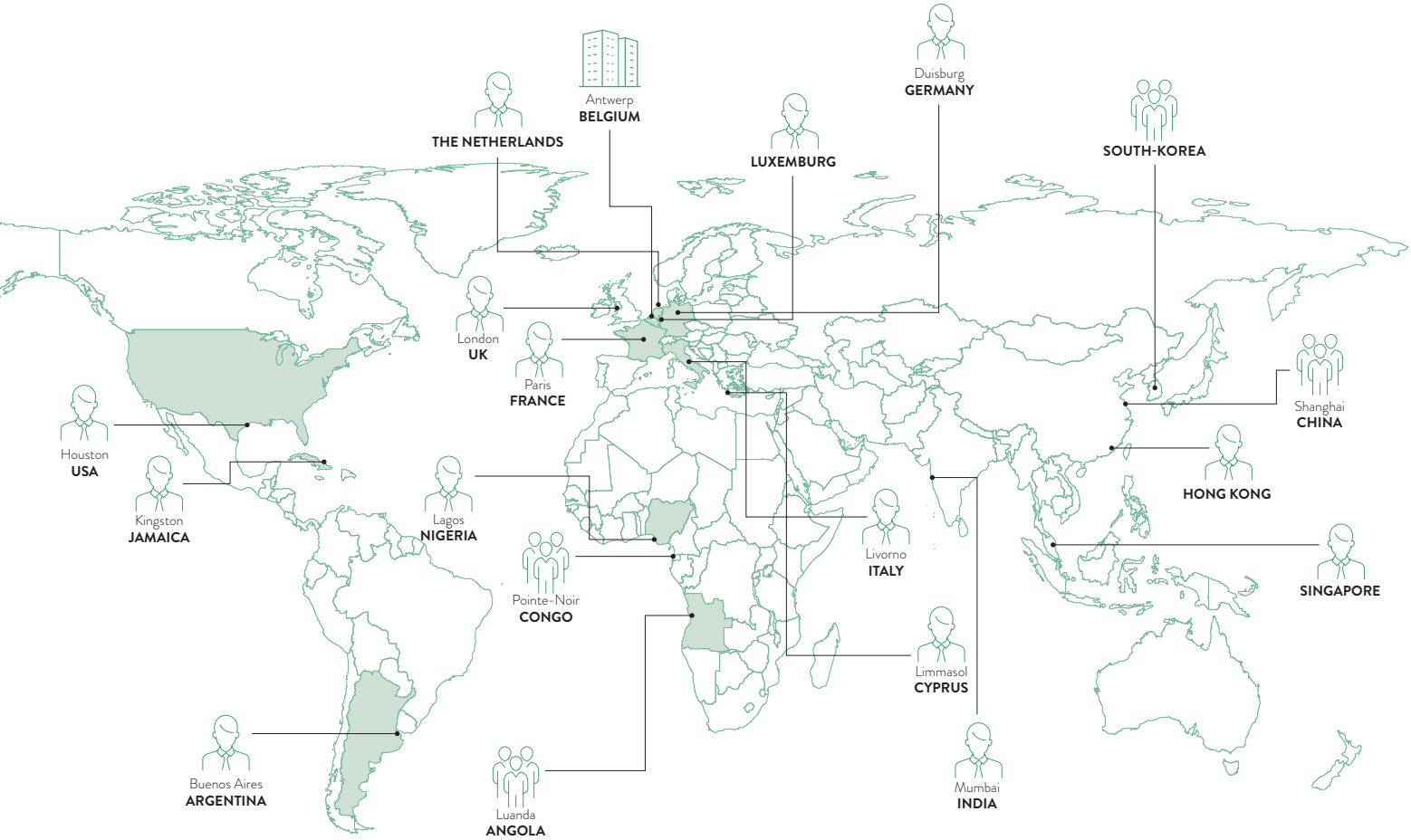
WOMEN

- 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%**



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

RESULTS 2019 - PROPORTIONATE CONSOLIDATION (IN MILLION USD)	Total per 31/12/2019	Total per 31/12/2018 (*)
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 m^3 *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 m^3 vessel.

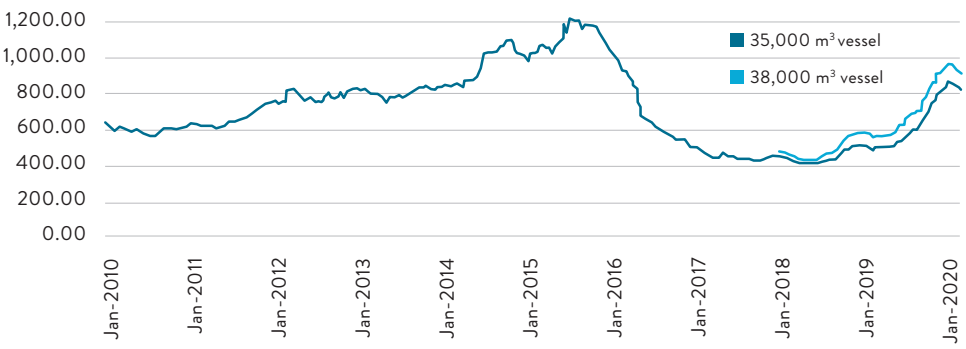
The main products carried remain split between LPG (65%) and Ammonia (35%). EXMAR maintains its strong position in both segments with 14 vessels trading LPG and seven vessels trading Ammonia. Three decades in the midsize market has meant that EXMAR has been able to enter into long-term commercial relationships 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.

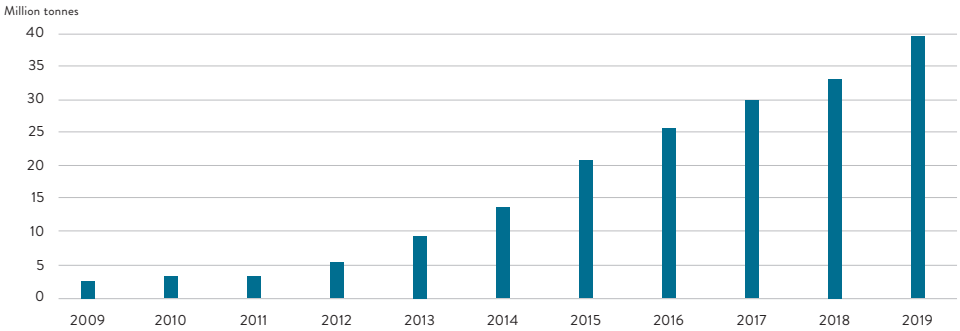
PRESSURIZED

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

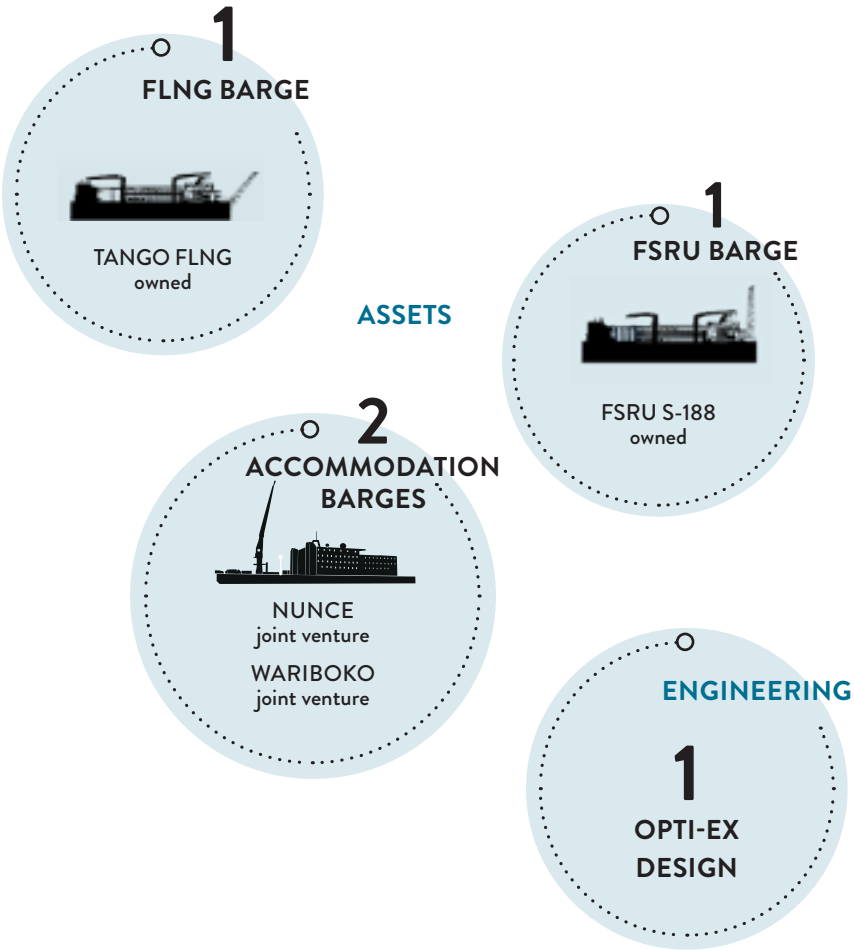
INFRA-STRUCTURE

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

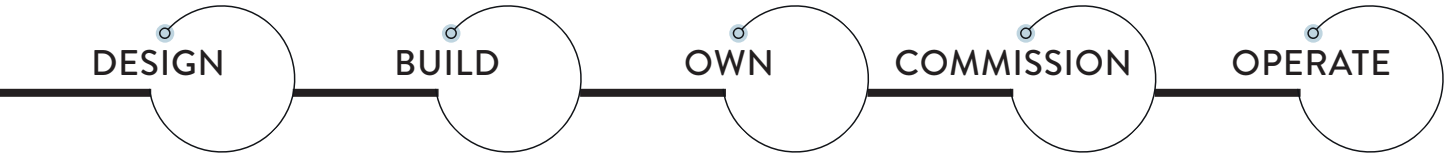
Since July 2019, *NUNCE* has been continuously under contract to SONANGOL, offshore Angola. It remains employed until June 2022 and is contributing as anticipated to EXMAR's result.

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.



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.

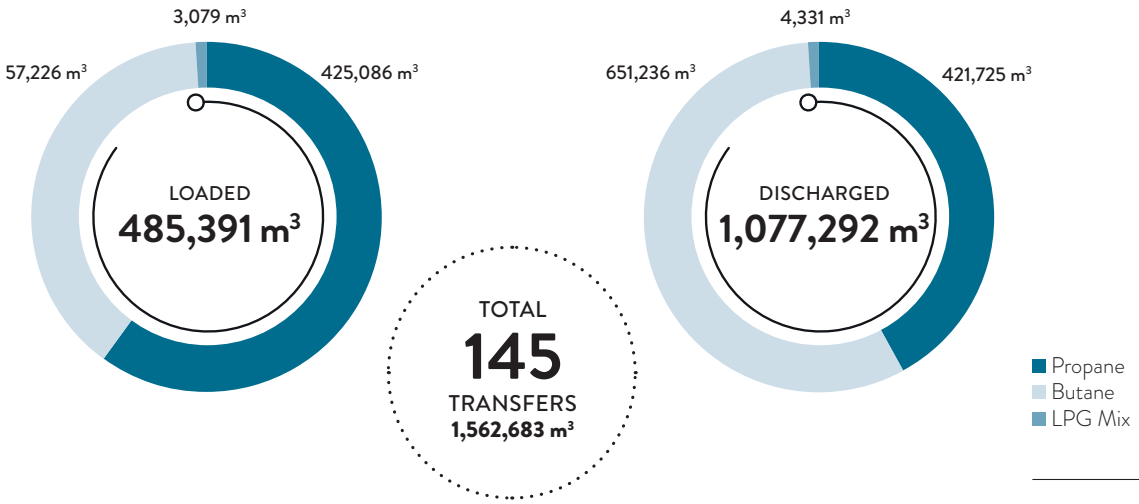
Industry requirements

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

JOAN
bareboat

MAGDALENA
bareboat

MARIANNE
bareboat

ANGELA
bareboat

1 SEMI-REFRIGERATED

TEMSE
joint venture

1 FSU (VESSEL-BASED)

PORTOVYY
managed

1 FSRU BARGE

FSRU S-188
owned

2 ACCOMMODATION BARGES

NUNCE
joint venture

WARIBOKO
joint venture

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
EXPEDIENT managed
FSRU TOSCANA managed
EXCELSIOR managed
EXPLORER managed
SUMMIT LNG managed
EXEMPLAR managed
EXPRESS managed
EXPERIENCE managed
EXQUISITE managed

11 VERY LARGE GAS CARRIERS

LEVANT managed
BREEZE managed
EIGER EXPLORER managed
PASSAT managed
MISTRAL managed
MATTERHORN EXPLORER managed
SIROCCO managed
MONSOON managed
WEISSHORN EXPLORER managed
AVANCE managed
DOM EXPLORER managed

5 FRUIT JUICE CARRIERS

CARLOS FISCHER managed
PREMIUM DO BRASIL managed
CITRUS VITA BRASIL managed
SOL DO BRASIL managed
OURO 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.

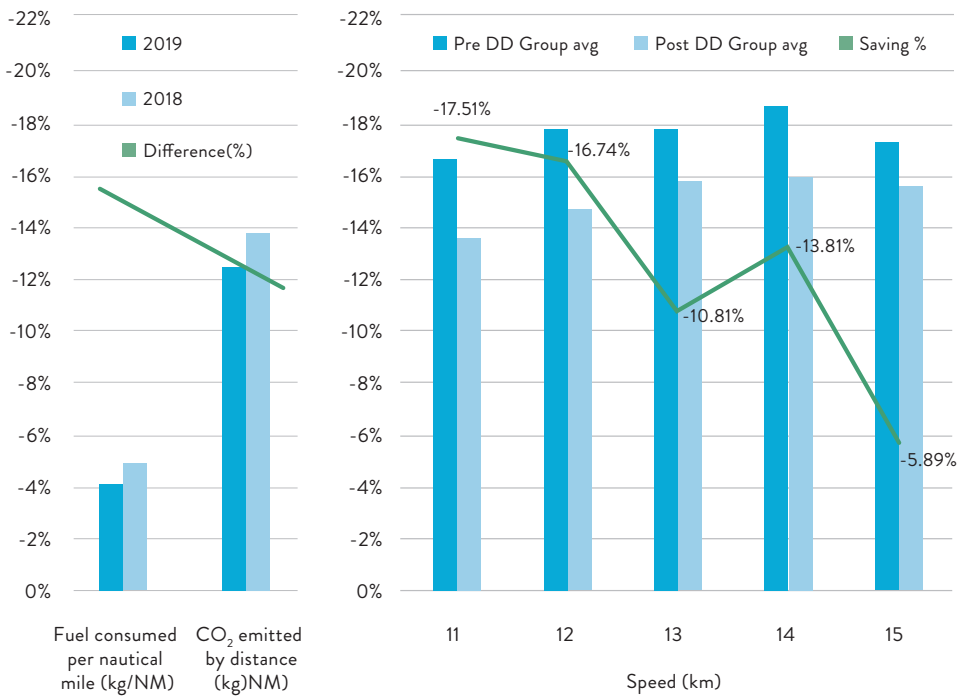
ENVIRONMENTAL PERFORMANCE

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:

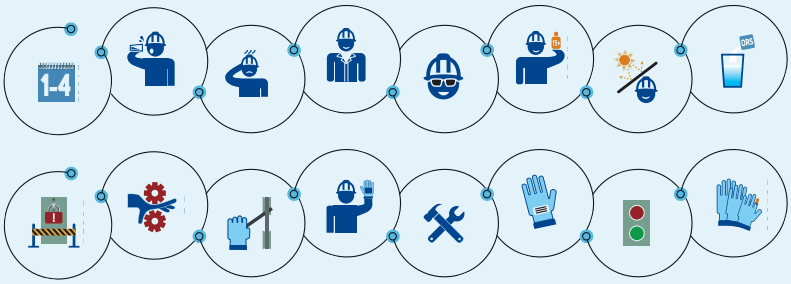
01 Safety is in your hands: 8 measures to prevent hand injuries

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.

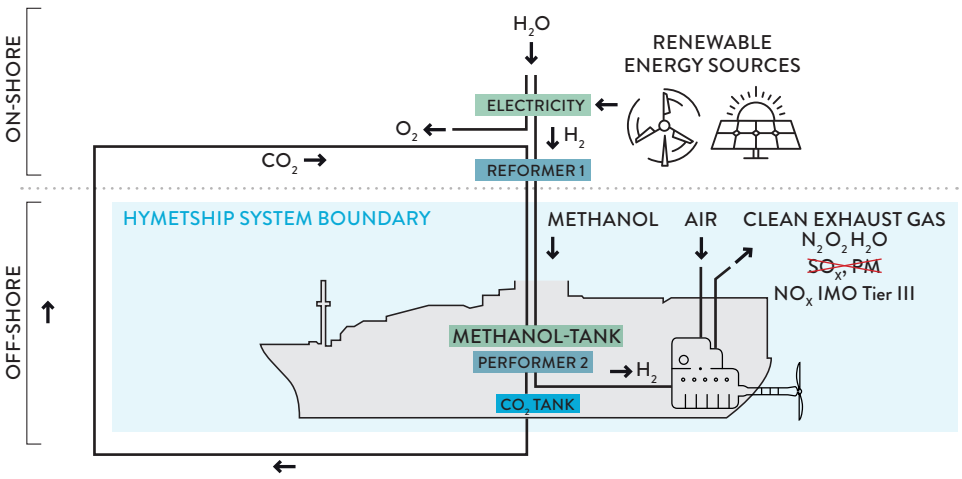
The partners will make a joint analysis of the entire hydrogen import and transport chain. The aim is to map the financial, technical and regulatory aspects of the various components in the logistics chain: production, loading and unloading and transport by sea and via pipelines. The outcome of the analysis 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

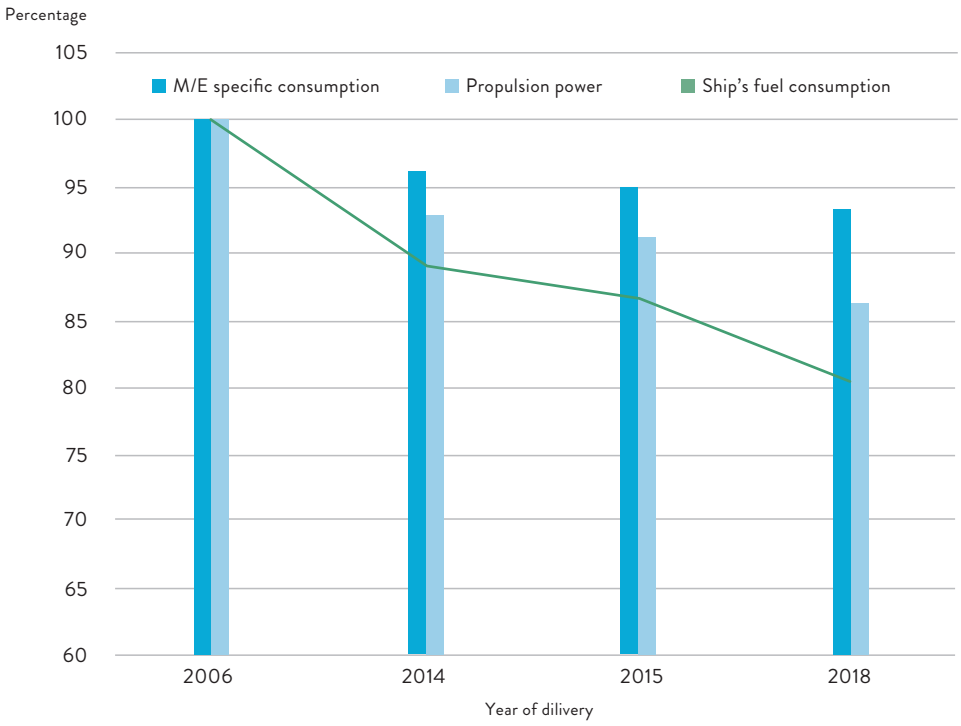
Less consumption/lower carbon footprint

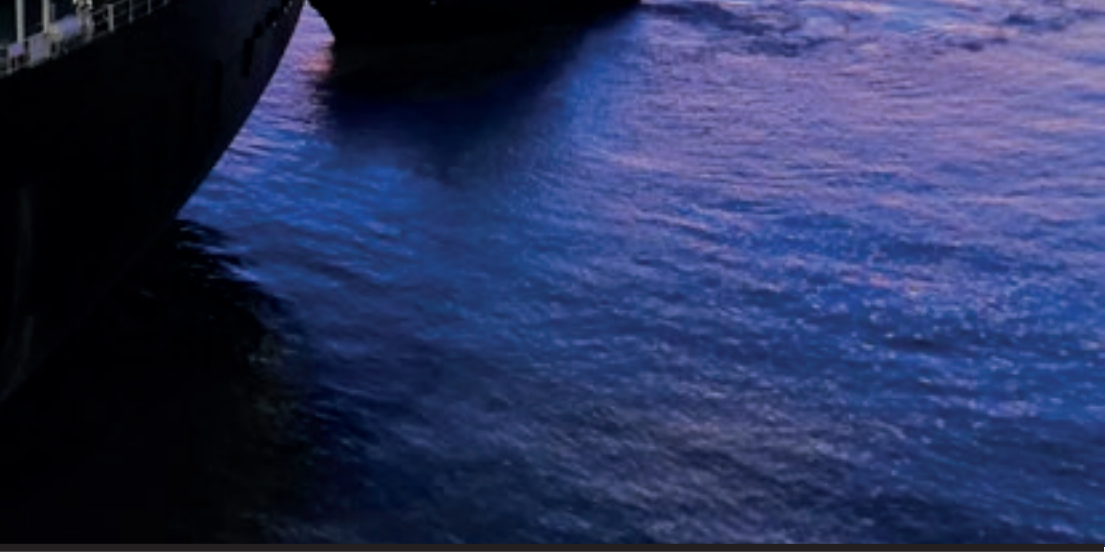
All best available technology will be combined to increase the efficiency of the vessels.

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

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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

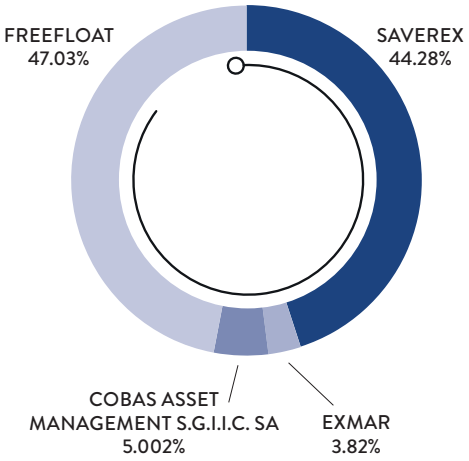
The Annual General Meeting takes place on the third Tuesday of May at 2.30 p.m.

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 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 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.
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

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

	Property	Motor vehicles (including aircraft)	IT equipment	Total
RIGHT OF USE ASSETS				
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%.

	01/01/2019
OPERATING LEASE COMMITMENTS	
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)

FOR THE YEAR ENDED 31 DECEMBER 2019	Proportionate consolidation	Difference	Equity Consolidation
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)

31 DECEMBER 2018	Proportionate consolidation	Difference	Equity Consolidation
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

RECONCILIATION CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND PROPORTIONATE CONSOLIDATION (SEGMENT REPORTING)	Proportionate consolidation	Difference	Equity Consolidation
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)

REVENUE	2019	2018
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.

CONTRACT BALANCES	2019	2018
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).

GAIN ON DISPOSAL	2019	2018
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.

OTHER OPERATING INCOME	2019	2018
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)

VESSEL EXPENSES	2019	2018
	-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.

A. CONSIDERATION RECEIVED	Year ended 31/12/2018
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

B. GAIN ON DISPOSAL OF AN EQUITY ACCOUNTED INVESTEE	Year ended 31/12/2018
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)

BORROWINGS TO EQUITY ACCOUNTED INVESTEES 2018	Shipping	Infrastructure	Total
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

BORROWINGS TO EQUITY ACCOUNTED INVESTEES 2019	Shipping	Infrastructure	Total
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)

NON-CURRENT ASSETS HELD FOR SALE	2019	2018
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

CURRENT TAX ASSETS AND LIABILITIES	2019	2018
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.

GRANT DATE FAIR VALUE OF SHARE OPTIONS AND ASSUMPTIONS AT INCEPTION	Plan 10	Plan 9	Plan 8	Plan 4
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.

RECONCILIATION OF OUTSTANDING SHARE OPTIONS	2019		2018	
	number of options	weighted average exercise price	number of options	weighted average exercise price
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)

PROVISIONS	2019	2018
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)

TRADE AND OTHER PAYABLES	2019	2018
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

CARRYING AMOUNTS VERSUS FAIR VALUES	Fair value hierarchy (*)	2019 Carrying amount	2019 Fair value	2018 Carrying amount	2018 Fair value
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.

RIGH-OF-USE ASSETS	Property	Motor vehicles	IT equipment	Total
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:

CAPITAL COMMITMENTS	Subsidiaries (*)	Equity accounted investees
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	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%

CONSOLIDATED COMPANIES	Country of incorporation	Company id	Consolidation method	Ownership 2019	Ownership 2018
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

EXCHANGE RATES	Closing rates 2019	Closing rates 2018	Average rates 2019	Average rates 2018
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:

FEES STATUTORY AUDITOR	2019	2018
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.

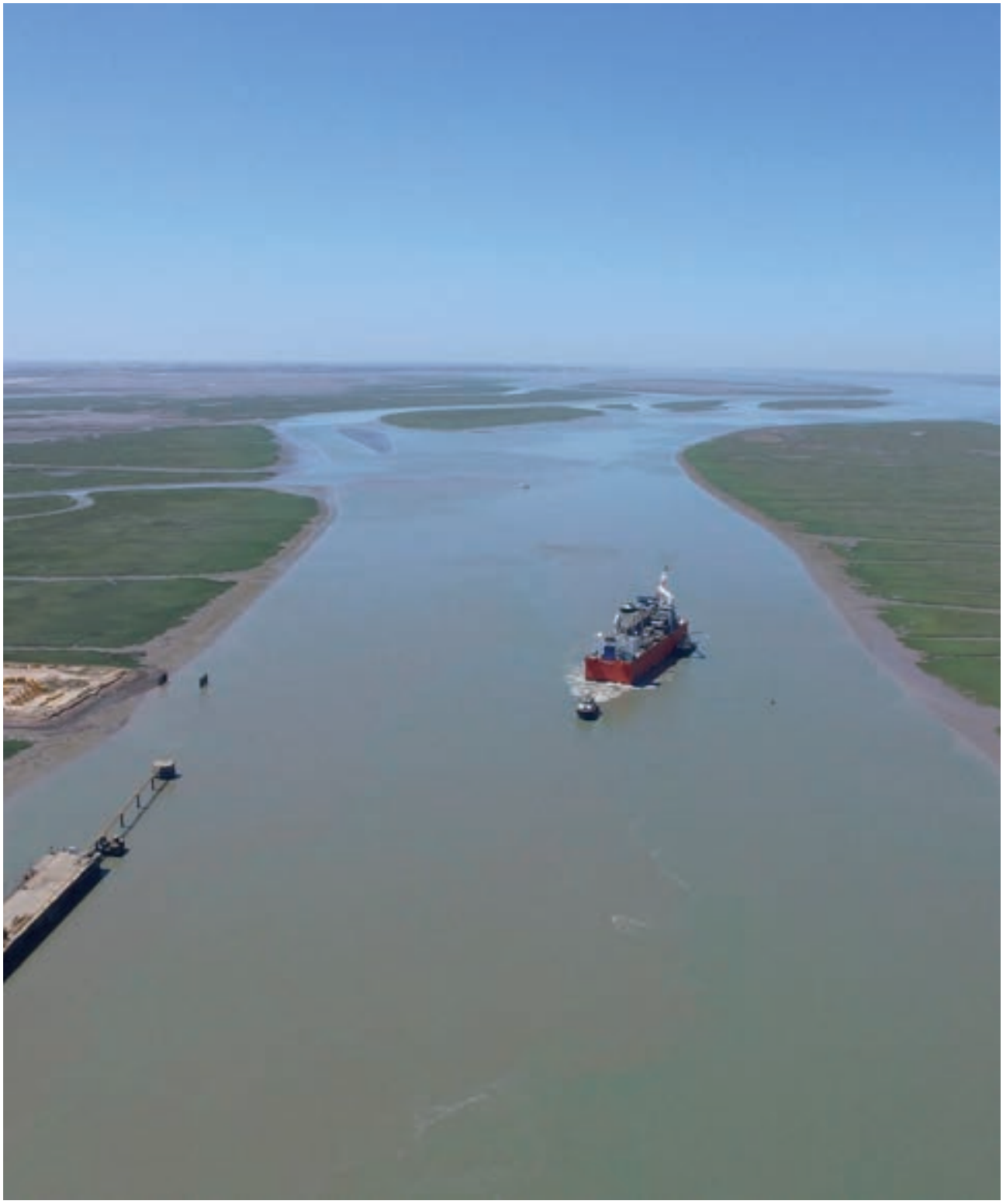
Other statements

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



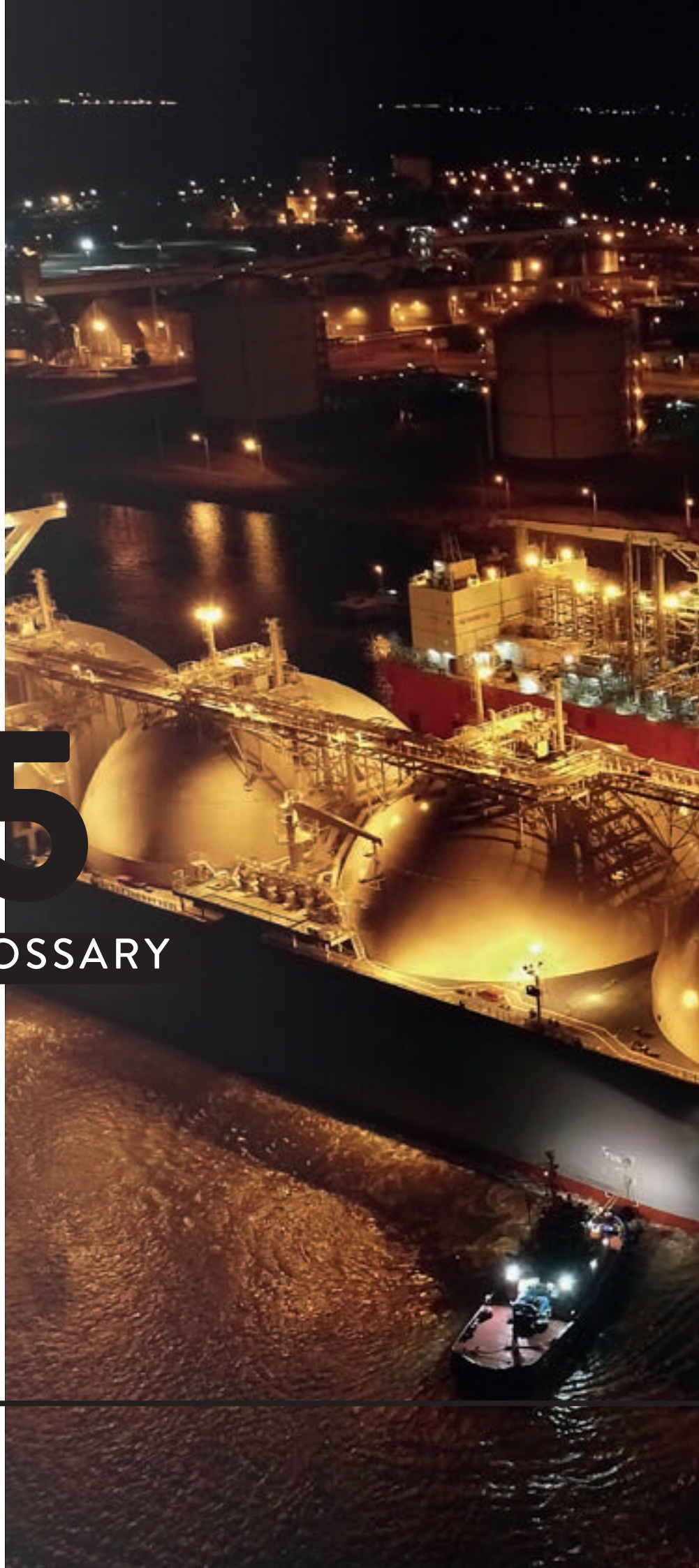
The statutory accounts of EXMAR NV are disclosed hereafter in a summarised version. The full version will be filed with the National Bank of Belgium. The full version is available on the Company's website (www.exmar.be) and a copy can be obtained free of charge on request. An unqualified audit opinion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

EXMAR

EXMAR 2018

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CARE FOR TODAY, RESPECT FOR TOMMOROW

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05

GLOSSARY

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LETTER TO THE SHAREHOLDERS

Dear shareholder,

2018 was a crucial year for EXMAR.

By November 2018, in a record time of nearly three months from initial commercial agreement to signing, the Company was able to secure a ten-year tolling contract for its barge-based floating liquefaction unit previously known as CARIBBEAN FLNG with the Argentinian energy multinational YPF. This agreement followed a three-year search to find a suitable partner fol-lowing the bankruptcy of the unit's previous client in May 2016. In December, the renamed barge TANGO FLNG departed on a heavy lift vessel from the yard destined for the Argentinian port of Bahia Blanca. The unit is now alongside, with final preparations being made before entering into production expected during the second quarter of 2019.

In October, EXMAR also began receiving income for a charter agreement with commodities trader Gunvor for its barge-based floating regasification unit FSRU 188.

2018 also marked the completion of EXMAR's four-year LPG Midsize newbuild joint venture pro-gramme with Teekay LNG Partners which began with the delivery of midsize LPG/C Waasmunster in May 2014. Since then 13 Midsize newbuild LPG carriers have been delivered to the EXMAR fleet making it one of the industry's most modern, with all vessels currently employed to first class customers.

EXMAR also received, from a US-based operator, a license fee for a facility similar to DELTA HOUSE related to a project in Gulf of Mexico after nearly three years of inactivity in the market for final investment decisions in new floating production systems.

EXMAR has been under a lot of pressure in the past years. We are now in a much stronger financial position from which to grow the business. The EXMAR boat is back on course. We are back in much calmer water and under a blue sky.

Philippe Bodson, Chairman of the Board of Directors

Nicolas Saverys, Chief Executive Officer

MISSION STATEMENT

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

EXMAR creates economically viable and sustainable energy value chains in long-term alliances with first class business partners. EXMAR designs, builds, certifies, owns, leases and operates specialized, floating maritime infrastructure for this purpose. As well as it aims for the highest standards in performing commercial, technical, quality assurance and administrative management for the entire maritime energy industry.

TIMELINE

7 FEBRUARY 2018

LPG as fuel for VLGC's – EXMAR announces two 80,200 m³ VLGC newbuildings to be equipped with main engines running on LPG

28 MAY 2018

Delivery of LPG/C KOKSIJDE (38,000 m³- built 2018)

31 JANUARY 2018

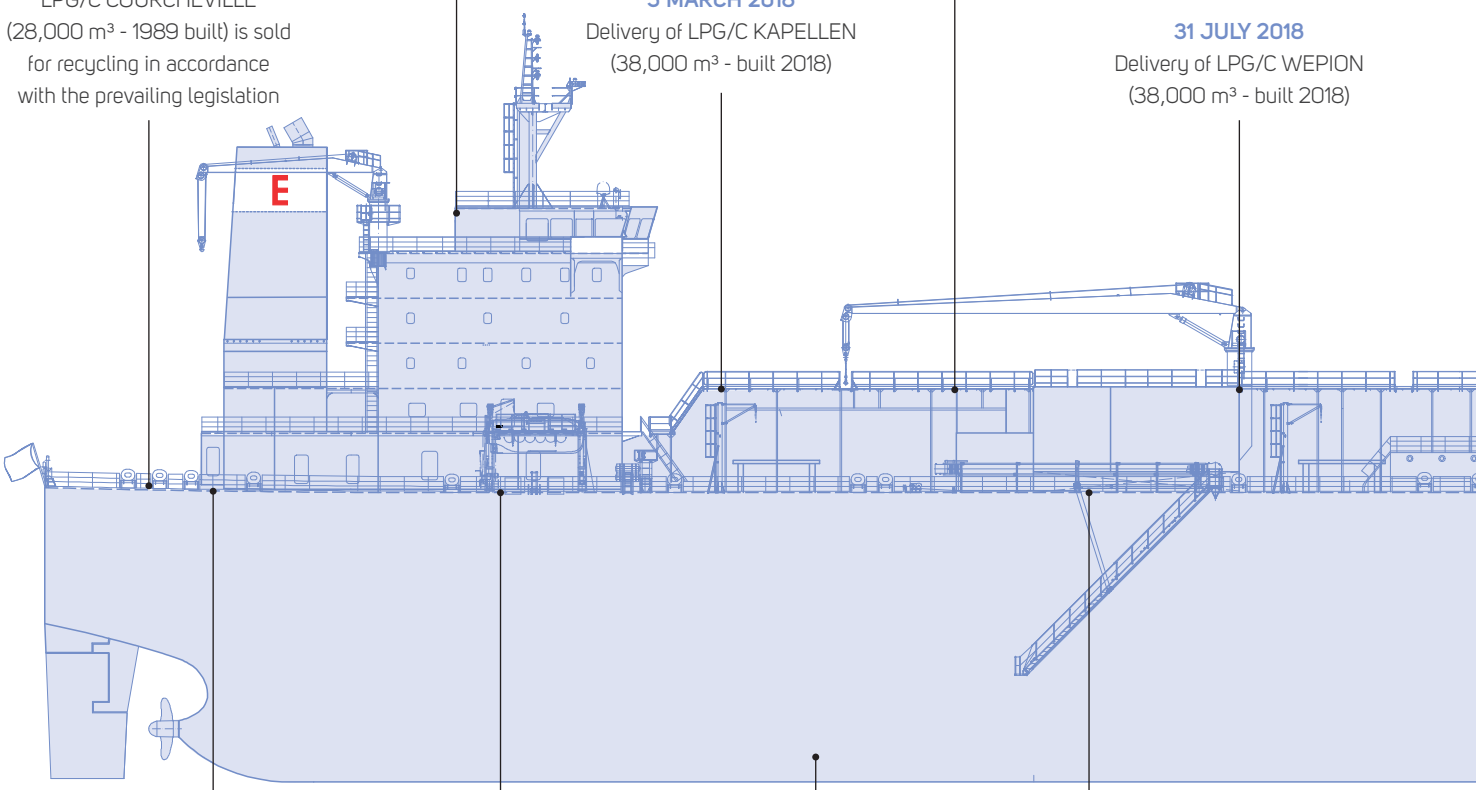
LPG/C COURCHEVILLE (28,000 m³ - 1989 built) is sold for recycling in accordance with the prevailing legislation

5 MARCH 2018

Delivery of LPG/C KAPELLEN (38,000 m³ - built 2018)

31 JULY 2018

Delivery of LPG/C WEPION (38,000 m³ - built 2018)



2 FEBRUARY 2018

Delivery of LNG FSRU EXCELSIOR (138,000 m³ LNG – built 2003) to Excelerate Energy L.P.

1 APRIL 2018

Multipurpose Supply Vessel GEO OCEAN III joins EXMAR Ship Management, which now manages 16 different vessel types

20 FEBRUARY 2018

EXMAR's FSRU barge leaves the Wison Offshore Marine shipyard to Singapore for site-specific modifications.

1 JULY 2018

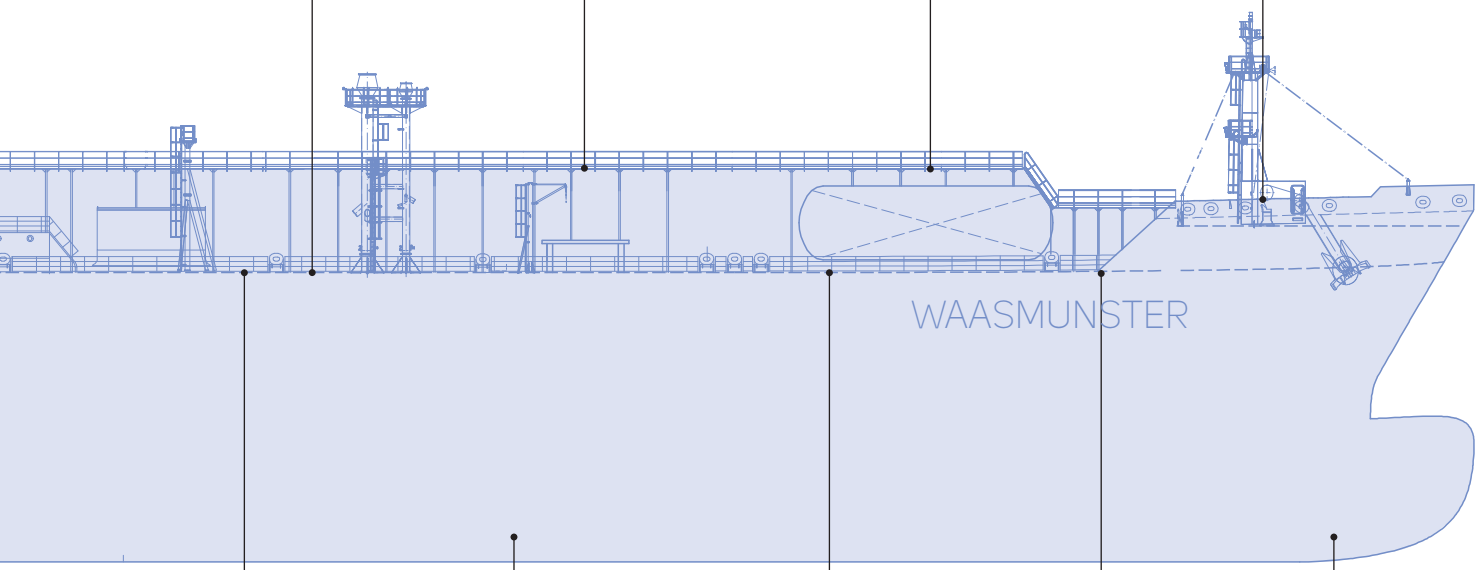
EXMAR Ship Management adds temperature-controlled liquid bulk juice carrier CITRUS VITRA BRASIL to its managed fleet

1 OCTOBER 2018
EXMAR's FSRU barge commences on hire to Gunvor

OCTOBER 2018
EXMAR receives, from a US based operator, a license fee for a facility similar to DELTA HOUSE related to a project in Gulf of Mexico

27 DECEMBER 2018
EXMAR's FLNG unit departs from China on board a heavy lift vessel towards Bahia Blanca, Argentina where it will perform a ten-year agreement to produce and export LNG from the Vaca Muerta source at the Neuquén Basin in Argentina.

6 FEBRUARY 2019
TANGO FLNG arrives in Argentina where it will remain alongside and produce LNG for export for YPF over a ten-year period.



3 OCTOBER 2018
Refinancing of EXMAR's Pressurized fleet through a sale and lease back structure with Japanese owners

3 SEPTEMBER 2018
EXMAR Ship Management executes the conversion of LNG/C PORTOVYY (ex-EXCEL) into a Floating Storage Unit (FSU) for its new owner

21 NOVEMBER 2018
EXMAR signs a ten-year agreement with YPF of Argentina for EXMAR's barge-based floating liquefaction unit TANGO FLNG

1 JANUARY 2019
FSO NKOSSA II enters into management of EXMAR Ship Management

25 FEBRUARY 2019
Cancellation of shipbuilding contract with HHIC for two VLGC's and ongoing negotiations with a shipyard to secure replacement vessels

FINANCIAL OVERVIEW

CONSOLIDATED KEY FIGURES

	International Financial Reporting Standards (IFRS 11) *(Note 1)*		Management reporting based on proportionate consolidation *(Note 2)*	
	31/12/2018	Restated (*) 31/12/2017	31/12/2018	Restated (*) 31/12/2017
CONSOLIDATED STATEMENT OF PROFIT OR LOSS (IN MILLION USD)				
Turnover (*)	87.7	80.7	171.6	214.9
EBITDA	27.5	58.6	67.4	141.4
Depreciations and impairment losses	-19.0	-8.0	-45.4	-71.4
Operating result (EBIT)	8.5	50.6	22.0	70.0
Net finance result	-21.0	-40.0	-36.6	-40.5
Share in the result of equity accounted investees (net of income tax)	-1.6	18.7	0.6	0.1
Result before tax	-14.2	29.3	-14.0	29.6
Tax	-1.9	-1.3	-2.1	-1.6
Consolidated result after tax	-16.1	28.0	-16.1	28.0
of which group share	-15.9	28.0	-15.9	28.0
INFORMATION PER SHARE (IN USD PER SHARE)				
Weighted average number of shares of the period	57,045,439	56,832,558	57,045,439	56,832,558
EBITDA	0.48	1.03	1.18	2.49
EBIT (operating result)	0.15	0.89	0.39	1.23
Consolidated result after tax	-0.28	0.49	-0.28	0.49
INFORMATION PER SHARE (IN EUR PER SHARE)				
Exchange rate	1.1838	1.1249	1.1838	1.1249
EBITDA	0.41	0.92	1.00	2.21
EBIT (operating result)	0.13	0.79	0.33	1.09
Consolidated result after tax	-0.24	0.44	-0.24	0.44

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 2018. 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 2018.

(*) As a consequence of the non-application of the agent principle on revenue and costs for one of our subsidiaries in the offshore segment, the prior period financial statements have been restated. This restatement only concerns a reclassification within the statement of profit or loss and does not have an impact on the bottom line result of the prior period. We refer to note 4 in the Financial report per 31 December 2018.

Market cap
391.8

Total assets
1,228.0

Net debt
558.7

Equity ratio
37.68%

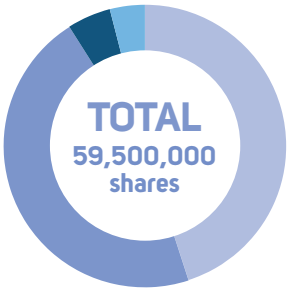
EBITDA
67.4

Key Figures in MUSD as per 31.12.2018
(based on proportionate consolidation method)

INFORMATION FOR OUR SHAREHOLDERS

SHAREHOLDING AS PER 28 MARCH 2019

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



46.15% Saverex

5.02% Cobas Asset Management S.G.I.I.C. SA

45.18% Freefloat

3.65% EXMAR

FINANCIAL CALENDAR

25 APRIL 2019	21 MAY 2019	6 SEPTEMBER 2019	24 OCTOBER 2019
RESULTS 1ST QUARTER 2019	ANNUAL SHAREHOLDERS MEETING	FINAL RESULTS 1ST SEMESTER 2019	RESULTS 3RD QUARTER 2019

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 (COO), Miguel de Potter (CFO) or Mathieu Verly (secretary).

In case you wish to receive our printed financial report please mail: **annualreport@exmar.be**

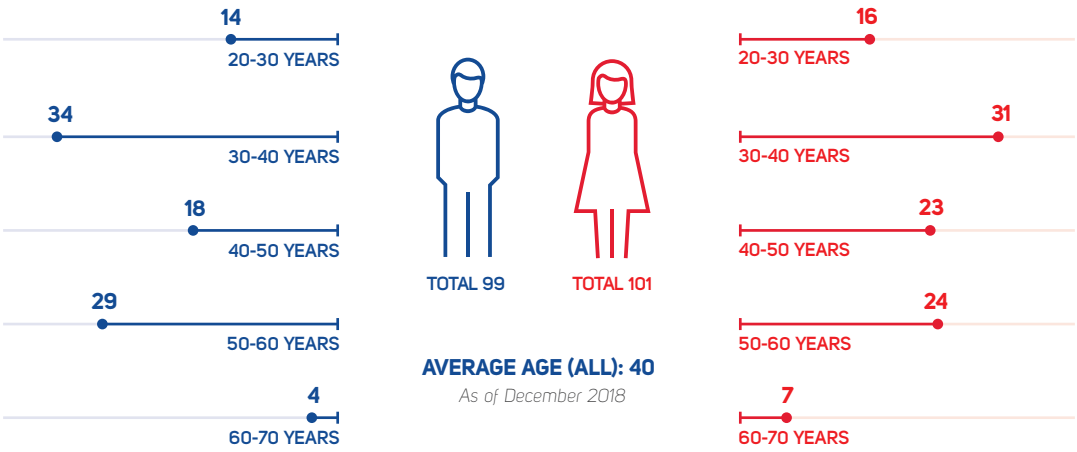
EXMAR IN THE WORLD

CREW AT SEA

58 NATIONALITIES AT SEA

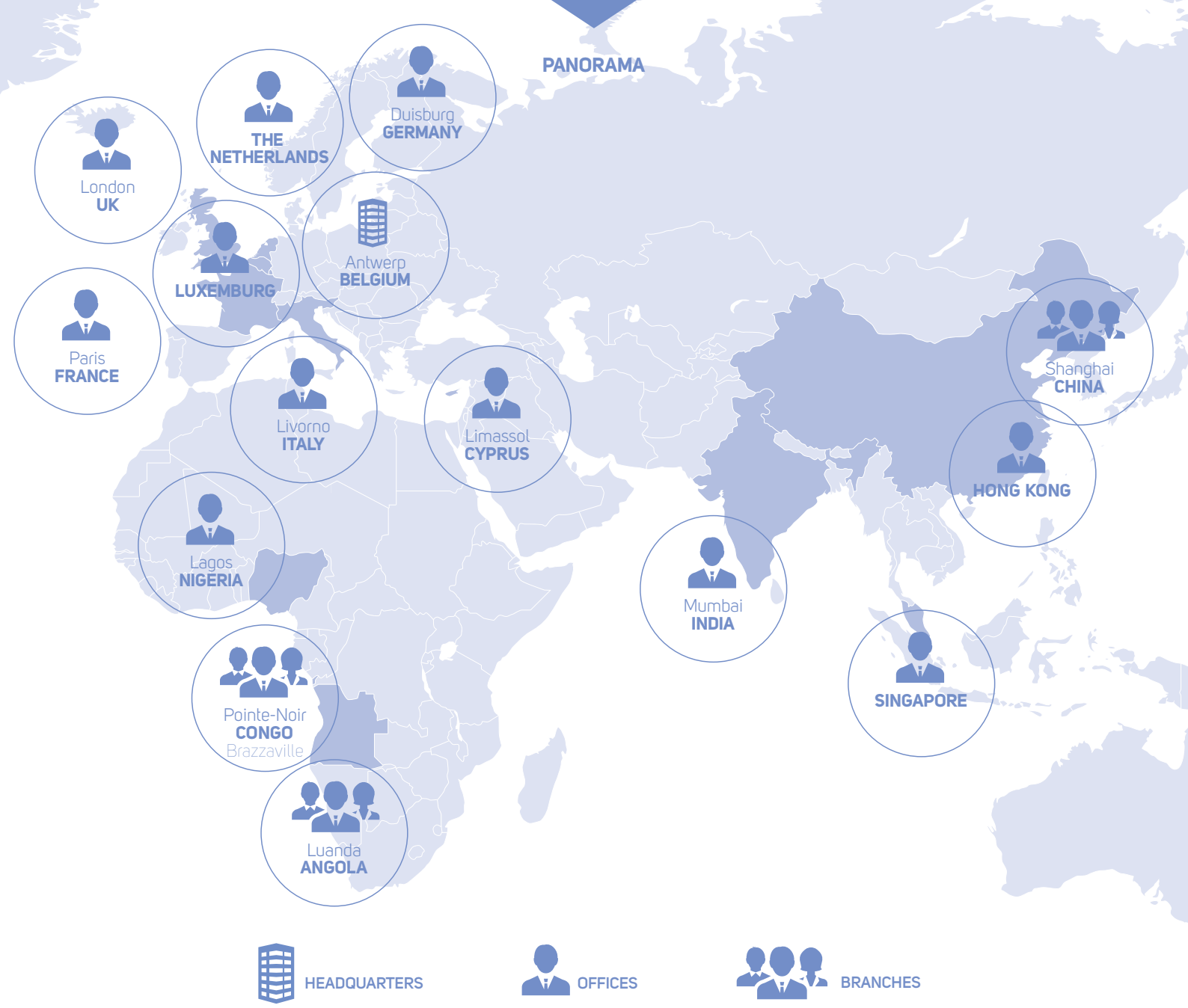
American, Argentinean, Australian, Belarusian, Belgian, Beninese, Bosnian, Brazilian, British, Bulgarian, Cameroonian, Canadian, Chilean, Colombian, Croatian, Danish, Estonian, Filipino, Finnish, French, German, Indian, Indonesian, Irish, Israeli, Italian, Jamaican, Latvian, Lithuanian, Malaysian, Mauritian, Montenegrin, Moroccan, Netherlander, New Zealander, Nigerian, Norwegian, Peruvian, Polish, Portuguese, Romanian, Russian, Senegalese, Serbian, Slovenian, South African, South Korean, Spanish, Sri Lankan, Swedish, Trinidadian, Tunisian, Turkish, Ukrainian, Venezuelan.

EXMAR
HEADQUARTERS PERSONNEL BY GENDER AND AGE



AVERAGE AGE (ALL): 40

As of December 2018



2,084*
EXMAR employees and seafarers

on shore and at sea
at 31 december 2018

1,784
Seafarers in 2018

49,5% - 50,5%
male female

Employees located
at EXMAR headquarters

300
EXMAR shore-based
staff globally:

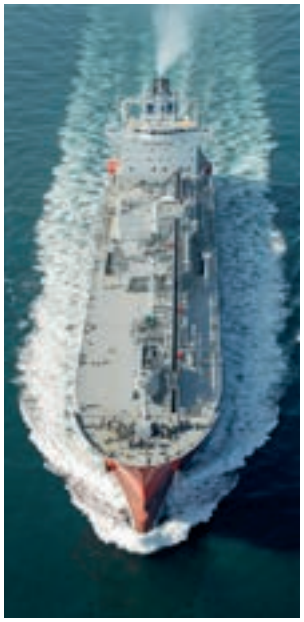
72% Europe

9% Asia

18% North America

1% Africa

As of 31 december 2018



** Note 6, Financial report*

EXMAR FLEET

EXMAR FLEET (AS OF 28 MARCH 2019)

	Capacity (m^3)	Year Built	Status
LPG MIDSIZE			
TOURAINE	39,270	1999	j.v.
EUPEN	38,961	1996	j.v.
LIBRAMONT	38,455	2006	j.v.
SOMBEKE	38,447	2006	j.v.
WAASMUNSTER	38,245	2014	j.v.
WARISOULX	38,227	2014	j.v.
WARINSART	38,213	2014	j.v.
WAREGEM	38,189	2014	j.v.
KAPRIJKE	38,500	2015	j.v.
KNOKKE	38,500	2016	j.v.
KONTICH	38,500	2016	j.v.
KORTRIJK	38,500	2018	j.v.
BRUSSELS	35,454	1997	j.v.
BASTOGNE	35,229	2002	j.v.
ANTWERPEN	35,223	2005	t.c./j.v.
KALLO	38,500	2017	bb
KRUIBEKE	38,500	2017	bb
KAPELLEN	38,500	2018	bb
KOKSIJDE	38,500	2018	bb
WEPION	38,500	2018	j.v.
LPG PRESSURIZED			
SABRINA	5,019	2009	bb
HELANE	5,018	2009	bb
FATIME	5,018	2010	bb
ELISABETH	3,542	2009	bb
MAGDALENA	3,541	2008	bb
ANNE	3,541	2010	bb
ANGELA	3,540	2010	bb
JOAN	3,540	2009	bb
MARIANNE	3,539	2009	bb
DEBBIE	3,518	2009	bb
LPG SEMI-REFRIGERATED			
TEMSE	12,030	1995	bb

	Capacity (m^3)	Year Built	Status
LPG VLGC			
BW TOKYO	83,270	2009	t.c./j.v.

	Type	Capacity (m^3)	Production Capacity	Year Built	Status
BARGE-BASED FSRU					
S188	lng	25,000	600 mm ft^3	2017	owned
BARGE-BASED FLNG					
TANGO FLNG	flng	16,100	0,5 mtpa	2017	owned
LNG CARRIER					
EXCALIBUR	lng	138,034	n.a.	2002	j.v.

	Type	Persons on board (POB)	Year Built	Status
OFFSHORE ACCOMODATION BARGES				
NUNCE	Accommodation Work Barge	350	2009	j.v.
WARIBOKO	Accommodation Work Barge	300	2010	j.v.

j.v.: joint venture
t.c.: time charter
bb: bareboat chartered

COLOPHON

BOARD OF DIRECTORS

Baron Philippe Bodson – Chairman
Nicolas Saverys – CEO
Jalcos NV – represented by Ludwig Criel
Kathleen Eisbrenner
Michel Delbaere
Jens Ismar
Ariane Saverys
Barbara Saverys
Pauline Saverys
Baron Philippe Vlerick

EXECUTIVE COMMITTEE

Nicolas Saverys – Chief Executive Officer, Chairman
Patrick De Brabandere – Chief Operating Officer
Miguel de Potter – Chief Financial Officer
Pierre Dincq – Managing Director Shipping
Jonathan Raes – Managing Director LNG Infrastructure
David Lim – Managing Director Offshore
Marc Nuytemans – CEO EXMAR Shipmanagement

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.com
E-mail: corporate@exmar.be

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

02

ACTIVITY REPORT

- LPG | AMMONIA | PETCHEMS
- LNG
- OFFSHORE
- SUPPORTING SERVICES

LPG | AMMONIA | PETCHEMS

EXMAR LPG is a leading shipowner and operator in the transportation of liquefied gas products such as Liquid Petroleum Gas (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.

EXMAR LPG FLEET

1
VLGC

10
Fully Pressurized LPG Carrier

20
Midsize LPG Carrier

1
Semi-ref.

PROPORTIONATE CONSOLIDATION (IN MILLION USD)	Total per 31/12/2018	Total per 31/12/2017
Turnover	102.0	97.0
EBITDA	29.8	31.8
REBITDA (*)	28.9	31.3
Operating result (EBIT)	3.1	4.6
Consolidated result after tax	-14.6	-15.2
Vessels (including vessels under construction)	455.4	427.6
Financial debts	363.5	291.6

(*) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations. Following items are excluded from EBITDA in 2018: sale COURCHEVILLE (LPG: USD 0.9 million). Following items are excluded from EBITDA in 2017: sale BRUGGE VENTURE (LPG: USD 0,5 million).

The EBIT for the LPG Division in the full year 2018 was USD 3.1 million (including a capital gain of USD 0.9 million on the sale of the COURCHEVILLE) compared to USD 4.6 million for the full year 2017 (including a capital gain of USD 0.5 million on the sale of the BRUGGE VENTURE).

MARKET OVERVIEW

VLGC

Earnings in the **Very Large Gas Carrier (VLGC)** segment trended upwards during the second half of 2018 thanks to increased long-haul trading, attractive commodity prices and minor fleet additions. Market returns entered into positive territory again yielding about USD 700,000 per month for the second part of the year compared to USD 470,000 per month in 2017.

US LPG exports reached record levels in 2018 of about 33 million tons, nearly 14% more than previous year. Buoyant shale gas production and adequate terminal capacity were pivotal factors behind the US relentlessly pushing LPG cargoes to overseas destinations. Far East destinations now account for more than 50% of US exports with China, Japan and South Korea all notably importing clean propane.

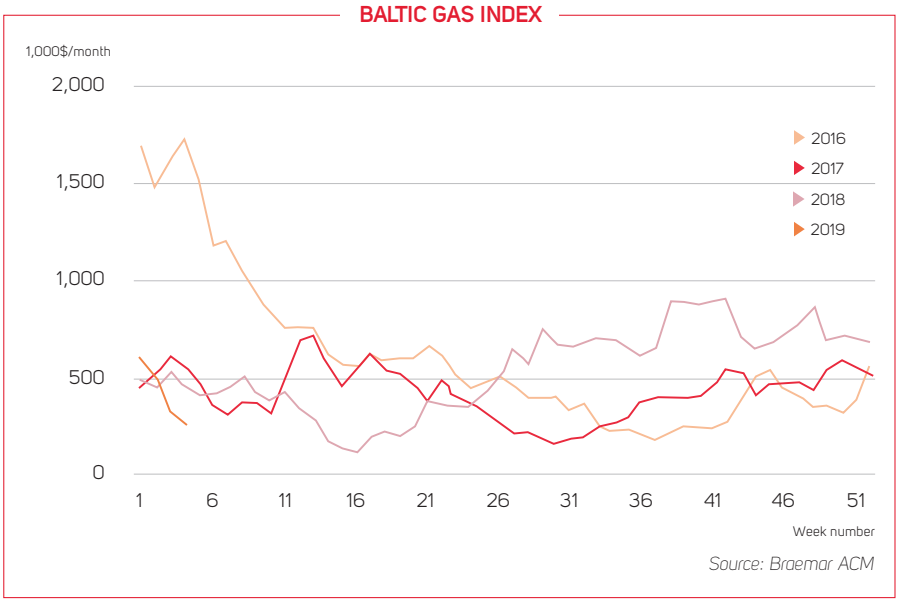
It has not only been the US that has been producing record amounts. Supplies from the Persian Gulf notched up unprecedented LPG export levels of close to 39 million tons, compared to 36.3 million tons the previous year. This consolidates the region's position as primary global exporter.

China and India remain the main import drivers with Japanese imports stabilizing at around 11 million tons per year. China imported 18.8 million tons in 2018, which is a moderate increase of 3% compared to 2017.

Despite there being signs of manufacturing activity slowing down in China with the US-China trade relationship hanging in the balance, China is expected to take in more LPG in 2019 thanks to the start-up of four new propane dehydrogenation plants.

India also reached record import levels of over 12 million tons in 2018 (approximately 2% more than 2017) with most of the growth accounted for by rural areas boosting consumer demand.

In terms of market conditions, the long-haul fully refrigerated segment (VLGC, LGC and MGC) has benefited from healthy demand East of Suez, with incremental demand in Middle Eastern and US Gulf LPG-exports which more than compensated for the number of newbuild deliveries.



13 energy-efficient MGC vessels have joined the EXMAR LPG fleet since 2014

Only ten new VLGCs entered the water in 2018, which led to a recovery in market freight rates. The VLGC fleet at year-end amounted to a total of 271 units. However, 19 VLGCs are due for delivery during 2019, which may continue to weigh on the market demand-supply equilibrium. Apart from BW TOKYO, EXMAR currently has no exposure in the VLGC-segment so market risk in this segment is limited.

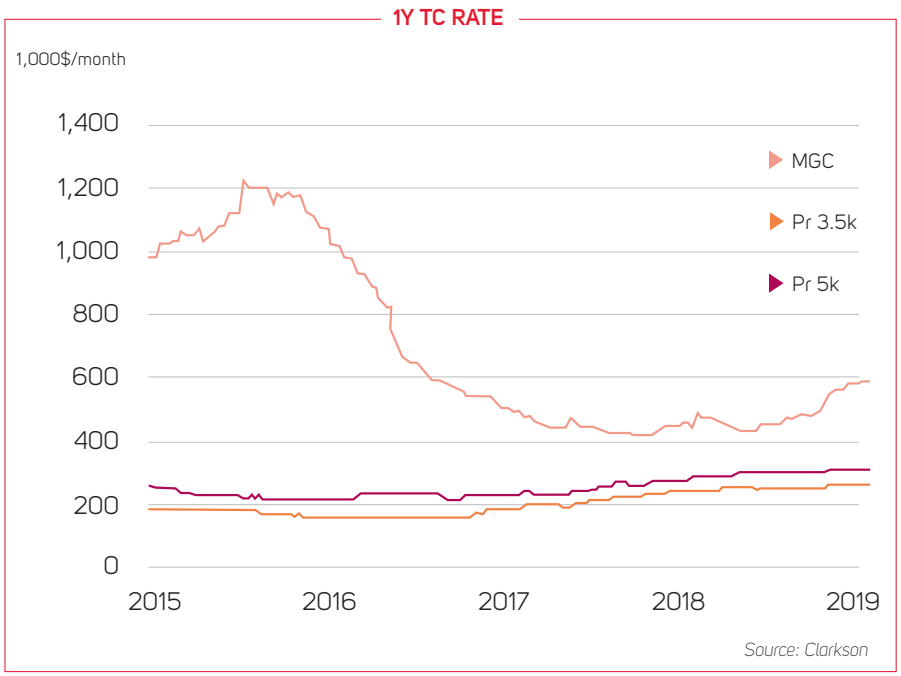
MIDSIZE

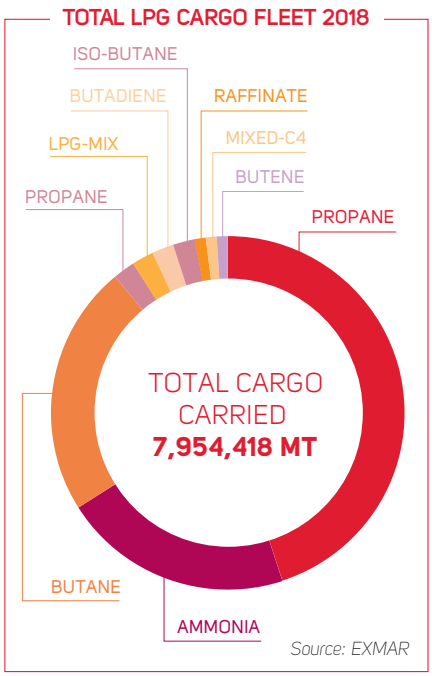
In contrast to 2016 and 2017 during which time 27 newbuilds were delivered, only nine new **Midsize Gas Carrier (MGC)** vessels joined the global fleet in 2018. Accompanied by the upward momentum of both VLGC and **Large Gas Carrier (LGC)** segments in the course of the year, MGC earnings followed suit given strong LPG and ammonia cargo activities. With only five ships remaining on the fleet order book (OB), freight market conditions look set to improve from this point forward. EXMAR represents one-third of these newbuilding deliveries.

2018 saw COURCHEVILLE (28,000 m³ - 1989 built) sold for recycling in line with the prevailing legislation. The capital gain of approximately USD one million on the sale of the COURCHEVILLE was recorded in the first quarter of 2018.

PRESSURIZED

The Pressurized vessel segment has continued to improve during 2018 since its upsurge in 2017. Downstream markets strengthened both East and West of Suez, contributing to more demand for frequent and small cargo deliveries. Also the distribution of easy petrochemical cargoes such as propylene rose in Far Eastern markets, whereas only eight new Pressurized carriers entered the market. Average rates for 3,500/5,000 m³ ships increased from USD 206,000/250,000 to USD 248,000/297,000 per month during 2017-2018, representing an increase of about 20%.





TESTIMONIAL

EXMAR DELIVERY OF WEPION

On 20 July LPG midsize gas carrier WEPION (38,000 m³) was named at Hanjin Heavy Industries and Construction (HHIC) shipyard in Subic Bay in South Korea, marking the completion of EXMAR's LPG midsize newbuild deliveries. WEPION brings the total number of LPG MGCs to 13 instead of the previously- planned 12. She is not a sister of the other units; the vessel was bought from HHIC after the previous owner cancelled his order.

HIGHLIGHTS 2018 AND OUTLOOK 2019

VLGC

On 2 March 2018 EXMAR announced it had contracted two VLGC Newbuildings with LPG as a fuel for the main engine at HHIC to serve long-term commitments with Equinor ASA of Norway for worldwide LPG transportation.

In January 2019 HHIC 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.

In order to fulfil its long-term commitments towards Equinor ASA of Norway and further dedicate its resources to innovative shipping solutions, EXMAR is currently in advanced negotiations with a shipyard to secure state-of-the-art replacement vessels.

BW TOKYO (83,000 m³, 2009 built) performed according to contract and benefited from rises in the Baltic Gas Index.

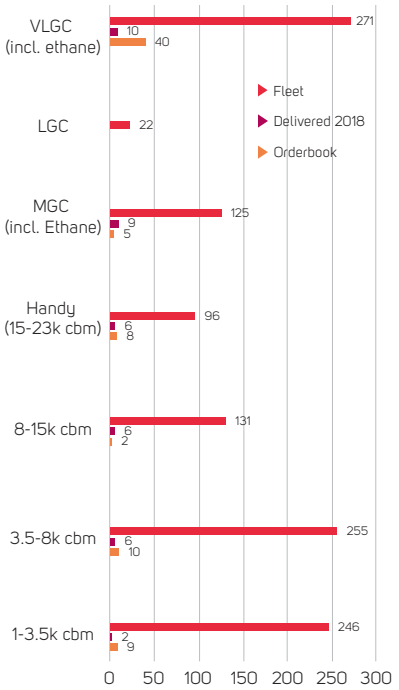
MIDSIZE

In 2018, EXMAR has finalized its MGC new-build programme which was initiated in 2014. Thirteen energy-efficient vessels have joined the fleet during this period. KAPELLEN (March) and KOKSIJDE (May) were the latest sister ship additions from the Subic Bay shipyard in the Philippines. Also one additional newbuilding was realized with the delivery of WEPION from Hanjin Heavy Industries and Construction (HHIC), a contract novated from a cancelled order at the yard. The majority of the MGC fleet is committed to long-term charters with first class customers. In general, EXMAR was able to conclude contracts at higher freight levels than 2017. MGC earnings in 2018 averaged USD 485,000 per month compared to USD 450,000 per month the year before. The current fleet charter coverage for 2019 stands at 79%.

PRESSURIZED

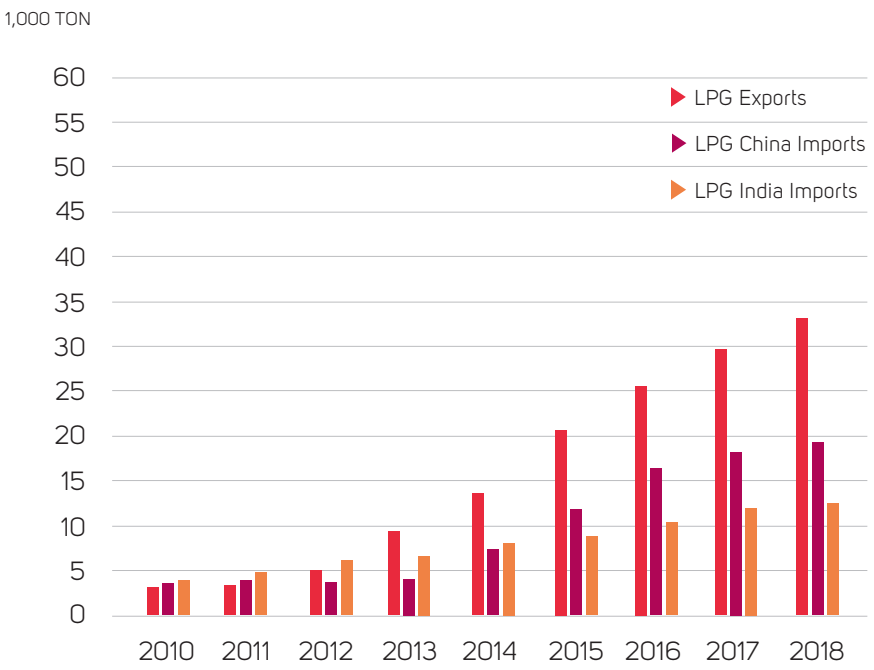
EXMAR continues to efficiently deploy its Pressurized portfolio of ten units with a healthy mix of ships employed East of Suez (China, India, Korea, and Japan) and West of Suez in both LPG and petrochemical trades. 2018 saw full employment of EXMAR's Pressurized fleet, with 100% of the fleet committed during 2019. With only 19 orders for Pressurized vessels left in the newbuild OB, freight market fundamentals in the smallest gas segment look attractive.

2018 LPG FLEET AND ORDER BOOK



Source: Clarkson, Joachim Grieg

LPG EXPORTS AND IMPORTS (1,000 TON)



Source: Waterborne / Chinese customs, Bloomberg

LNG

EXMAR is a pioneer in LNG shipping and floating LNG infrastructure, having been the first to develop floating liquefaction, ship-to-ship transfer of LNG at sea as well as on-board regasification of LNG to feed onshore energy grids. Building upon its four decades of LNG expertise, EXMAR now has two unique, barge-based floating LNG terminals in its portfolio. The barge-based FSRU S188 has a long-term commitment with Gunvor, a major LNG trader, which will use the unit for the import of natural gas. The barge-based liquefaction terminal TANGO FLNG is being deployed in Bahia Blanca, Argentina to treat, clean and liquefy natural gas for export purposes.

EXMAR LNG FLEET

1
FSRU (barge-based)

1
LNG Carrier

1
FLNG (barge-based)

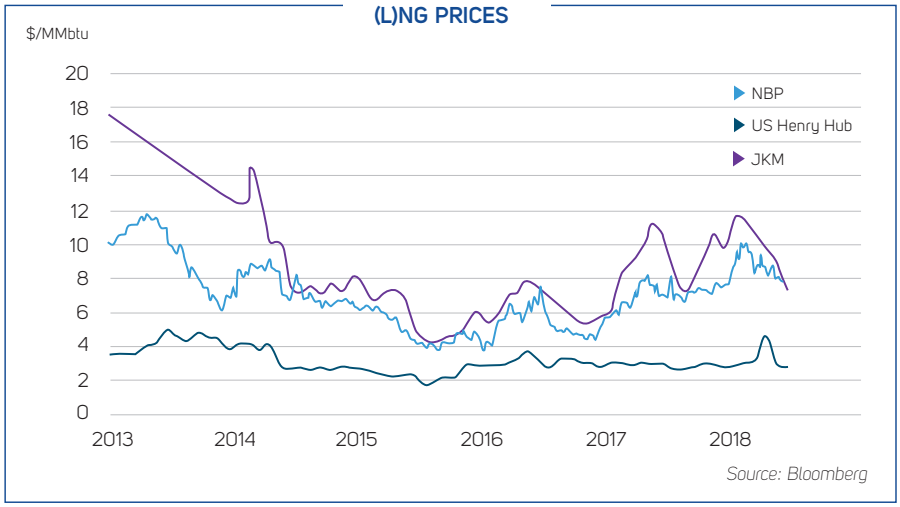
PROPORTIONATE CONSOLIDATION (IN MILLION USD)	Total per 31/12/2018	Total per 31/12/2017
Turnover	21.0	68.0
EBITDA	37.0	87.6
REBITDA (*)	6.1	42.6
Operating result (EBIT)	21.4	47.6
Consolidated result after tax	-21.6	25.0
Vessels (including vessels under construction)	497.7	494.6
Financial debts	207.6	219.4

(*) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations. Following items are excluded from EBITDA in 2018: sale LNG Excelsior (LNG: USD 30.9 million). Following items are excluded from EBITDA in 2017: fees Wison (LNG: USD -25 million) and sale LNG (LNG: USD 70 million).

The EBIT for the LNG Division over the full year 2018 was USD 21.4 million (including a capital gain of USD 30.9 million on the sale of EXCELSIOR) compared to USD 47.6 million for 2017 (including a USD 70.0 million capital gain on the sale of EXPLORER, EXCELERATE and EXPRESS and a USD 22.5 million impairment on the EXCEL).

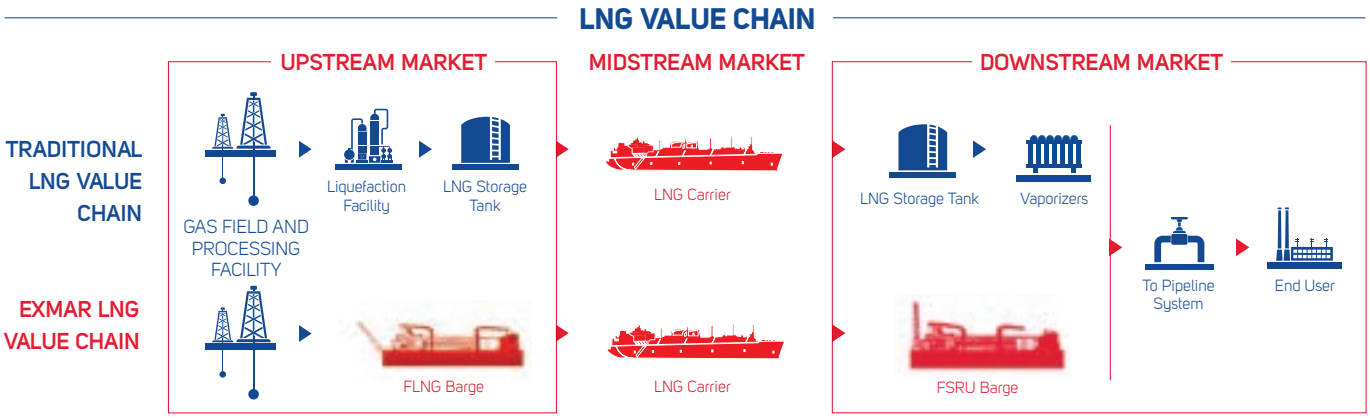
MARKET OVERVIEW

In 2018, the LNG markets witnessed significant rises on the supply side, with increasing liquefaction activity predominantly emerging from new terminals in the United States (US) and Australia. This continued growth in world output is also linked to the growing tendency to substitute oil and coal with natural gas in a bid to lower greenhouse gas (GHG) emissions. Examples highlighting this trend include Government policies such as the ones being introduced by the Peoples Republic of China, incentivized project start-ups pushing up supply in regions such as Western Europe and further fuel switching with conversions to LNG as a fuel source.



On the import side, China and South Korea in particular saw steep rises in regasification activities compared to 2017 levels. This trend is likely to persist in 2019 with many new projects set to deliver more LNG to these and other import countries. Several upcoming projects in the US will guarantee more volumes to be delivered throughout 2019.

As both LNG price charts indicates, 2018 has again demonstrated that oil and gas prices have proven volatile. Several factors contribute to this phenomenon. They include geopolitical tensions and changing oil and gas output levels.



LNG SHIPPING

As displayed in the chart below, 2018 LNG freight markets have been at their most volatile since the LNG shipping markets evolved to an open tramp market like dry bulk and tank segments about one decade ago. Many reasons have been cited for this volatility. The most frequent cause points towards diverging oil and gas prices that move in line with geopolitical tensions. These tensions are key in shaping arbitrage opportunities for traders and ship owners alike distributing LNG to an increasingly mature, globalized market place.

FLOATING LIQUEFACTION

2018 marked a major milestone for Floating Liquefaction as several projects became operational or have reached commissioning phase, which is now demonstrating the full potential of FLNG technology.

Several Final Investment Decisions (FID) have been reached, creating further momentum for FLNG solutions. Amongst those, EXMAR has signed a ten-year agreement with YPF for deployment in Bahia Blanca, Argentina to treat, clean and liquefy natural gas from the Vaca Muerta gas fields for export purposes as from the second quarter of 2019.

The agreement confirms that market for floating liquefaction is proven as a quick-to-market infrastructure solution in the LNG value chain. FLNG will play a significant role in the future for the fast-track development of stranded gas resources.

FLOATING REGASIFICATION

The current worldwide growth in the FSRU fleet proves that floating regasification has become a mature market with more than 30 units deployed and several units under construction. It is clear that floating regasification infrastructure is the preferred solution over onshore terminal developments. Several floating terminals have started up including projects in Jamaica and Bangladesh.

LNG SHORT-TERM FREIGHT RATES

Source: Clarkson, Fearnleys

> **Floating liquefaction is proven as a quick-to-market infrastructure solution in the LNG value chain**

HIGHLIGHTS 2018 AND OUTLOOK 2019

LNG SHIPPING ACTIVITIES

With one LNG carrier EXCALIBUR (owned 50/50 EXMAR/Teekay) remaining in the fleet and servicing a long-term charter contract beyond 2022, EXMAR was sheltered from market volatilities during 2018. This will guarantee a stable income for the coming years and puts the Company in a strong position to take advantage of new LNG shipping opportunities as they arise.

FLNG ACTIVITIES

On 21 November, a ten-year charter agreement has been signed with YPF of Argentina to deploy EXMAR's barge-based liquefaction unit (FLNG) in Bahia Blanca. YPF is a front runner in the monetization of the shale gas reserves in Argentina, and with EXMAR's TANGO FLNG, the country will be able to export LNG for the first time in their history.

YPF and EXMAR have achieved an unprecedented commercial record as initial discussions first took place in August 2018.
EXMAR is proud that the TANGO FLNG is already installed, safely moored, commissioned and operational in Bahia Blanca, Argentina, only two-and-a-half months after contract signing. An excellent cooperation between both the TANGO FLNG's crew and the shore technical team has ensured that site specific modifications have been executed at the COSCO shipyard in Shanghai at a record pace and that mobilization could start before year end.

The yearly production of about 500,000 tons LNG will account for an estimated annual EBITDA of USD 43 million per year with a potential upside depending on the market environment.

With the deployment of the TANGO FLNG, EXMAR is in a unique position to develop new FLNG projects. Discussions with several parties to jointly develop new FLNG projects are ongoing.

FSRU ACTIVITIES

In October 2018, EXMAR's barge-based FSRU S188 has been delivered to Gunvor under its ten-year charter agreement.

EXMAR is investigating several business opportunities where its tailor-made approach can create benefits for its customers. Commercial discussions are ongoing.

TESTIMONIAL

EXMAR's CEO Nicolas Saverys and YPF's President Miguel Gutiérrez sign a ten year tolling agreement for EXMAR's TANGO FLNG.

"We are delighted to have reached this agreement with YPF. It opens up new markets and opportunities for the fast-track monetization of natural gas reserves along new routes of energy. We are confident that EXMAR's experience in the region and unique expertise in liquefaction will support YPF's ambition to become a significant LNG supplier" commented Nicolas Saverys, EXMAR's Chief Executive Officer.

"Thanks to the commercial relationship with EXMAR we are now able to add value to the resources extracted from Vaca Muerta, and take full advantage of the seasonal opportunity with Asian markets and our unique location to serve demand centers", Miguel Gutierrez, President of YPF.

OFFSHORE

EXMAR Offshore is dedicated to the ownership and leasing of offshore assets and providing floating solutions to the production, drilling, and accommodations market. This includes operating a variety of offshore assets for both the EXMAR Group and external client owners. EXMAR's office in Houston, U.S.A., specializes in the design and development of floating production systems as well as engineering services related to marine vessels, ships, offshore units and offshore consultancy.

EXMAR OFFSHORE FLEET

2
Accomm. Barges

PROPORTIONATE CONSOLIDATION (IN MILLION USD) (**)	Total per 31/12/2018	Total per 31/12/2017
Turnover	24.8	20.4
EBITDA	1.6	-5.7
REBITDA (*)	-1.8	-7.3
Operating result (EBIT)	-0.4	-7.7
Consolidated result after tax	0.7	-7.7
Vessels (including vessels under construction)	9.5	11.0
Financial debts	0.0	3.0

(*) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations. Following items are excluded from EBITDA in 2018: license fee (Offshore: USD 3.4 million). Following items are excluded from EBITDA in 2017: sale KISSAMA (Offshore: USD 1,6 million).

(**) As a consequence of the non-application of the agent principle on revenue and costs for one of our subsidiaries in the offshore segment, the prior period financial statements have been restated. This restatement only concerns a reclassification within the statement of profit or loss and does not have an impact on the bottom line result of the prior period. We refer to note 4 in the Financial report per 31 December 2018.

The EBIT for the Offshore Division for the full year 2018 was USD -0.4 million compared to USD -7.7 million in the year 2017. The increase in the result of the Offshore segment compared to 2017 can be mainly explained by increased engineering services, amongst others for the construction of an EXMAR Opti®.

MARKET OVERVIEW

As most forecasters correctly predicted, world demand for oil rose in 2018, increasing by an average of 1.4 million barrels per day. This increase took demand over the 100 million barrels per day mark for the first time. The increase in demand occurred primarily during the first three quarters of 2018. After experiencing rising prices throughout this period, geopolitical factors cooled oil markets in the fourth quarter with a low of USD 42.50 per barrel based on the West Texas Intermediate (WTI) grade benchmark. Oil prices looked to be on the rebound in 2019 as the WTI barrel price finished at arround USD 58 per barrel in March with an annual average of USD 64.90 per barrel in 2018. Most forecasters predict an increase in oil demand of approximately 1.5 million barrels per day for 2019 and further increases in 2020. OPEC cutbacks have been maintained close to planned quotas and is keeping worldwide daily production more closely in balance with demand. However, price volatility in 2019 may continue with geopolitical uncertainty which dampens market appetite for higher capital expenditure (CAPEX) investments in deepwater exploration and production.

Since 2014, offshore operators have cut costs, implemented efficiency improvements, and have re-evaluated the way they design and execute offshore projects. Since deepwater projects compete against shale opportunities for corporate and external capital expenditure funds, offshore developers have been forced to drive breakeven costs down for new offshore infrastructure. Some have succeeded in driving these down in some cases to USD 25 or to USD 40 per barrel range. This allows for sanctioning of new offshore projects, especially subsea tie- backs to existing production hubs. The latter not only offers lower costs, but also shorter cycle time and higher returns on investment for the operator. However, most new field developments requiring installation of new infrastructure will struggle to compete at these levels.

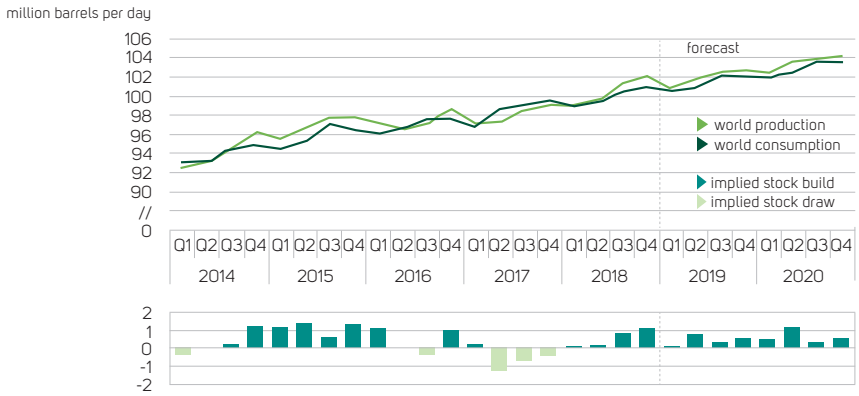
Over 200 offshore developments utilizing floating production systems are in the planning process

Offshore oil and gas production remains an important component of total daily worldwide energy output at approximately 30% and will continue to be a vital component of future supply. When oil prices were depressed from 2014 to and including 2016, floating production system (FPS) contract awards were down substantially, tracking the price of oil.

With the gradual oil price increases of the last two years, awards have been up in 2017 and 2018 with 21 and 23 units ordered respectively. In the Gulf of Mexico, one semi-submersible unit and one Floating Production Storage and Offload (FPSO) vessel were awarded in 2018. Worldwide contract awards included nine FPSOs plus 11 LNG and other categories in terms of production units.

Deepwater reserves remain an important source of development and monetization by resource owners to supersede the natural decline of existing production. Over 200 offshore developments utilizing floating production systems are in the planning process with approximately two- thirds reaching Final Investment Decision (FID) in the next five or six years. To support these new projects, development drilling should see increases in the rig count, although offshore operator exploration activity may proceed with at a more conservative pace. Drilling contractors continue to reduce the offshore fleet by scrapping and selling less competitive as well as older rigs to non- drilling applications.

WORLD LIQUID FUELS PRODUCTION AND CONSUMPTION BALANCE



Source: Short-Term Energy Outlook, February 2019

DVO

With its main office located near Paris, France, DV Offshore (DVO) is an independent firm of consulting engineers specialised in all the technical aspects of marine engineering and operations since 45 years.

DVO has acted as consulting engineers in industrial maritime projects for oil majors, port authorities, governmental institutions and companies involved in the oil and gas industry, with recognized expertise in mooring, engineering and installation management. DVO has advised and participated in projects involving Open Sea Terminals (Single Point Mooring, Conventional Buoy Mooring), Port Terminals, FSO & FPSO, Pipelines, Subsea as well as Marine operations. The past year has seen no real recovery for the E&P business for the fourth consecutive year and DVO has suffered due to a lack of projects by its clients. 2019 looks to be a transition year as some projects should start in 2020-2021.

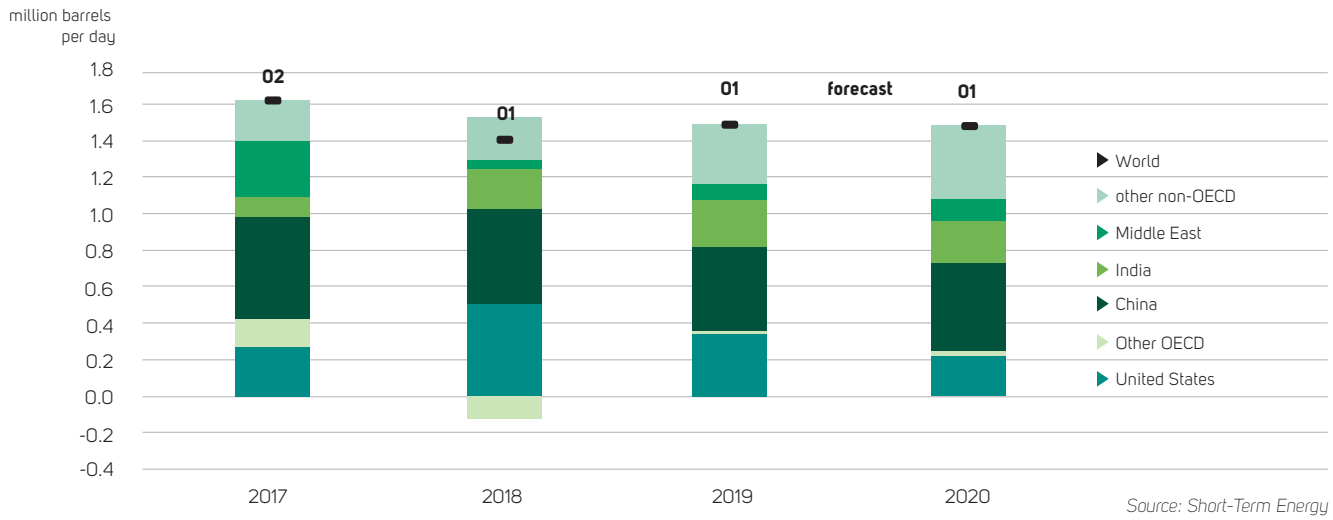
BEXCO

BEXCO designs, engineers, manufactures and supplies high-quality, made-to-measure synthetic fiber rope solutions for marine and offshore applications.

In 2018, BEXCO has been manufacturing DeepRope segments of over 1,000 meters at its two production sites as part of its contract with an oil major for installation in the Gulf of Mexico which was awarded in late 2017. During 2018, the offshore market for deep-water mooring rope picked up further as new exploration projects reached final investment decision (FID). Of these BEXCO tendered for and won several projects in Europe, China and Africa for production in 2019 and 2020.

BEXCO also grew its share in the offshore heavy lift segment in 2018 with its low-weight, high performance slings and retained its position as a principal supplier of specialized offshore single point mooring rope. In the marine market, BEXCO was able to develop specific fiber rope solutions for gas tanker and cruise vessel owner-operators. It has also consolidated its High Modulus PolyEtheylene (HMPE) range for a variety of marine applications and sees growth potential for these products in 2019.

ANNUAL CHANGE IN WORLD LIQUID FUELS CONSUMPTION



Source: Short-Term Energy Outlook, February 2019

ENGINEERING AND DESIGN

The first half of 2018 was a very slow period of activity for engineering and design work at EXMAR Offshore's Houston-based operation. In the second half of the year, EXMAR Offshore signed a contract to provide the detailed engineering for the recently sanctioned OPTI® based production semisubmersible which resulted in significant engineering work for the Houston team. This work will continue into 2019.

EXMAR Offshore further broadened its capabilities in floating production design with process engineering expertise. These capabilities provided support for EXMAR's LNG infrastructure projects involving the TANGO FLNG and FSRU S188 Barges, as well as on behalf of third parties. The OPTI® semisubmersible detailed engineering and LNG contract awards resulted in EXMAR Offshore operating at capacity in the second half of 2018 and this work will continue into 2019.

HIGHLIGHTS FOR 2018 AND OUTLOOK FOR 2019

OPTI® SERIES FLOATING PRODUCTION SYSTEMS

Despite the volatility of oil prices, one operator has executed a contract for the construction of an OPTI® floating production semisubmersible for deployment in the Gulf of Mexico. This new order is a significant achievement for EXMAR at time when only a handful of projects have been sanctioned in recent years. This unit will be similar to EXMAR's OPTI® design on the DELTA HOUSE development and EXMAR has received a license fee for this new OPTI® Series hull at the end of 2018. This will be the third production system to be installed in the Gulf of Mexico based on EXMAR's proprietary design.

Additionally, EXMAR continues to perform early conceptual design work for a number of potential developments in the Gulf of Mexico based on the highly successful OPTI®- Series semisubmersible design. EXMAR's proven OPTI® based floating production system offers operators a lower cost option to produce deepwater fields and enables a shorter project development cycle time.

ACCOMMODATION BARGES

EXMAR accommodation units serve the need for offshore workers who perform operations and maintenance of existing offshore projects required to sustain the Offshore oil and gas production's share in daily worldwide output. After three years of reduced maintenance programmes and scarcely any new developments, oil companies began sanctioning new projects and revitalizing much needed maintenance activities during 2018 in order to maintain or increase production levels. As a consequence, the market showed signs of a slow rebound in terms of unit utilization and hire rates during the fourth quarter of 2018. This trend is expected to continue from 2019 onwards.

Despite a tough market with a large number of units employed and several in lay-up, EXMAR Offshore's accommodation and work barges outperformed the competition, having been fully employed throughout 2018.

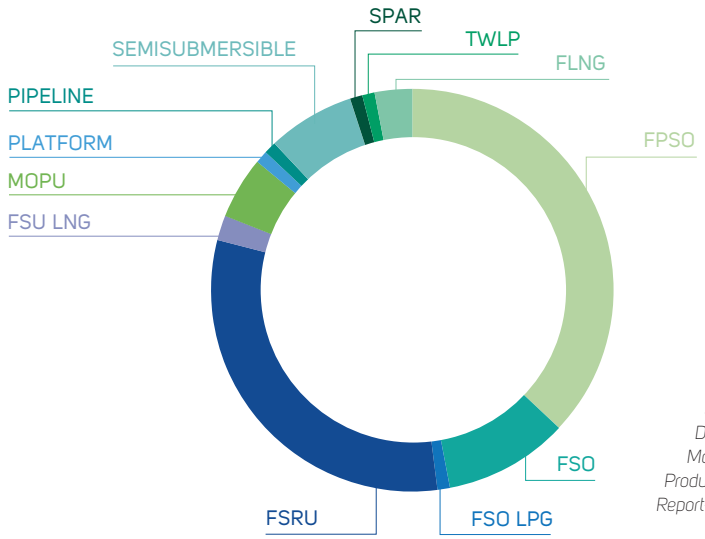
In 2017, the NUNCE accomodation and work barge was extended from 2019 to 2022 with SONANGOL P&P Angola. The unit did not experience any downtime in 2018 and is expected to continue its solid performance during 2019 and beyond.

The WARIBOKO accommodation and work barge continues to be employed by TOTAL E&P offshore Nigeria and is expected to secure future employment in the region. Last year, despite a small rebound in the market, a large portion of the West African (WAF) accommodation barge fleet remained in lay up. However, given the increase in activities observed during the last quarter of 2018, this situation is set to change with hire rates expected to rise as demand strengthens and also given that the number of units available is less than it was at its peak in 2014 due to barges leaving the region and being scrapped.

FLOATING PRODUCTION STORAGE AND OFFLOADING VESSELS (FPSOs)

EXMAR was invited to participate in the FPSO BUZIOS 5 tender to be submitted in early 2018 which resulted in EXMAR being declared lowest price bidder in early July 2018. Due to delays with finalizing commitments from key partners for financing of the project, Petrobras initiated exclusive negotiations with the second place bidder in early 2019 without penalty to EXMAR.

WORLD MARKET PROSPECTS BY REGION-NEXT 18-36 MONTHS



Source: As per December 2018 Monthly Floating Production Systems Report-World Energy Reports

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.

EXMAR SHIP MANAGEMENT

Initially, third party ship management companies served the sole function as a vessel operating alternative for ship owners needing to reduce overheads at a time when freight markets were depressed.

Nowadays a significant number of ship management companies are repositioning themselves as service providers with specific expertise, eliminating the need for ship owners to build up in-depth knowledge in specific areas of vessel operations.

EXMAR Ship Management specializes in expertise-based niche segments such as managing floating storage, regasification and liquefaction marine infrastructure, LNG and LPG tankers, refrigerated liquid bulk tankers, oceanographic vessels and offshore accommodation barges.

Owners vary from venture capital companies to citrus producers, commodity traders and oil and gas majors, with 16 different vessel types under management.

PROPORTIONATE CONSOLIDATION (IN MILLION USD)	Total per 31/12/2018	Total per 31/12/2017
Turnover	39.4	47.5
EBITDA	-1.0	27.7
REBITDA (*)	-1.0	1.0
Operating result (EBIT)	-2.1	25.5
Consolidated result after tax	19.4	25.9
Vessels (including vessels under construction)	0.0	0.0
Financial debts	133.0	136.7

(*) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations. Following items are excluded from EBITDA in 2017: sale BELGIBO (Services: USD 26,7 million).

The contribution of the supporting activities (including holding company) to the operating result (EBIT) for the full year 2018 was USD -2.1 million compared to USD 25.5 in the year 2017 (including a capital gain on the sale of Belgibo of USD 26.7 million).

EXMAR SHIP MANAGEMENT AS ENVIRONMENTAL AND LEGISLATIVE EXPERT IN THE GAS NICHE SEGMENT

EXMAR has become an expert in retrofitting gas tankers with new ballast water treatment systems (BWTS). LNG carriers and FSRUs must be able to sail anywhere anytime, so EXMAR Ship Management needs to ensure owners comply with the new BWTS regulations. However, the choice of a system is a complex and challenging task – requiring substantial subject matter expertise. Vessels such as LNG carriers have large ballast capacities so the challenge emerges in terms of the significant power needed by those systems and the very limited number of systems on the market approved by the authorities.

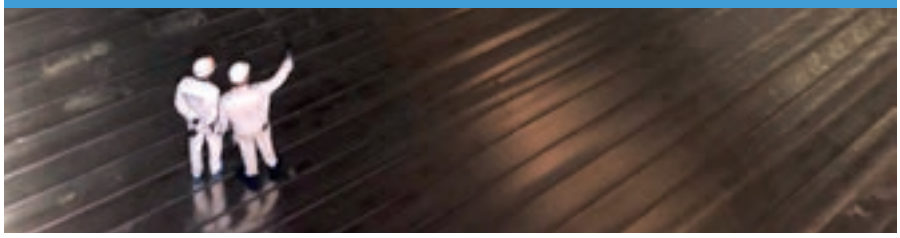
HIGHLIGHTS FOR 2018 AND OUTLOOK FOR 2019

Within the specialized floating asset market EXMAR Ship Management expanded its fleet with MGC KAPELLEN, MGC KOKSIJDE, MGC WEPION, Juice Carrier CITRUS VITA BRASIL, MPSV GEO OCEAN III, and FSO NKOSSA II. In addition, Trafigura, one of the world's leading independent commodity trading and logistics companies, awarded an important tender to EXMAR Ship Management. EXMAR Ship Management will manage their four newbuild VLGCs which are currently under construction in South Korea and are scheduled for delivery between the second and fourth quarters of 2019.

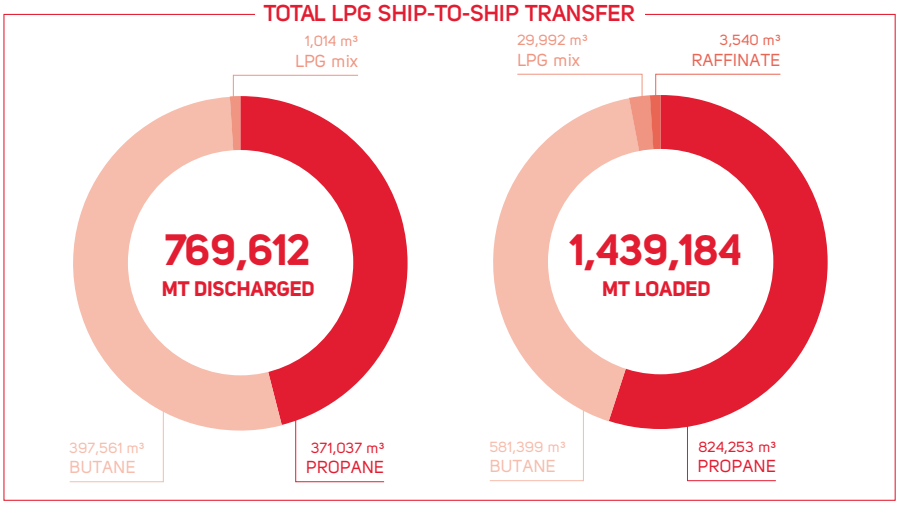
In addition, EXMAR Ship Management expanded its global footprint by establishing company representation with an office in Kingston, Jamaica. EXMAR Ship Management plans to expand its activities in the crewing business whilst serving its existing customer base close to where there vessels trade and operate. This office compliments the current ones already well established in Mumbai and Singapore and is a further commitment to offering a global service.

EXMAR SHIP MANAGEMENT TAILORING ITS SERVICES TO BECOME A PREFERRED CONVERSION EXPERT IN THE LNG NICHE SEGMENT

On 5 October 2018 the conversion team of a 138,000 m³ LNG carrier into a floating storage unit (FSU) reached a milestone with the cutting of the first steel plate for the 'sponson' structure – the start of processing about 680 tons of steel. The sponson will reinforce the hull to protect the vessel against ice adrift at the project location. After the conversion FSU will serve as an intermediate storage and export terminal for an onshore liquefaction plant in the Gulf of Finland. This location experiences extreme temperatures both during the winter and summer seasons. The vessel required full winterization assessments for operational equipment against ice formation as well as to perform ship-to-ship LNG transfers in frozen conditions. EXMAR already has extensive experience in LNG transfers and regasification operations in extreme heat and humidity having managed operations in Dubai, Abu Dhabi and Port Qasim for a number of years now.

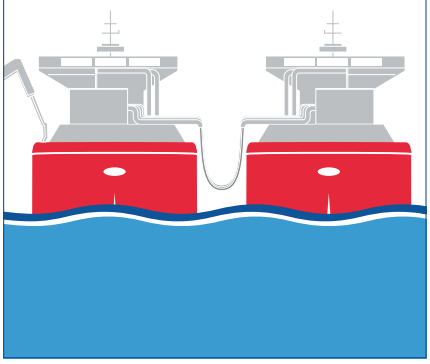


TOTAL LPG SHIP-TO-SHIP TRANSFER



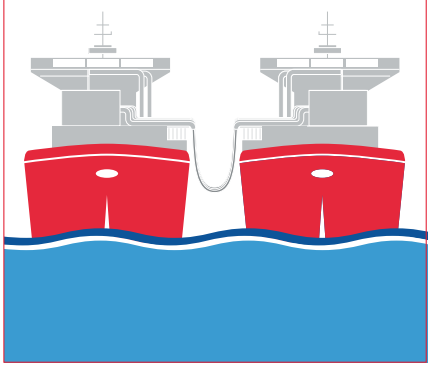
LNG SHIP-TO-SHIP TRANSFERS

175 TRANSFERS OF 22,177,500.6 M³ OF LNG IN 2018



LPG SHIP-TO-SHIP TRANSFERS IN 2018

195 CARO TRANSFERS



EXMAR Ship Management and its partners have managed the safe execution of 1,491 ship-to-ship transfers of over 168.5 million cubic metres (m³) of LNG over a 12 year period since August 2006.*

** As of February 2019*

LPG FLEET UNDER MANAGEMENT

- 20 Midsize LPG Carrier
- 1 FLNG (barge-based)
- 2 FSU (vessel-based)
- 1 Semi-ref.
- 5 Fully Pressurized LPG Carrier
- 1 LNG Carrier
- 5 Liquid tankers
- 7 VLGC
- 1 FSRU (barge-based)
- 1 LNG Bunkering vessel *
- 3 Bulk carriers

LNG FLEET UNDER MANAGEMENT

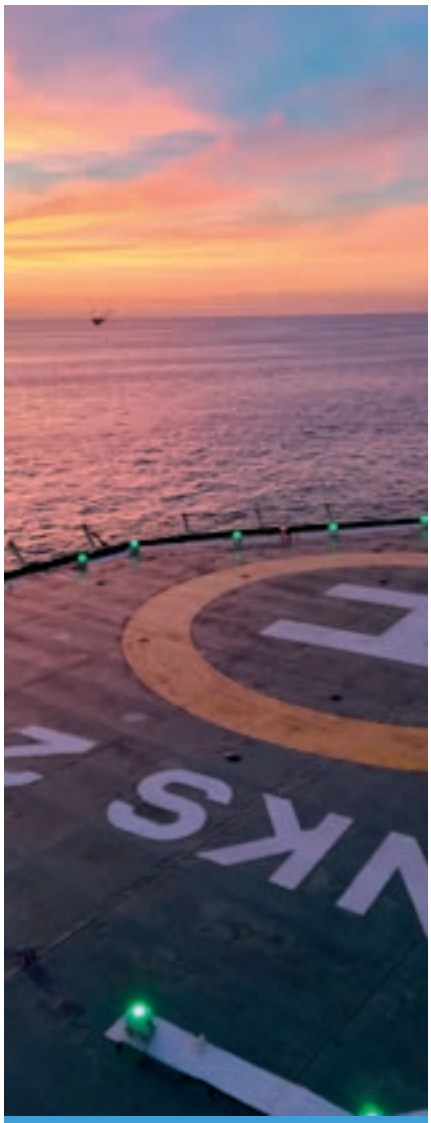
- 9 FSRU (vessel-based)
- 2 Accomm. Barges
- 4 Luxury motor and sailing yachts

ADDITIONAL FLEET UNDER MANAGEMENT

- 1 FSO
- 1 Multipurpose supply vessel

TOTAL: 64

* Crew management



FSO NKOSSA II – THE LATEST ADDITION TO EXMAR SHIP MANAGEMENT'S FLEET LIST

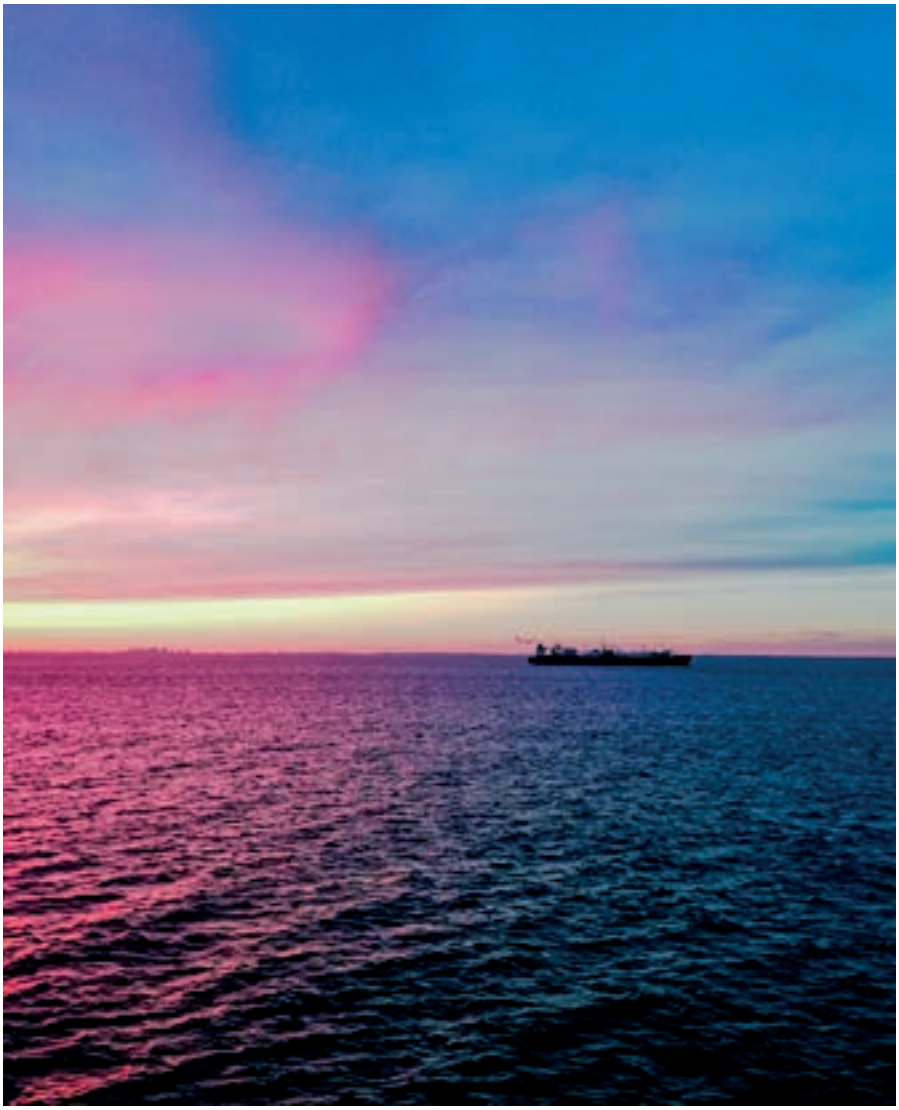
EXMAR Ship Management was awarded technical management for the Floating Storage and Offloading (FSO) LPG unit NKOSSA II (owned by TOTAL E&P Congo). EXMAR Ship Management opened a local shore base organization in Pointe Noire to cater for the technical, logistical and operational requirements of the owners and took over the operation and crew management of the vessel. The operational LPG extraction from the NKOSSA field is expected to continue for 7 years.

TRAVEL PLUS

Specializing in business and leisure travel employing a total of 24 local professionals, Travel PLUS is Belgium's largest independent travel agency. Located in Antwerp, the agency distinguishes itself by providing a high level of personal care towards its business and leisure travelers, combining tailor-made itineraries with exceptional after-sales service.

A decent performance in bookings from both existing and new clients made for a healthy 2018 result which saw a year-on-year turnover growth of approximately 2%, which was split into the same 70/30 ratio between respective business and leisure segments as per the previous year.

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 2019.



03

CARE FOR TODAY, RESPECT FOR TOMMOROW

OUR BUSINESS PRINCIPLES

ENVIRONMENT AND SAFETY

PEOPLE - OUR MOST VALUABLE ASSET

CARE FOR TODAY, RESPECT FOR TOMORROW

Since its commenced activities in 2003, EXMAR has been at the forefront of innovation in the safe storage, sea transportation and regasification of liquid petroleum and natural gases. With TANGO FLNG EXMAR also now leads the way in floating liquefaction of natural gas.

Sophisticated operations of this nature require specialized knowledge and expertise, with a focus on safety and environmental protection. By taking care of their work today with respect for tomorrow, EXMAR staff at sea and on shore endeavor to reach beyond compliance.

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.

ENVIRONMENT AND SAFETY

ENVIRONMENTAL PERFORMANCE

In 2018 there were no oil spills reported from EXMAR ships nor vessels under EXMAR Ship Management. Nine cases were reported where hydraulic oil leaked on deck, mainly from winches and deck machinery installations. Each of these cases was formally investigated, with corrective and preventive actions taken.

The Energy Efficiency Operational Indicator (EEOI) is a monitoring tool for managing ship and fleet efficiency performance over time. The average EEOI value for EXMAR's LPG fleet was 39.16 in 2018. This figure is dependent on a number of operational factors, and varies over time and across the different LPG vessel categories (VLGC, Midsize, and (semi) Pressurized).

Therefore, analytics are recorded within those sub-fleets as well as on vessel level by the EXMAR Technical team to measure the impact of concrete actions on improving energy efficiency.

80% of the sea staff is trained in energy efficiency which includes more efficient use of consumables and better anticipation to the weather circumstances.

No reports were received on the non-compliance of shore reception facilities.

COURCHEVILLE

The LPG tanker COURCHEVILLE, built in 1989 at the Boelwerf in Temse (Belgium), was recycled at the Baijnath Melaram shipyard in Alang during a period of 22 weeks from January till August 2018.

However, the process leading towards this recycling started more than a year beforehand. Early 2017, EXMAR started looking into the different possibilities to recycle this vessel. EXMAR went through an in depth selection process of cash buyers and yards in India the trading area of this vessel since 2013 to ensure the green recycling of the vessel.

Several partners were contacted for their expertise advice. In total ten plots at the Alang Ship Breaking Yard were shortlisted and visited by an audit team to check compliance with the Hong Kong convention for the safe and environmentally sound recycling of ships and the EU Ship Recycling Regulation. Only then was the Baijnath Melaram shipyard selected, which has meanwhile also been selected for further review by the EU towards obtaining the European Union Ship Recycling Regulations Certificate (EUSRR).

During the recycling process there was close contact with the yard and weekly reports were drawn up.

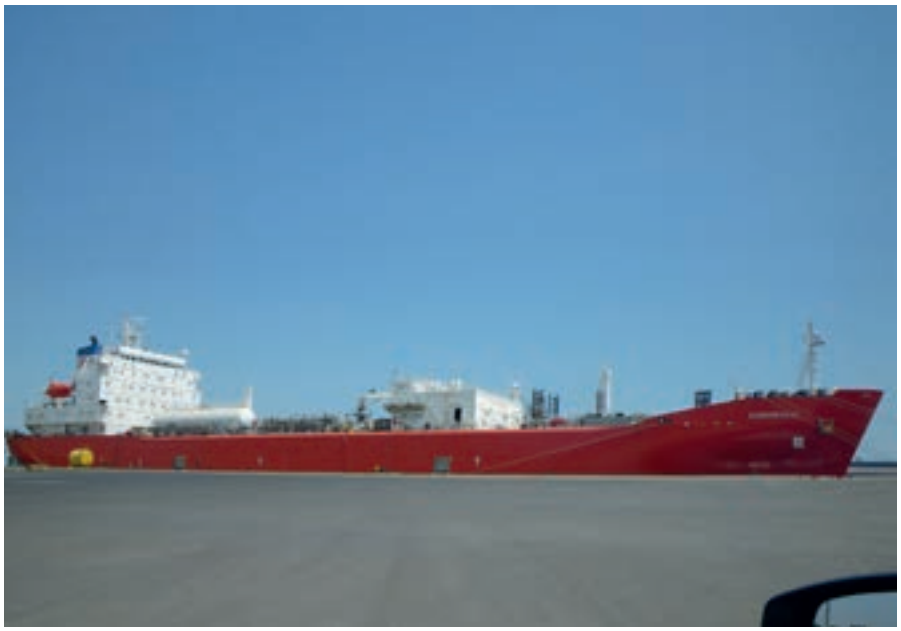
EXMAR undertook careful and thorough due diligence to ensure that the recycling of the COURCHEVILLE was undertaken in the most environmentally friendly way possible and to the highest health and safety standards and conditions.

COMPLIANCE DEVELOPMENTS IN 2018

Additional energy efficiency key performance indicators (KPI) were developed alongside other industry peers. Through EXMAR Ship Management's membership of Intertanko, EXMAR takes a leading role in helping to fine tune and improve the existing industry's energy efficiency KPIs.

The EU MRV (Monitoring, Reporting, Verification) regulation entered into force on 1 July 2015, requiring ship owners and operators to annually monitor, report and verify CO2 emissions for vessels larger than 5,000 gross tonnage (GT) calling at any EU and EFTA (Norway and Iceland) port. In response to this legislation, data collection on a per voyage basis commenced on 1 January 2018. During 2019, the data will be submitted to the authorities in line with regulations. To minimize increased administrative workload, specific software solutions are being implemented which will also help improve energy management further.`

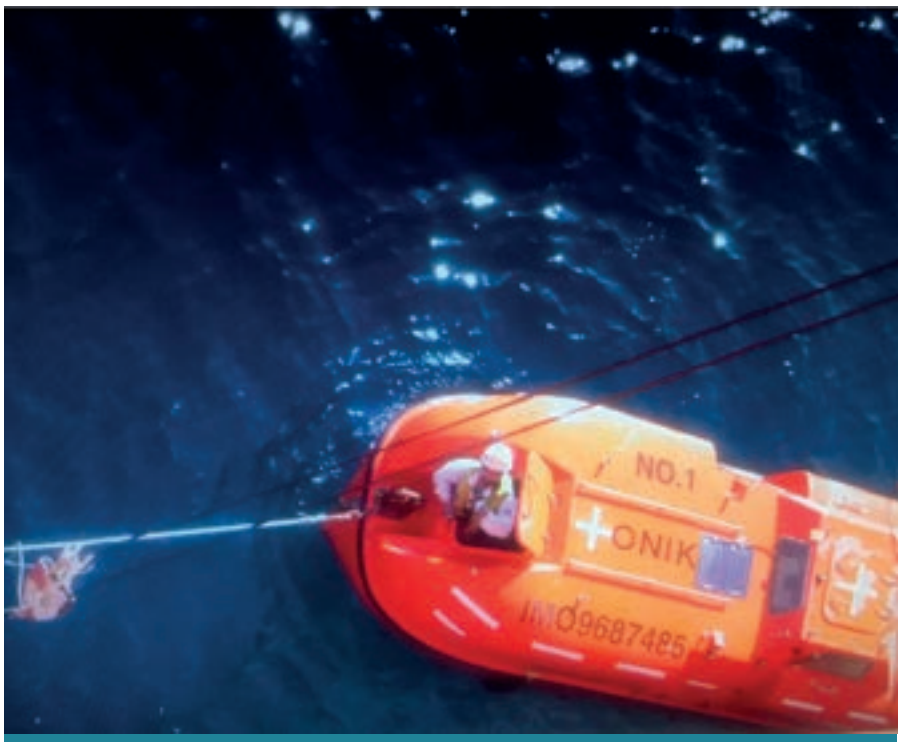
MARPOL Annex 5 was revised under the IMO MEPC 70 and came into effect on 1 March 2018. The main change included an additional category for electrical waste in the garbage record book as well as cargo residue environmental impact measurement. These amendments were well covered in the safety management system and correctly applied on board.



SAFETY PERFORMANCE

Across the EXMAR Ship Management fleet (which incorporate vessels owned outside the Group), the number of Lost Time Injury Frequency Rate (LTIF) in 2018 slightly increased to 1.47 per million working hours. However, performance varied by ship type. For example, the EXMAR-owned LPG fleet – which is the largest in management- reached a record low of 0.52 lost time injuries per million working hours.

Injuries to personnel –however minor in nature - remain a continuous concern and are given a high level of focus. 41 vessels were visited by members of the senior management in 2018.



SAFETY BEHAVIOR IMPROVEMENT PROGRAMME – TAKING THE SAFETY LEAD

Since 2014, EXMAR Ship Management has engaged in a behavioural safety programme for its sea and shore staff. Taking the SAFETY LEAD has been integrated in the organization with the implementation of the Safety Vision through training and best practice sharing, a review of the evaluation system and the implementation of robust hazard identification. In the course of 2018, the focus was on strengthening these cornerstones through a full review of the operational risk assessment library, the development of a control of work programme in line with the UK HSE Guidelines and improving the efficiency of on- board visits. This will be continued in 2019.

TAKING THE SAFETY LEAD

SAFETY TRAINING

The safety mind set and safety leadership courses are still on-going. Below an overview of the total crew trained within the 'Taking the Safety Lead' project* up till November 2018.

TAKING THE SAFETY LEAD PROJECT	Total crew	TTSL trained	Percentage
Active Crew **that followed TTSL training**	1,976	1,300	66%
Senior LPG staff **(Safety Leadership Course)**	275	181	66%
Senior LNG staff **(Safety Leadership Course)**	156	116	74%
Junior LPG and ratings **(Safety Mindset Course)**	456	312	68%
Junior LNG and ratings **(Safety Mindset Course)**	244	163	67%
Junior and ratings **without crew pool (Safety Mindset Course)**	845	528	62%

**Includes sea staff in the ESM crew pool. TTSL training up to and including November 2018.*

SAFETY MANAGEMENT SYSTEM

Internal and External Audits are systematically recorded and followed up with corrective and long term actions. The management review is responsible for monitoring audit frequency in line with internal and external obligations. Five internal audits were found overdue in 2018 but they were performed in the first port after the due date. The system of navigational audits was expanded to remote navigational audits which make use of the on-board recording equipment. The results of these will be used on a fleet- wide basis to improve the navigational performance of the fleet.

The role out of the new ERP is ongoing in the fleet and presently five vessels are equipped with this system, including the safety management system.

PEOPLE – OUR MOST VALUABLE ASSET

HUMAN RIGHTS

Out of 64 Port State Control inspections, one was related to the Maritime Labour Convention. In the course of February 2018, .a letter was sent to all major suppliers and partners informing them of our sustainable supplier policy, summing up our business principles.

JOINTLY TACKLING THE CHALLENGE OF TRAFFIC ASHORE IN ANTWERP

Major road and infrastructure works in the city centre of Antwerp and closing down the car park in front of the office have impacted HQ accessibility.

To avoid time loss on the daily commute, EXMAR Ship Management opened satellite offices in Zandhoven and Elversele for commuters from the East and the West of Antwerp.

Employees in the Antwerp office can lease a bicycle on a cash-for-bicycle principle. Bicycle leasing is available for a wide variety of types. Since EXMAR Group broadened its mobility solutions for commuters with bicycle leasing, the very diverse 'EXMAR cycling community' has been steadily growing.

"Whether coming on common bicycles, mountain bikes, city and foldable bicycles or flashy e-bicycles and speedelecs, we encourage all pedaling colleagues who burn calories instead of fuel!"

PERSONNEL RETENTION AND DEVELOPMENT

The Crew Experience Matrix is a tool to ensure that the fleet is manned with sufficiently experienced staff in terms of experience on tankers, in the Company and in their function. There have been no internal or external audit remarks on crew matrix issues in 2018.

The two-year based retention rate was 86% for shore staff, 95% for the officers in the fleet and 90% for the ratings. These figures are stable over the years.

94% of the crewmembers of EXMAR's LPG fleet have followed the training in accordance with the internal training matrix. For the whole fleet, 6.18% of the total wage cost was invested in training. Crew conferences were held in 2018 in Antwerp, Buenos Aires, Brussels, Mumbai, Odessa and Split with diverse crews from different nations attending. There are now 58 different nationalities of seafarers (see Page 10) serving on board the vessels of the EXMAR Ship Management fleet of 16 different vessel and barge types.

To further nurture and develop talent onshore, EXMAR senior staff regularly lecture at Maritime Academies, Universities and other education establishments. EXMAR is a regular participant at the Open Day of the Antwerp Maritime Academy, with EXMAR Ship Management offering cadets onboard experience on an annual basis. Many of the cadets recruited have ended up joining the fleet. Similarly close collaboration with both crewing agencies and maritime education institutions in Jamaica (Caribbean Maritime University), the Philippines (MAPUA school and PHILCAMSAT training center) have resulted in the recruitment of graduates to the EXMAR fleet.

On shore, at the EXMAR headquarters, gender diversity is apparent, with a total of 101 female and 99 male employees working at one of the companies belonging to the EXMAR Group (see Page 10). Staff are supported to develop their skillsets further, with many having been sponsored for Masters Degree studies, Six Sigma training and management courses.

EXMAR RUNNERS PLAY THEIR PART IN BELGIUM'S "WARMEST WEEK"

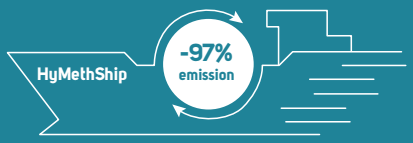
In December 2018, over 40 EXMAR colleagues participated in a special run in Antwerp organized for Belgium's national Christmas charity appeal "De Warmste Week" (the Warmest Week) with a total of close to 17.3 million euro raised for nearly 2,000 organisations. In cold and blustery weather, the team crossed the river Scheldt to Sint-Anna Linkeroever in the afternoon and in a few hours completed 117 laps together over 363km, raising over EUR 4,000 for charity. The money was distributed to several charity organizations chosen by the participants.

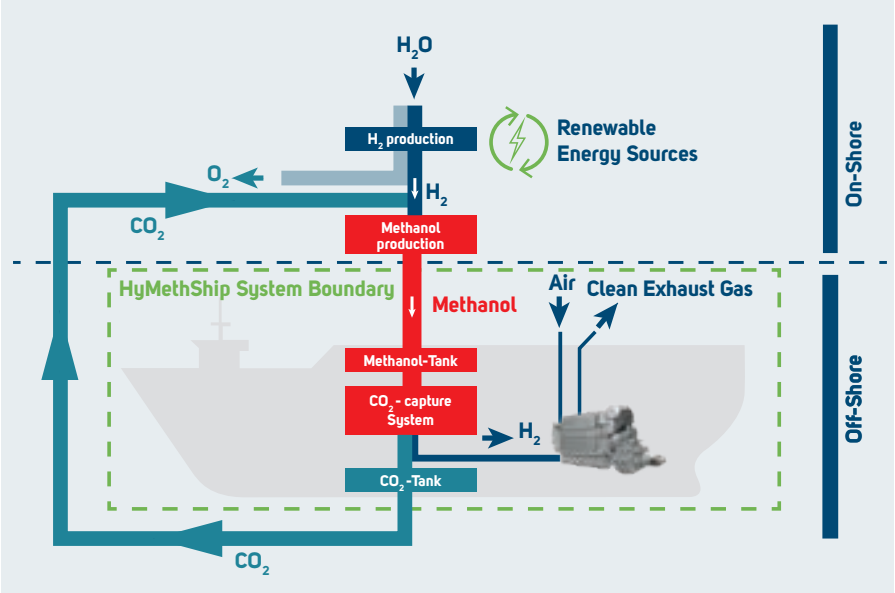
SUPPORTING THE ZACHTEKRACHT SAILING INITIATIVE

EXMAR has been sponsor to the Belgian Nieuwpoort-based charity "Zachtekracht" ("Soft Power") for a number of years, offering personnel as well as financial support for its initiative which sails with young people from facilities active in the Youth Aid and Multi-functional Centers. Youngsters between the ages of 12 and 21 years old are encouraged to learn to sail, to relax, collaborate, communicate, take responsibility and build on self-confidence.

EXMAR TECHNICAL RESEARCHES NEW LOW EMISSION PROPULSION SYSTEM – HYMETHSHIP

As mentioned in last year's Report, EXMAR Technical has been working on this EU Horizon 2020 funded project together with 13 other European companies led by an Austrian University to develop a Hydrogen Methanol Ship propulsion system using onboard pre-combustion carbon capture (HyMethShip). In July 2018, the first part of the grant was received enabling the different parties to start the actual work for the design and testing of the demonstrator. EXMAR is using all its knowhow in ship design and operations to lead the design and development of the CO_2 and methanol storage system as well as advising many of the 11 workstreams targeting 44 deliverables which will culminate in a prototype engine.





YOUNGSHIP BELGIUM

YoungShip Worldwide was established in 2004 in Norway and has developed over the years into a global professional non-profit organization for people aged below 35 working within the maritime industry.

EXMAR sponsors YoungShip Belgium, founded in 2017. There are 150 members, 22 of which are EXMAR young people, which shows the need of such an organization in the Belgian maritime community. The main aim is to provide an efficient platform for members to build a broad industry understanding and to develop a strong and mutually beneficial network. The group organizes seminars and workshops with innovation at the forefront, as well as workshops, social events, company and vessel visits.

04

FINANCIAL REPORT

CORPORATE GOVERNANCE STATEMENT

ANNUAL REPORT BOARD OF DIRECTORS

CONSOLIDATED FINANCIAL STATEMENTS

STATUTORY FINANCIAL STATEMENTS

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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 Company Code 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 96 §2, 1° of the Belgian Companies Code, 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 the most recent version of the Belgian Corporate Governance Code.

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

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

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

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

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

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

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

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 Belgian Companies Code, the reference value of the capital is set at EUR 72,777,924.85.

No changes in capital occurred during the course of 2018.

1.4 AUTHORIZED CAPITAL

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

By decision of the Extraordinary General Meeting of Shareholders held on 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 Companies Code. The special report of the Board of Directors was drawn up in accordance with the provisions of Section 604 of the Belgian Companies Code.

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

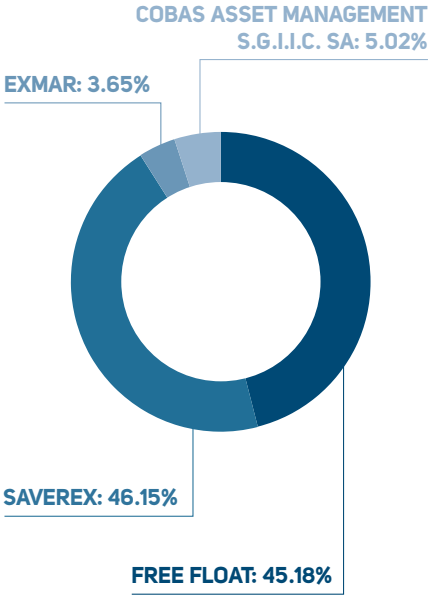
1.6 PURCHASE OF OWN SHARES

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 28 March 2019 amounted to 3.65%, which represents 2,171,750 shares.

1.7 SHARES AND SHAREHOLDERS

Shareholding as per 28 March 2019:



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

During the course of 2018 and till the date of this report, EXMAR NV received one notification in the context of the Transparency Act of 2 May 2007.

The latest notification received by the Company as notified to the FSMA is as follows:

- 2 July 2018: EXMAR NV announced that Cobas Asset Management S.G.I.I.C. SA crossed a threshold of 5% due to an acquisition of shares.

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 2018, 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

Currently, the Board of Directors consists of 10 members, all 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.

Functions and terms of office of the Directors on the Board per 31 December 2018:

Name – Function	Beginning of mandate	Last renewal	End of mandate	Number of attended meetings
BOARD OF DIRECTORS				
BARON PHILIPPE BODSON • Chairman Board of Directors • Non-executive director • Member Audit Committee • Chairman Nomination- and Remuneration Committee	20 June 2003	15 May 2018	2021	6/6
NICOLAS SAVERYS • Executive director • Chief Executive Officer (CEO)	20 June 2003	15 May 2018	2021	6/6
KATHLEEN EISBRENNER • Independent director within the meaning of Article 526ter of the Company Code and provision 2.3 of Code 2009	15 May 2018		2021	2/3
JENS ISMAR • Independent director until 21 May 2019 within the meaning of Article 526ter of the Company Code and provision 2.3 of Code 2009 • Member Audit Committee • Member Nomination- and Remuneration Committee	18 May 2010	17 May 2016	2019	6/6
MICHEL DELBAERE • Independent director within the meaning of Article 526ter of the Company Code and provision 2.3 of Code 2009 • Member Nomination- and Remuneration Committee	17 May 2016		2019	6/6
JALCOS NV REPRESENTED BY LUDWIG CRIEL • Non-executive director • Chairman Audit Committee	16 May 2017		2020	6/6
ARIANE SAVERYS • Non-executive director	15 May 2012	15 May 2018	2021	6/6
PAULINE SAVERYS • Non-executive director	15 May 2012	15 May 2018	2021	6/6
BARON PHILIPPE VLERICK • Non-executive director • Member Audit Committee	20 June 2003	16 May 2017	2020	5/6
BARBARA SAVERYS • Non-executive director	19 May 2015	15 May 2018	2021	6/6

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 Companies Code 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 2018 the Board held six meetings; all the meetings were held under the chairmanship of Mr. Bodson. Each in the presence of all members, except at the following meetings:

- 29 March 2018, where Mr. Michel Delbaere and Baron Philippe Vlerick were represented by proxy;
- 19 April 2018, where Ms. Pauline Saverys was represented by proxy;
- 15 May 2018, where Ms. Pauline Saverys, Mr. Patrick De Brabandere and Jalcos NV (represented by Mr. Ludwig Criel) were represented by proxy;
- 6 December 2018, where Baron Philippe Vlerick and Ms. Kathleen Eisbrenner were excused.

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:
- Employment TANGO FLNG
- Financing FSRU barge
- Participation FPSO Buzios 5
- Financing assets and investments

2.2 AUDIT COMMITTEE

2.2.1 COMPOSITION

The Audit Committee is founded by the Board of Directors.

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

Mr. Jens Ismar is independent until 21 May 2019. After this period of time, he will exceed his three mandates of independency. The Board of Directors will take the necessary measures.

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 2018, four 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:
- Recommendations to the Board of Directors in relation to re-appointments of directors
- Compliance and Risks

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 Section 526quater of the Belgian Companies Code:

- 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 2018 and reports to the Board of Directors.

Mr. Jens Ismar is an independent director until the General Meeting of 21 May 2019. Subsequently, the compositions of the Committee will no longer be in conformity with the law as the majority of the members should be independent. the Board of Directors will take the necessary measures.

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 2019
- Draft the remuneration report

With respect to the nominations, the following items were discussed:
- Composition of the Board of Directors
- Gender diversity

2.4 EXECUTIVE COMMITTEE – CEO

2.4.1 COMPOSITION AS PER 31 DECEMBER 2018

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

NICOLAS SAVERYS
- Executive director
- Chief Executive Officer (CEO)

PATRICK DE BRABANDERE
- Chief Operating Officer (COO)

MIGUEL DE POTTER
- Chief Financial Officer (CFO)

PIERRE DINCQ
- Managing Director Shipping

JONATHAN RAES
- Managing Director LNG 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, 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 ten 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.

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 may result 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, COO, Compliance officer, appointed on the recommendation of the Audit Committee, by the Board of Directors on 25 March 2015 with effect from 1 July 2015.

He is responsible for the implementation of and the supervision on compliance with the Dealing Code and the tasks described in the Compliance Model as member of the Risk Committee.

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

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

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

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

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 523 or 524ter, 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.

INTERNAL 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, FSRU's 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, FSRU's 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 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 and training program 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. Under some commercial agreements the operating expenses are paid on a pass-through basis by the charterer.
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 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.

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.
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 2018, all applicable financial covenants under the financing arrangements are complied with.
Financing to be obtained for assets under construction and existing financing arrangements to be refinanced at maturity date.	Impossibility to finance or refinance our assets under construction and our existing fleet would have a substantial impact on our financial position. The financing possibilities and the cost of financing can be volatile and dependent on the overall economic circumstances.	Financing is inherent to our activities and investments. Our management team has numerous contacts and support 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.	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 December 31 2018 it is concluded that the carrying amount of our fleet is recoverable and that all financial covenants under our financing arrangements are complied with.

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL
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 2018 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 2018
(IN EUROS)

		Fixed Remuneration	Audit Commitee Remuneration	Remuneration Committee remuneration	Total
OVERVIEW OF THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS FOR 2018					
Baron Philippe Bodson	Chairman	100,000	10,000	10,000	120,000
Nicolas Saverys	CEO	-			0
Patrick De Brabandere***	COO	-			0
Jalcos NV*	non-executive Director	50,000	20,000		70,000
Michel Delbaere	non-executive Director	50,000		10,000	60,000
Howard Gutman***	non-executive Director	18,508			18,508
Kathleen Eisbrenner**	Non-executive Director	31,492			31,492
Jens Ismar	non-executive Director	50,000	10,000	10,000	70,000
Baron Philippe Vlerick	non-executive Director	50,000	10,000		60,000
Pauline Saverys	non-executive Director	50,000			50,000
Barbara Saverys	non-executive Director	50,000			50,000
Ariane Saverys	non-executive Director	50,000			50,000
TOTAL		500,000	50,000	30,000	580,000

(*) *Represented by Ludwig Criel*
(**) *Appointed at General Meeting 15/5/2018*
(***) *Mandate until 15/5/2018*

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 520ter of the Code of Companies and waived the staggering of the payment of the variable remuneration of the members of the executive committee.
The decision on the application of this dispensation was delegated by the Shareholders' Meeting to the Board of Directors.

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

4.3 LONG TERM INCENTIVE (LTI)

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

The long-term remuneration consists of a share option plan for existing EXMAR shares.
The options can only be exercised after a period of 3 years.

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

	2018	2017	2018	2017
	CEO: Nicolas Saverys		EXCO: 6 (excl CEO)	
REMUNERATION OF THE CHAIRMAN AND THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE				
Basic salary	€ 823,205	€ 823,205	€ 2,033,153	€ 2,377,613
Variable remuneration	€ 1,100,000	€ 900,000	€ 625,000	€ 700,000
Share Options (taxable base)	€ 0	€ 0	€ 0	€ 0
Insurance Package (*)	€ 174,161	€ 214,019	€ 332,948	€ 331,363
Other benefits (**)	p.m.	p.m.	€ p.m.	p.m.
TOTAL	€ 2,097,546	€ 1,937,224	€ 2,991,101	€ 3,408,976

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

Per 31 December 2018, a provision of KEUR 397 (2017: KEUR 320) was accounted towards Mr. Nicolas Saverys as a consequence of private expenses to be recharged.

The ratio between the fixed and variable part of the remuneration for members of the Executive Committee in 2018 was as follows:

CHAIRMAN OF THE EXECUTIVE COMMITTEE (CEO)	
Basic salary	43%
Variable remuneration	57%

OTHER MEMBERS OF THE EXECUTIVE COMMITTEE	
Basic salary	76%
Variable remuneration	24%

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 2018.

SHARE OPTIONS	Outstanding as per 31/12/2017	Expired during 2018	Exercised in 2018	Granted 2018	Outstanding as per 31/12/2018
Nicolas Saverys	325,408	28,929	68,926	-	227,553
Patrick De Brabandere	198,807	21,696	20,951	-	156,160
Miguel de Potter	93,000	-	3,000	-	90,000
Pierre Dincq	119,829	10,847	-	-	108,982
David Lim	128,927	7,232	17,231	-	104,464
Marc Nuytemans	119,464	-	29,464	-	90,000
Jonathan Raes	2,500	-	-	-	2,500
	987,935	68,704	139,572	-	779,659

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 (COO)
Pierre Dincq
Marc Nuytemans
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.

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

5.5 CHANGES TO REMUNERATION POLICY

No significant changes were made to the remuneration policy in 2018.

5.6 REMUNERATION POLICY 2019-2020

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

ANNUAL REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS' MEETING

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 2018. It's drawn up in accordance with articles 96 and 119 of the Belgian Companies Code.

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 Companies Code, are addressed in the present financial statements, and also in the annual report under the Corporate Governance Statement.

This annual report should be read together with EXMAR's report on 2018.

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

SHARE CAPITAL

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

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

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

COMMENTARY ON THE FINANCIAL STATEMENTS

The statutory result for the financial year amounts to USD 10.2 million (USD 111.1 million in 2017).

Operating expenses decreased compared to 2017 with USD 1.3 million, mainly due to a decrease of a provision. The provision in respect of the PSA claim against CMB (for which EXMAR provided 39% of the estimated exposure following the partial demerger from CMB) 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.

Financial income decreased with USD 108.5 million in comparison with 2017, this is mainly due to the sale of subsidiary Belgibo (including CMC Belgibo) to JLT and the sale of joint-ventures Excelerate, Explorer and Express to Excelerate Energy in 2017.

Financial expenses decreased compared to 2017 with USD 9.2 million, mainly due to the sale of Excelerate, Explorer and Express to Excelerate Energy in 2017. The three LNG companies each owned an LNG regasification vessel. These vessels were financed via shareholder's loans from EXMAR NV and Excelerate Energy. EXMAR NV financed these shareholder's loans with bank loans.

At the end of 2018, the total assets amounted to USD 736.8 million (USD 762.7 million at the end of 2017), including USD 619.2 million financial fixed assets (USD 674 million in 2017).

Shareholder's equity amounted to USD 659.2 million at the end of 2018 (USD 649 million in 2017). The increase of USD 10.2 million is the effect of the profit of the financial year 2018 for the same amount.

Total liabilities at the end of 2018 amounted to USD 77.3 million (USD 110.9 million at the end of 2017), of which USD 77.3 million short-term debt (USD 110.9 million short-term debt at the end of 2017). The decrease in the debt can be mainly explained by decreased intercompany financing.

The 2018 statutory annual accounts show a profit of USD 10.2 million. Including the results carried forward from the previous financial years, an amount of USD 274.2 million is available for appropriation.

APPROPRIATION OF THE RESULT

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

Profit brought forward:
USD 260,335,643.17
Profit of the period:
USD 10,179,827.58
Transfer from the reserves not available for distribution:
USD 3,662,312.26
Result to be carried forward :
USD 274,177,783.01

Following this appropriation, the shareholders' equity of USD 659,229,639.35 will be composed as follows:

Capital:
USD 88,811,667.00
Issue premium:
USD 209,901,923.77
Reserves:
USD 86,338,265.57
Retained earnings:
USD 274,177,783.01

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 2018, EXMAR Group achieved a consolidated result of USD -16.1 million (USD 28 million in 2017).

Revenue increased in comparison with 2017 (USD 7.1 million). This increase can be explained by the LNG segment as a consequence of the start of the Gunvor contract for the FSRU and by increased engineering services in the Offshore segment.

The capital gain on the sales of assets amounted to USD 30.9 million and mainly relates to the sale of joint-venture Excelsior to Excelerate Energy end of January 2018.

The other operating income increased compared to 2017 with USD 6.9 million. This increase can be mainly explained by the settlement fee 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. Another explanation for the increase 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.

Operating expenses decreased compared to 2017 with USD 11.4 million, mainly as a consequence of the fees paid to Wison in respect of the CARIBBEAN FLNG in 2017. The effect of these fees has been partially compensated by increased depreciations as a consequence of the depreciations for the TANGO FLNG and the FSRU, which started during 2018.

The net finance result for 2018 amounted to USD -21 million (2017: USD -40 million). The movement can be mainly explained by the impairment loss registered on the shareholders' loan to Monteriggioni in 2017.

The share of result of equity accounted investees amounted to USD -1.6 million (USD 18.7 million in 2017). This decrease can be amongst others explained by the LNG sale to Excelerate Energy in 2017.

The vessels amounted to USD 564.4 million and comprise the LPG pressurized fleet, the CFLNG and the FSRU.

The investment in equity accounted investees amounted to USD 104.5 million (2017: USD 104.4 million) and consists of our share in the different joint ventures and associates.

Borrowings to equity accounted investees amounted to USD 49.3 million (2017: USD 58.9 million) and comprise the shareholder loans granted to our LPG and offshore equity accounted investees. The decrease compared to 2017 is amongst others caused by a partial repayment of one of the loans.

The net cash position (cash and cash equivalents reduced by overdrafts at financial institutions) on 31 December 2018 amounted to USD 39.8 million (USD 41.8 million in 2017). The restricted cash relates to credit facilities and amounted to USD 67.3 million per 31 December 2018 (USD 67.4 million in 2017).

Total equity amounted to USD 462.8 million on 31 December 2018 (2017: USD 477.5 million). This decrease in 2018 is mainly caused by the loss of 2018.

The financial debt amounted to USD 386.9 million on 31 December 2018 and increased by USD 14.2 million compared to 2017. The financial debt primarily increased as a consequence of the partial refinancing of the LPG pressurized fleet.

3. RISK FACTORS

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

4. CONTINUITY STATEMENT

In view of the fact that no accumulated loss is shown on the balance sheet and that the income statement shows no loss for the financial year for two consecutive years, there is no need to justify the application of the going-concern accounting principle in accordance with article 96 of the Companies Code.

However, the Board of directors would like to make reference to section "significant judgements and estimates" of EXMAR's financial report were the use of the going concern principle is justified.

The Company is of the opinion that, taking into account its available cash, cash equivalents (including undrawn committed credit lines and release of restricted cash under the TANGO FLNG financing) and financing and re-financing assumptions, it has sufficient liquidity to meet its present obligations and cover its working capital needs for a period of at least 12 months. The Company met all its financial covenants as at 31 December 2018.

The next testing date with respect to the financial position as at the end of June 2019 is in September 2019. In the event of a breach of covenants the Company is confident that a waiver will be obtained from the relevant lenders.
The Company is looking to refinance, partly or fully, its existing bond (approximately USD 121.4 million) which is falling due on 7 July 2019. The Company believes that there is appetite for such refinancing; however no commitments have been made. DNB Markets, Nordea and Pareto Securities have been mandated in relation to a bond issue which may follow.

5. NON-FINANCIAL INFORMATION

DESCRIPTION ACTIVITIES	STRATEGIC OBJECTIVES	GOALS	STRATEGY
Social & Personnel	Zero Injuries and Accidents	• Lost Time Injury Frequency (LTIF) of less than 0.8 per million working hours • No accidents with high severity	• Behavioural Based Safety program • Train crew on safety management • Coordinate an on-board coaching program • Demonstrate involvement of senior management to the crew on board
	Highly performing Safety Management System	• No audit remarks on the organization of the Safety Management System	• Close follow up of external and internal audit timing and results. • Coordinate the Safety Management System in both computerized management systems • Complete integration of fruit juice carriers in the existing Safety Management System
	Shore and ship personnel competences	• Full compliance with the Oil Major Crew Experience matrices • Crew and office personnel trained in mandatory and recommended trainings • Improve the number of appraisals and feedback for Senior Officers • Development and implementation of a 360° feedback tool for ship and shore based personnel	• Increased awareness on importance of crew experience matrix by crew department, Captains and manning agents • Close follow up by training department and HR department on mandatory and recommended trainings • Develop and test a 360° feedback tool, with focus on top managers (ship/shore)
Environment	Minimale impact op het milieu van onze activiteiten en optimalisatie van energy efficiency	• Zero Oil Spill • Reducing accidental gas releases during cargo operations in port. • Reducing the amount of garbage produced on board of our vessels. • Increase energy efficiency • Reducing the amounts of CO2, NOX and SOX produced •	• Improved control over hydraulics and fuel-containing equipment and piping. • Improved control over manifold valves containment. • Increase efficiency of garbage management through increased reporting of non-compliance by shore reception facilities. • Close follow up of the relevant energy efficiency KPI's per type of vessel
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 2018, EXMAR employed 2,084 people worldwide, including 1,784 seagoing staff (2017: 1,981 of which 1,691 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 607 of the Companies Code. The Board of Directors is authorised to apply these measures if the notice of a takeover bid is given by the Financial Services and Markets Authority to the company, not later than three years after the date of the abovementioned Extraordinary General Meeting.

On 31 December 2018, 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, 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.

DATE OF OFFER	NUMBER OF OUTSTANDING OPTIONS	EXERCISE PERIOD	EXERCISE PRICE IN EUROS
PLAN 3 - 15.12.2006	386.008	Tussen 01.01.2010 en 15.10.2019 (*)	15,96(°)
PLAN 4 - 04.12.2007	213.682	Tussen 01.01.2011 en 15.10.2020 (*)	14,64(°)
PLAN 8 - 03.12.2013	441.100	Tussen 01.01.2017 en 02.12.2021	10,54
PLAN 9 - 02.12.2014	377.850	Tussen 01.01.2018 en 02.12.2022	10,54
PLAN 10 - 04.12.2015	377.750	Tussen 01.01.2019 en 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.
(°) 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 statutory 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 page 68 to 77 of this financial report. More specifically, the change in accounting policies is explained in section E on page 69 of this financial report as a consequence of the first time application of IFRS 9 and 15.

EVENTS AFTER BALANCE SHEET DATE

The significant events occurred after the closing of the financial year 2018 are disclosed in note 37 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 and Livorno.

EXMAR has branches in Shanghai, Pointe Noir and Angola.

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.

EXMAR successfully closed a NOK 700 million senior unsecured bond issue in 2014 and issued an additional NOK 300 million in 2015. The bond has been amended and extended in June 2017 and has a maturity date in July 2019.

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

APPLICATION OF ARTICLE 523 OF THE CODE OF COMPANIES

During the financial year of 2018, there was no application of Article 523 of the Code of Companies.

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

OUTLOOK 2019

LPG: In March 2018 EXMAR announced it had contracted two VLGC Newbuildings at Hanjin Heavy Indus¬tries & Construction at Subic Bay (Philippines). In January 2019 Hanjin Heavy Industries & Construction filed for rehabilitation due to financial difficulties. The construction disruptions caused thereby obliged EXMAR to cancel both Shipbuilding Contracts and invoke the Refund Guarantees from Korean Development Bank to recover each of the Instalments already paid.
In order to fulfil its long-term commitments towards Equinor ASA of Norway and further dedicate its resources to innovative shipping solutions, EXMAR is currently in advanced negotiations with a shipyard to secure replacement vessels.
The Midsize market showed signs of an increasing recovery in the beginning of 2019 but quickly suffered from the lack of employment on the VLGCs. Whilst having a solid backbone of 79 % cover for 2019, the forward fixing strategy of EXMAR is paying off as those fixing are done above current market terms. EXMAR's 20-strong Midsize fleet and diverse client portfolio remains well-placed to take advantage of an improving market environment.
Continued tight spot market conditions and a limited order book maintain a solid outlook for the Pressurized vessel segment. EXMAR's fleet is entirely booked for 2019. Rewarding new prospects as well as opportunities to extend current charters are therefore expected to positively impact future earnings. The successful refinancing operation on EXMAR's Pressurized fleet will be completed in April 2019.

LNG Shipping: The debt on the **EXCALIBUR** has been successfully refinanced until the end of her time charter, guarantying a stable income in the coming years, putting EXMAR in a position to take advantage of new LNG shipping opportunities as they arise.

Floating Regasification: The **FSRU** barge, contracted to Gunvor last year is currently still at Keppel Shipyard, Singapore.

The **FSRU** is on hire as from October 2018. EXMAR has reached an agreement in principle for the financing of the FSRU barge.

Floating Liquefaction: The Tango Floating Liquefaction of Natural Gas ("TFLNG") arrived on 4 February in Bahia Blanca Argentina. The commissioning of the unit has started mid-March and EXMAR's management remains comfortable that the unit will be able to start its gas liquefaction operations in the second quarter of 2019 at which time a significant portion of the restricted cash under the financing of **TFLNG** will be released. The yearly production of about 500,000 tons LNG will account for an estimated annual EBITDA of USD 43.0 million per year with a potential upside depending on the market environment and the actual production of the unit.

Offshore: EXMAR Offshore Houston was awarded a contract for the construction of an OPTI® floating production semisubmersible for deployment in the Gulf of Mexico. This new order is a significant achievement for EXMAR at time when only a handful of projects have been sanctioned in recent years. This will be the third production system to be installed in the Gulf of Mexico based on EXMAR's proprietary design.
Additionally, EXMAR continues to perform early conceptual design work for a number of potential developments in the Gulf of Mexico based on the highly successful OPTI®- Series semisubmersible design.
The **NUNCE** accommodation work barge will remain under firm employment with Sonangol P&P, offshore Angola, until the end of the second quarter 2022. The **WARIBOKO** accommodation work barge continues to be employed by Total E&P, offshore Nigeria, and will be employed until the mid-2019.

All information which pursuant to Article 96(2) of the Companies Code 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 2018 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:

- Mr. Jens Ismar
- Mr. Michel Delbaere

The Board of Directors
28 March 2019

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(IN THOUSANDS OF USD)

	Note	31/12/2018	31/12/2017
ASSETS			
NON-CURRENT ASSETS		720,677	729,266
Vessels		564,423	563,021
Vessels	11	564,423	563,021
Vessels under construction - advance payments	11	0	0
Other property, plant and equipment	12	2,032	2,323
Intangible assets	13	405	612
Investments in equity accounted investees	14	104,490	104,416
Borrowings to equity accounted investees	16	49,328	58,894
CURRENT ASSETS		183,664	189,329
Equity accounted investee held for sale	17	0	23,004
Other investments	18	4,022	4,577
Trade and other receivables	19	72,345	50,772
Current tax assets		190	653
Derivative financial instruments	29	0	1,065
Restricted cash	21	67,270	67,434
Cash and cash equivalents	21	39,837	41,824
TOTAL ASSETS		904,341	918,595
EQUITY AND LIABILITIES			
TOTAL EQUITY		462,763	477,542
Equity attributable to owners of the Company		462,786	477,407
Share capital	22	88,812	88,812
Share premium	22	209,902	209,902
Reserves	22	179,985	150,662
Result for the period	22	-15,913	28,031
Non-controlling interest		-23	135
NON-CURRENT LIABILITIES		225,376	350,757
Borrowings	24	221,209	343,571
Employee benefits	26	4,166	4,826
Provisions	27	0	2,360
CURRENT LIABILITIES		216,203	90,296
Borrowings	24	165,657	29,136
Trade and other payables	28	48,183	60,001
Current tax liability		2,362	1,159
TOTAL LIABILITIES		441,578	441,053
TOTAL EQUITY AND LIABILITIES		904,341	918,595

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

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

	Note	01/01/2018 - 31/12/2018	01/01/2017 - 31/12/2017(*)
STATEMENT OF PROFIT OR LOSS			
Revenue	4	87,699	80,650(*)
Gain on disposal	4	30,942	98,382
Other operating income	4	8,754	1,894
OPERATING INCOME		127,395	180,926
Goods and services	5	-65,975	-83,454(*)
Personnel expenses	6	-34,294	-38,277(*)
Depreciations, amortisations & impairment losses	11/12/13	-19,019	-8,004
Provisions	27	2,360	0
Loss on disposal		-1,272	-27
Other operating expenses	7	-727	-549(*)
RESULT FROM OPERATING ACTIVITIES		8,467	50,615
Interest income	8	3,043	24,096
Interest expenses	8	-21,241	-20,469
Other finance income	8	6,999	1,766
Other finance expenses	8	-9,810	-10,394
Impairment loss loan to equity accounted investee	8	0	-35,026
NET FINANCE RESULT		-21,009	-40,027
RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEES		-12,542	10,588
Share of result of equity accounted investees (net of income tax)	14	-1,603	18,717
RESULT BEFORE INCOME TAX		-14,145	29,305
Income tax expense	9	-1,925	-1,353
RESULT FOR THE PERIOD		-16,070	27,952
ATTRIBUTABLE TO:			
Non-controlling interest		-157	-79
Owners of the Company		-15,913	28,031
RESULT FOR THE PERIOD		-16,070	27,952
BASIC EARNINGS PER SHARE (IN USD)	23	-0,28	0,49
DILUTED EARNINGS PER SHARE (IN USD)	23	-0,28	0,49
STATEMENT OF COMPREHENSIVE INCOME			
RESULT FOR THE PERIOD		-16,070	27,952
ITEMS THAT ARE OR MAY BE RECLASSIFIED TO PROFIT OR LOSS			
Equity accounted investees - share in other comprehensive income	8	204	2,964
Foreign currency translation differences	8	-878	3,034
Net change in fair value of cash flow hedges - hedge accounting	8	0	191
		-674	6,189
ITEMS THAT WILL NEVER BE RECLASSIFIED TO PROFIT OR LOSS			
Employee benefits - remeasurements of defined benefit liability/asset	26	247	-535
OTHER COMPREHENSIVE INCOME FOR THE PERIOD (NET OF INCOME TAX)		-427	5,654
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-16,497	33,606
ATTRIBUTABLE TO:			
Non-controlling interest		-158	-80
Owners of the Company		-16,339	33,686
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-16,497	33,606

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

(*)As a consequence of the non-application of the agent principle on revenue and costs for one of our subsidiaries in the offshore segment, the prior period financial statements have been restated. This restatement only concerns a reclassification within the statement of profit or loss and does not have an impact on the bottom line result of the prior period. The affected captions in the consolidated statement of profit or loss have been marked with a (*). We refer to note 4 for more information in this respect.

CONSOLIDATED STATEMENT OF CASH FLOWS
(IN THOUSANDS OF USD)

	Note	01/01/2018 - 31/12/2018	01/01/2017 - 31/12/2017
OPERATING ACTIVITIES			
Result for the period		-16,070	27,952
Share of result of equity accounted investees (net of income tax)	14	1,603	-18,717
Depreciations, amortisations and impairment loss	11/12/13	19,019	8,004
Profit or loss effect equity securities measured at FVTPL	8	2,385	-705
Impairment loss loan to equity accounted investee	8/16	0	35,026
Net interest expenses/ (income)	8	18,198	-3,627
Income tax expense/ (income)	9	1,925	1,353
Net gain on sale of assets		-29,670	-98,355
Dividend income	8	-113	-107
Unrealised exchange difference	8	-5,049	3,751
Equity settled share-based payment expenses (option plan)	25	578	920
GROSS CASH FLOW FROM OPERATING ACTIVITIES		-7,194	-44,505
(Increase)/decrease of trade and other receivables		1,092	-11,657
Increase/(decrease) of trade and other payables		2,125	29,737
Increase/(decrease) in provisions and employee benefits		-2,570	-55
CASH GENERATED FROM OPERATING ACTIVITIES		-6,547	-26,480
Interest paid		-13,315	-13,393
Interest received		4,431	22,577
Income taxes paid		-226	-2,572
NET CASH FROM OPERATING ACTIVITIES		-15,657	-19,868
INVESTING ACTIVITIES			
Acquisition of vessels and vessels under construction	11	-46,732	-281,500
Acquisition of other property, plant and equipment	12	-443	-250
Acquisition of intangible assets	13	-34	-254
Proceeds from the sale of vessels and other property, plant and equipment (incl held for sale)		81	1,754
Acquisition of subsidiaries, equity accounted investees and other investments (*)		0	-788
Disposal of subsidiary and equity accounted investees, net of cash disposed of	10	44,438	61,437
Dividends received from equity accounted investees	14	2,000	4,942
Other dividens received	8	113	107
Borrowings to equity accounted investees	16	0	0
Repayments from equity accounted investees	16	4,350	328,227
NET CASH FROM INVESTING ACTIVITIES		3,773	113,675
FINANCING ACTIVITIES			
Dividends paid	22	0	0
Proceeds from treasury shares and share options exercised		1,135	1,098
Proceeds from new borrowings	24	69,584	200,019
Repayment of borrowings	24	-57,505	-294,409
Payment for banking fees/ debt transaction costs	24	-2,295	-15,868
Payment CCIRS	24	0	-32,867
Increase in restricted cash	21	0	-67,434
Decrease in restricted cash	21	164	34,891
NET CASH FROM FINANCING ACTIVITIES		11,083	-174,570
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS		-801	-80,763
RECONCILIATION OF NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Net cash and cash equivalents at 1 January		41,824	121,096
Net increase/(decrease) in cash and cash equivalents		-801	-80,763
Exchange rate fluctuations on cash and cash equivalents		-1,186	1,491
NET CASH AND CASH EQUIVALENTS AT 31 DECEMBER	21	39,837	41,824

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

(*)2017: USD -0.8 million relates to the AHLMAR / BIM acquisition.

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 2017			
OPENING EQUITY PER 1 JANUARY 2017		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	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	26		
TOTAL OTHER COMPREHENSIVE RESULT		0	0
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD		0	0
TRANSACTIONS WITH OWNERS OF THE COMPANY			
Dividends paid	22		
Share-based payments	25		
Share options exercised			
Treasury shares			
Share based payments transactions			
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY		0	0
31 DECEMBER 2017		88,812	209,902
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	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	26		
TOTAL OTHER COMPREHENSIVE RESULT		0	0
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD		0	0
TRANSACTIONS WITH OWNERS OF THE COMPANY			
Dividends paid	22		
Share-based payments	25		
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

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

Retained earnings	Reserve for treasury shares	Translation reserve	Hedging reserve	Share-based payments reserve	Total	Non-controlling interest	Total equity
192,669	-52,236	-9,777	822	11,511	441,703	215	441,918
28,031					28,031	-79	27,952
		3,035			3,035	-1	3,034
		1,076			1,076		1,076
			191		191		191
			1,888		1,888		1,888
-535					-535		-535
-535	0	4,111	2,079	0	5,655	-1	5,654
27,496	0	4,111	2,079	0	33,686	-80	33,606
					0		0
-1,792	3,750			-860	1,098		1,098
					0		0
				920	920		920
-1,792	3,750	0	0	60	2,018	0	2,018
218,373	-48,486	-5,666	2,901	11,571	477,407	135	477,542
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
			0		0		0
			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

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 31/12/2018.

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 2018.

- IFRS 9 Financial instruments
- IFRS 15 Revenue from contracts with customers

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 2018. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IFRS 2 Classification and measurement of Share-based Payment Transactions
- Amendments to IAS 40 Transfer of investment property
- Annual improvements to IFRS's 2014-2016 cycle
- Foreign currency transactions and Advance consideration (IFRIC 22)

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2018, and have not been applied in preparing these consolidated financial statements:

IFRS 16 Leasing: In January 2016, the IASB issued a new standard for lease accounting, applicable for annual periods beginning on or after January 1, 2019. The standard has been endorsed by the European Union. IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 eliminates the classification of leases as either operating or finance leases for a lessee and introduces a single lease accounting model for lessees. All leases, except leases with a term of lease less than twelve months or low-value leases, are capitalized by recognizing the present value of the lease payments and presenting them as a right of use asset in the statement of financial position of the lessee. IFRS 16 does not change substantially lease accounting for lessors. A lessor will continue to classify leases as either operational or finance lease and account for those two types of leases differently.

The Group has chosen the modified retrospective application of IFRS 16 in accordance with IFRS 16 C5 (b). Consequently, the Group will not restate the comparative information. The Group will make use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to apply to those leases entered or modified before 1 January 2019.
The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer.

The Group has investigated the impact of the application of IFRS 16 on the consolidated financial statements.

LEASES IN WHICH THE GROUP IS A LESSEE

The Group will recognize new assets and liabilities for its operating lease of vessels, office buildings and others (see note 30 of the financial annual report). The nature of expenses related to those leasing's will now change because the Group will recognize a depreciation charge for the right of use assets and interest expenses on lease liabilities.

Previously, the Group recognized operating lease expenses on a straight line basis over the term of the lease, and recognized assets and liabilities only to the extent that there was a timing difference between the actual lease payment and the expense recognized.

No significant impact is expected for the Group's finance leases.

Based on the information currently available, the Group estimates that it will recognize additional lease liabilities of USD 14.3 million as at 1 January 2019 in our equity consolidation (USD 54.1 million in our proportionate consolidation). The Group does not expect that the adoption of IFRS 16 will impact its ability to comply with the existing loan covenants.

LEASES IN WHICH THE GROUP IS A LESSOR

No significant impact is expected for leases where the Group is a lessor.

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
- Uncertainty over Income Tax Treatments (IFRIC 23).
- Long-term interest in Associates and Joint Ventures (Amendments to IAS 28).
- Annual improvements to IFRS 2015-2017 cycle
- Amendments to IAS 19: plan amendment, curtailment or settlement
- Amendments to IFRS 9 Prepayment features with negative compensation
- 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 consolidated financial statements were approved and were authorised for issue by the Board of Directors on March 28, 2019.

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).

E. CHANGES IN ACCOUNTING POLICIES

The Group has initially applied IFRS 9 and IFRS 15 from 1 January 2018.

IFRS 9 Financial Instruments published in July 2014 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial assets and financial liabilities, including a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements, which align hedge accounting more closely with risk management.

PHASE 1: CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

With respect to the classification and measurement, the number of categories of financial assets under IFRS has been reduced; all recognized financial assets that are currently within the scope of IAS 39 will be subsequently measured at either amortized cost or fair value under IFRS 9. Specially:

- A debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortized costs (net of any write down of impairment), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option.
- A debt instrument that (i) is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and (ii) has contractual terms that give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at fair value through other comprehensive income (FVTOCI), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option.
- All other debt instruments must be measured at FTPL.
- All equity instruments are to be measured in the statement of financial position at fair value, with gains and losses recognized in profit or loss except that if an equity investment is not held for trading, nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, an irrevocable election can be made at initial recognition to measure the investment at FVTOCI, with dividend income recognized in profit or loss.

IFRS 9 eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sales.

IFRS 9 also contains requirements for the classification and measurement of financial liabilities and derecognition requirements. One major difference from IAS 39 relates to the presentation of changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of that liability. Under IFRS 9, such changes are presented in other comprehensive income, unless the presentation of the effect of the change in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in fair value of the financial liability designated as FVTPL is presented in profit or loss.

The Group has applied the new requirements under IFRS 9. These new classification and measurement requirements did not have an impact on the consolidated financial statements, except for the renaming of the "Available-for-sale financial assets" to "Equity securities - measured at fair value through profit or loss (FVTPL)". On the face of the balance sheet, the former " Available-for-sale financial assets" have been presented as "Other investments". The accounting policies and disclosures have been adjusted to reflect the new terminology and requirements of IFRS 9.

PHASE 2: IMPAIRMENT OF FINANCIAL ASSETS

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary

for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

The new impairment model did not have an impact on the consolidated financial statements. As discussed in note 29 of the consolidated financial statements, no important impairment losses have occurred in the past and no important credit losses are expected by management.

PHASE 3: HEDGE ACCOUNTING

The general hedge accounting requirements of IFRS 9 retain the three types of hedge accounting mechanisms under IAS 39. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specially broadening the types of instruments that qualify as hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is no longer required.

When initially applying IFRS 9, the Group may choose as its accounting policy to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements in IFRS 9. The Group has chosen to apply the new requirements of IFRS 9.

The types of hedge accounting relationships that the Group currently designates meet the requirements of IFRS 9 and are aligned with the entity's risk management strategy and objective.

The application of IFRS 9 hedge accounting did not have an impact on the Group's consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach for revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group recognizes revenue from the following major sources:

- Time or bareboat charter revenue: revenue is recognized on an accrual basis and in recorded over the term of the charter as the service is provided. This type of revenue falls within the scope of IAS 17/ IFRS 16 Leasing (see above) and represents 44.4% of total revenue.
- Service revenue: the Group is involved in performing specialized supporting services to the oil and gas industry (this type of revenue represents 55.6% of total revenue):
  - Shipmanagement services: in accordance with IFRS 15, the performance obligations are satisfied over time as the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs (recurring services).
  - Travel agency services: in accordance with IFRS 15, the Group acts as an agent for the services provided. As a consequence, the Group recognizes revenue not on a gross basis, but only recognizes to which it expects to be entitled to.

The Group has applied the new requirements under IFRS 15, the new standard did not have an impact on the consolidated financial statements. The accounting policies and disclosures have been adjusted to reflect the new terminology and requirements of IFRS 15.

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. 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 is 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 amount of revenue to recognise is assessed based on the stage of completion of the transaction at the balance sheet date. 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 is recognised in the profit or loss statement on a straight-line basis over the term of the lease agreement.

m) Leases

Determining whether an arrangement contains a lease

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

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

Leased assets

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.

Operating lease payments

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

Finance lease payments

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

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

n) Government grants

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

o) Finance income and expenses

Finance income consists of interests received, dividend income, gains on the disposal of 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 4 reportable segments. The Group's operating segments reflect the level at which the Group's CEO and the Executive Committee review the business and make decisions about the allocation of resources and other operating matters. These segments offer different products and services and are managed separately.

- The LPG segment includes transportation of Liquid Petroleum Gas, ammonia and other petrochemical gases through the Midsize, VLGC and pressurised fleet. The LPG fleet is reported as one segment taken into account the similar characteristics of the fleet (eg nature of the products,...).
- Transportation of Liquefied Natural Gas and LNG Infrastructure activities and assets are comprised in the LNG segment.
- The activities in the offshore industry through the supply of services and equipment are allocated to the Offshore segment.
- The segment Services and corporate include 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 LNG client Excelerate Energy Llc represents 59% (98% in 2017) of the revenue of the LNG segment revenue and 7% (29% in 2017) of the EXMAR Group revenue in 2018. The remaining part of the LNG revenue is divided between 2 different customers. Major LPG client Equinor (ex-Statoil) represents 27.3% (24% in 2017) of the revenue of the LPG segment and 16% (10% in 2017) of the EXMAR Group revenue in 2018. The remaining part of the LPG revenue is divided between 22 different customers. No other customers represent more than 10% of the EXMAR group revenue in 2018.

SEGMENT REPORTING 2018

	LPG	LNG	Offshore	Supporting services	Eliminations	Total
CONSOLIDATED STATEMENT OF PROFIT OR LOSS						
Revenue third party	100,540	21,015	22,378	26,468	0	170,401
Revenue intra-segment	1,486	0	2,407	11,557	-15,450	0
Total revenue	102,026	21,015	24,785	38,025	-15,450	170,401
Revenue on property rental third party	0	0	0	1,200	0	1,200
Revenue on property rental intra-segment	0	0	0	163	-163	0
Total revenue on property rental	0	0	0	1,363	-163	1,200
Gain on disposal	932	30,906	0	26	0	31,864
Other operating income	323	4,040	3,161	1,105	0	8,629
Other operating income intra-segment	0	0	0	273	-273	0
Total other operating income	323	4,040	3,161	1,378	-273	8,629
OPERATING INCOME	103,281	55,961	27,946	40,792	-15,886	212,093
OPERATING RESULT BEFORE DEPRECIATION AND AMORTISATION CHARGES (EBITDA)	29,754	37,037	1,558	-978		67,371
Depreciations, amortisations and impairment loss	-26,606	-15,652	-1,953	-1,143		-45,354
OPERATING RESULT (EBIT)	3,148	21,385	-395	-2,121	0	22,017
Interest income (non-interco)	895	709	37	1,645		3,286
Interest income interco	417	366	366	37,024	-38,173	0
Interest expenses (non-interco)	-15,529	-8,410	-75	-11,895		-35,909
Interest expenses interco	-2,709	-32,878	-316	-2,270	38,173	0
Other finance income	498	82	126	6,606		7,312
Other finance expenses	-1,271	-2,835	-17	-7,173		-11,296
Share of result of equity accounted investees (net of income tax)	0	0	1,050	-412		638
Income tax expense	-8	-63	-103	-1,944		-2,118
SEGMENT RESULT FOR THE PERIOD	-14,559	-21,644	673	19,460	0	-16,070
RESULT FOR THE PERIOD						-16,070
Non-controlling interest						-157
ATTRIBUTABLE TO OWNERS OF THE COMPANY						-15,913

	LPG	LNG	Offshore	Supporting services	Eliminations	Total
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Vessels	455,346	497,709	9,481	0		962,536
Other property, plant and equipment	228	0	409	1,168		1,805
Intangible assets	0	0	160	402		562
Investment property	0	0	0	8,454		8,454
Equity accounted investees	0	0	0	4,637		4,637
Borrowings to equity accounted investees	0	0	3,948	0		3,948
Non-current derivative financial instruments	3,150	0	0	0		3,150
Current derivative financial instruments	0	358	0	0		358
Restricted cash	0	68,965	0	0		68,965
Cash and cash equivalents	30,571	12,872	5,276	9,439		58,158
TOTAL SEGMENT ASSETS	489,295	579,904	19,274	24,100	0	1,112,573
Unallocated other property plant and equipment						253
Unallocated equity accounted investees						4,413
Unallocated other investments						4,022
Unallocated trade and other receivables						88,355
Unallocated cash						18,192
Other unallocated assets						201
TOTAL ASSETS						1,228,008
LIABILITIES						
Non-current borrowings	311,639	158,057	0	8,787		478,483
Current borrowings	51,838	49,541	0	124,178		225,557
TOTAL SEGMENT LIABILITIES	363,477	207,598	0	132,965	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
CASH FLOW STATEMENT						
Cash from operating activities	12,617	-35,131	2,676	25,070		5,232
Cash from investing activities	-80,489	63,127	4,320	-139		-13,181
Cash from financing activities	72,533	-61,065	-1,137	284		10,615
Dividends paid/received						0
Exchange rate fluctuations						-1,186
TOTAL CASH FLOW	4,661	-33,069	5,859	25,215	0	1,480
ADDITIONAL INFORMATION						
Capital expenditures	-82,666	-18,811	-30	-299		-101,806
Proceeds from disposals	2,177	0	0	81		2,258

SEGMENT REPORTING 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	LPG	LNG	Offshore	Supporting services	Eliminations	Total
Revenue third party	95,742	68,008	19,595(*)	30,391	0	213,736
Revenue intra-segment	1,245	0	828	15,857	-17,930	0
Total revenue	96,987	68,008	20,423	46,248	-17,930	213,736
Revenue on property rental third party	0	0	0	1,125	0	1,125
Revenue on property rental intra-segment	0	0	0	153	-153	0
Total revenue on property rental	0	0	0	1,278	-153	1,125
Gain on disposal	652	70,021	1,576	26,783	0	99,032
Other operating income	1,285	0	45	694	0	2,024
Other operating income intra-segment	0	0	0	456	-456	0
Total other operating income	1,285	0	45	1,150	-456	2,024
OPERATING INCOME	98,924	138,029	22,044	75,459	-18,539	315,917
OPERATING RESULT BEFORE DEPRECIATION AND AMORTISATION CHARGES (EBITDA)	31,813	87,556	-5,655	27,679		141,393
Depreciations, amortisations and impairment loss	-27,174	-40,005	-2,030	-2,144		-71,353
OPERATING RESULT (EBIT)	4,639	47,551	-7,685	25,535	0	70,040
Interest income (non-interco)	229	30	25	2,129		2,413
Interest income interco	0	190	148	25,631	-25,969	0
Interest expenses (non-interco)	-11,354	-3,103	-169	-18,169		-32,795
Interest expenses interco	-7,364	-16,733	-143	-1,729	25,969	0
Other finance income	320	218	70	1,338		1,946
Other finance expenses	-1,710	-3,154	-474	-6,795		-12,133
Share of profit (loss) of equity accounted investees (net of income tax)	0	0	550	-474		76
Income tax expense	-8	-20	-21	-1,546		-1,595
SEGMENT RESULT FOR THE PERIOD	-15,249	24,979	-7,698	25,920	0	27,952
RESULT FOR THE PERIOD						27,952
Non-controlling interest						-79
ATTRIBUTABLE TO OWNERS OF THE COMPANY						28,031

(*)As a consequence of the non-application of the agent principle on revenue and costs for one of our subsidiaries in the offshore segment, the prior period financial statements have been restated. This restatement only concerns a reclassification within the statement of profit or loss and does not have an impact on the bottom line result of the prior period. We refer to note 4 for more information in this respect.

	LPG	LNG	Offshore	Supporting services	Eliminations	Total
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Vessels	427,582	494,550	10,966	0		933,098
Other property, plant and equipment	249	1	502	1,447		2,199
Intangible assets	0	0	535	406		941
Investment property	0	0	0	9,353		9,353
Equity accounted investees	0	0	3,806	0		3,806
Borrowings to equity accounted investees	0	0	8,625	0		8,625
Non-current derivative financial instruments	2,232	296	0	0		2,528
Assets held for sale	0	61,649	0	0		61,649
Current derivative financial instruments	0	0	0	1,065		1,065
Restricted cash	164	68,942	1,863	0		70,969
Cash and cash equivalents	26,383	8,840	5,952	6,554		47,729
TOTAL SEGMENT ASSETS	456,610	634,278	32,249	18,825	0	1,141,962
Unallocated other property plant and equipment						337
Unallocated equity accounted investees						5,012
Unallocated other investments						4,577
Unallocated trade and other receivables						65,150
Unallocated cash						27,141
Other unallocated assets						664
TOTAL ASSETS						1,244,843
LIABILITIES						
Non-current borrowings	254,714	200,861	1,000	135,851		592,426
Liabilities held for sale	0	48,544	0	0		48,544
Current borrowings	36,870	18,541	2,000	880		58,291
Non-current derivative financial instruments	0	0	21	0		21
TOTAL SEGMENT LIABILITIES	291,584	267,946	3,021	136,731	0	699,282
Unallocated equity						477,542
Unallocated trade and other payables						59,624
Unallocated other liabilities						8,395
TOTAL EQUITY AND LIABILITIES						1,244,843
CASH FLOW STATEMENT						
Cash from operating activities	10,013	-4,112	-25,348	31,217		11,770
Cash from investing activities	-40,554	59,008	7,530	9,380		35,364
Cash from financing activities	16,044	-159,337	-1,942	-11,056		-156,291
Dividends paid/received						0
Exchange rate fluctuations						1,491
TOTAL CASH FLOW	-14,497	-104,441	-19,760	29,541	0	-107,666
ADDITIONAL INFORMATION						
Capital expenditures	-50,058	-285,407	0	-250		-335,715
Proceeds from disposals	9,504	23,153	1,572	182		34,411

3. RECONCILIATION SEGMENT REPORTING (IN THOUSANDS OF USD)

The financial information of each operating segment is reviewed by management using the proportionate consolidation method. The below tables reconcile the 31 December 2018 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).

RECONCILIATION CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND PROPORTIONATE CONSOLIDATION (SEGMENT REPORTING)	Proportionate Consolodation	Difference	Equity Consolodation
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 hedging 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

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

FOR THE YEAR ENDED 31 DECEMBER 2018	Proportionate Consolodation	Difference	Equity Consolodation
Revenue	171,601	-83,902	87,699
Gain on disposal	31,864	-922	30,942
Other operating income	8,629	126	8,754
Goods and services	-110,097	44,122	-65,975
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
Other operating expenses	-1,338	610	-727
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

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

31 DECEMBER 2017			
Vessels	933,098	-370,077	563,021
Other property, plant and equipment	2,536	-213	2,323
Intangible assets	941	-329	612
Investment property	9,353	-9,353	0
Investments in equity accounted investees	8,818	95,597	104,416
Borrowings to equity accounted investees	8,625	50,268	58,894
Derivative financial instruments	2,528	-2,528	0
NON-CURRENT ASSETS	965,899	-236,633	729,266
Assets held for sale	61,649	-38,645	23,004
Other investments	4,577	0	4,577
Trade and other receivables	65,150	-14,378	50,772
Current tax assets	664	-11	653
Derivative financial instruments	1,065	0	1,065
Restricted cash	70,969	-3,535	67,434
Cash and cash equivalents	74,870	-33,046	41,824
CURRENT ASSETS	278,944	-89,615	189,329
TOTAL ASSETS	1,244,843	-326,248	918,595
EQUITY	477,542	0	477,542
Borrowings	592,426	-248,855	343,571
Employee benefits	4,826	0	4,826
Provisions	2,360	0	2,360
Derivative financial instruments	21	-21	0
NON-CURRENT LIABILITIES	599,633	-248,876	350,757
Liabilities held for sale	48,544	-48,544	0
Borrowings	58,291	-29,155	29,136
Trade and other payables	59,624	377	60,001
Current tax liability	1,209	-50	1,159
CURRENT LIABILITIES	167,668	-77,372	90,296
TOTAL EQUITY AND LIABILITIES	1,244,843	-326,248	918,595

RECONCILIATION CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND PROPORTIONATE CONSOLIDATION (SEGMENT REPORTING)	Proportionate Consolodation	Difference	Equity Consolodation
FOR THE YEAR ENDED 31 DECEMBER 2017			
Revenue(*)	214,861	-134,211	80,650
Gain on disposal	99,032	-650	98,382
Other operating income	2,024	-130	1,894
Goods and services(*)	-134,875	51,421	-83,454
Personnel expenses(*)	-38,304	27	-38,277
Depreciations, amortisations & impairment losses	-71,353	63,349	-8,004
Provisions	0	0	0
Loss on disposal	-27	0	-27
Other operating expenses(*)	-1,316	767	-549
RESULT FROM OPERATING ACTIVITIES	70,040	-19,425	50,615
Interest income	2,413	21,683	24,096
Interest expenses	-32,795	12,326	-20,469
Other finance income	1,946	-180	1,766
Other finance expenses	-12,133	1,739	-10,394
Impairment loss loan to equity accounted investee	0	-35,026	-35,026
RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEES	29,471	-18,883	10,588
Share of result of equity accounted investees (net of income tax)	76	18,641	18,717
Income tax expense	-1,595	242	-1,353
RESULT FOR THE PERIOD	27,952	0	27,952

(*)As a consequence of the non-application of the agent principle on revenue and costs for one of our subsidiaries in the offshore segment, the prior period financial statements have been restated. The affected captions in the consolidated statement of profit or loss have been marked with a (*). This restatement only concerns a reclassification within the statement of profit or loss and does not have an impact on the bottom line result of the prior period. We refer to note 4 for more information in this respect.

4. OPERATING INCOME (IN THOUSANDS OF USD)

REVENUE(*)	2018	2017
LPG segment	30,340	29,879
LNG segment	8,615	0
Offshore segment	20,217	16,793
Services segment	28,527	33,978
	87,699	80,650

The increase in total revenue in the LNG segment is mainly due to invoicing which started for the FSRU towards Gunvor.

The increase in total revenue in the Offshore segment can be mainly explained by increased engineering services, amongst others for the construction of an EXMAR Opti (see also other operating income in this respect).

The decrease in total revenue in the Services segment is mainly due to the sale of insurance broker Belgibo NV (including CMC Belgibo BVBA) to Jardine Lloyd Thomson Group plc (JLT), one of the world's leading providers of insurance, reinsurance and employee benefits related advice, brokerage and associated services, end of August 2017.

Major LPG client Equinor (ex-Statoil) represents 41.6% (35.6% in 2017) of the revenue of the LPG segment and 14.4% (11.4% in 2017) of the EXMAR Group revenue in 2018. No other customers represent more than 10% of the EXMAR group revenue in 2018.

(*)As a consequence of the non-application of the agent principle on revenue and costs for one of our subsidiaries in the offshore segment, the prior period financial statements have been restated. This restatement only concerns a reclassification within the statement of profit or loss and does not have an impact on the bottom line result of the prior period. The table below summarizes the impact on the Group consolidated financial statements.

	As previously reported	Adjustments	As restated
IMPACT ON THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS			
FOR THE PERIOD ENDED 31 DECEMBER 2017			
Revenue	93,409	-12,759	80,650
Goods & services	-90,325	6,871	-83,454
Personnel expenses	-43,903	5,626	-38,277
Other operating expenses	-811	262	-549
Others	69,582	0	69,582
RESULT FOR THE PERIOD	27,952	0	27,952
BASIC EARNINGS PER SHARE (IN USD)	0.49	0.00	0.49
DILUTED EARNINGS PER SHARE (IN USD)	0.49	0.00	0.49

	2018	2017
CONTRACT BALANCES		
Trade receivables which are included in trade and other receivables	21,469	26,474
Contract assets which are included in trade and other receivables	3,532	3,684
Contract liabilities which are included in trade and other payables	6,266	3,596
	31,267	33,754

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 for January and February 2019.

	2018	2017
GAIN ON DISPOSAL		
BELGIBO group sale	0	26,651
Disposal equity accounted investees LNG	30,892	70,021
KISSAMA sale	0	1,572
Other	50	138
	30,942	98,382

At the end of August 2017, EXMAR reached an agreement to sell Belgibo (including CMC Belgibo) to Jardine Lloyd Thomson Group plc. On December 7, 2017 EXMAR has sold its 50% shares in the LNG companies Excelerate NV, Explorer NV & Express NV to Excelerate Energy. On January 31, 2018 EXMAR has sold its 50% share in Excelsior BVBA to Excelerate Energy LP. We refer to note 10 for more information in this resepect.

	2018	2017
OTHER OPERATING INCOME		
License fee	3,410	0
Settlement fee	4,000	0
Other	1,344	1,894
	8,754	1,894

A license has been invoiced 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 settlement fee 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. The payment of the settlement fee is expected at the latest per June 30, 2019.

5. GOODS AND SERVICES (IN THOUSANDS OF USD)

GOODS ANS SERVICES(*)	2018	2017
Vessel operating expenses	-33,780	-26,004
Non-vessel operating expenses	-32,195	-57,450
	-65,975	-83,454

(*) *As a consequence of the non-application of the agent principle on revenue and costs for one of our subsidiaries, the prior period financial statements have been restated. We refer to note 4 for more information in this respect.*

Vessel operating expenses are expenses made to operate a vessel. Vessel operating expenses contain bareboat expenses, expenses related to crewing, maintenance, insurance,...and other vessel operating expenses like bunkers, port expenses,... The increase in the vessel operating expenses compared to 2017 can be amongst others explained by crewing and maintenance for the FSRU.
Non-vessel operating expenses decreased compared to 2017, this is mainly caused by the fees paid to Wison Shipyard in respect of the CARIBBEAN FLNG (now renamed TANGO FLNG) in 2017. Non-vessel operating expenses include amongst others director fees, travel expenses, consulting fees, audit fees and office costs.

6. PERSONNEL EXPENSES (IN THOUSANDS OF USD)

PERSONNEL EXPENSES(*)	2018	2017
Salaries and wages	-27,626	-30,159
Social security charges	-4,825	-5,924
Employee benefit, defined benefit and defined contribution plan	-1,265	-1,274
Share option plan	-578	-920
	-34,294	-38,277

(*) *As a consequence of the non-application of the agent principle on revenue and costs for one of our subsidiaries, the prior period financial statements have been restated. We refer to note 4 for more information in this respect.*

NUMBER OF PERSONNEL MEMBERS		
Seagoing	1,784	1,691
Staff	300	290
	2,084	1,981

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 operating expenses in EXMAR's equity accounted investees.

Personnel expenses decrease in comparison with 2017, mainly as a consequence of the sale of insurance broker Belgibo NV (including CMC Belgibo BVBA) to Jardine Lloyd Thomson Group plc (JLT) in 2017.

7. OTHER OPERATING EXPENSES (IN THOUSANDS OF USD)

OTHER OPERATING EXPENSES(*)	2018	2017
Non-income based taxes	-670	-515
Other	-57	-34
	-727	-549

(*) *As a consequence of the non-application of the agent principle on revenue and costs for one of our subsidiaries, the prior period financial statements have been restated. We refer to note 4 for more information in this respect.*

Non-income based taxes mainly comprise a variety of different non-income based taxes.

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

	2018	2017
INTEREST INCOME AND EXPENSES		
INTEREST INCOME		
Interest income on borrowings to equity accounted investees	2,880	23,703
Interest income on cash and cash equivalents	163	393
	3,043	24,096
INTEREST EXPENSES		
Interest expenses on borrowings	-21.241	-19.396
Interest expenses on financial instruments	0	-1.073
	-21.241	-20.469

The interest income on borrowings to equity accounted investees relates to interests paid by these equity accounted investees on the borrowings provided by EXMAR. The decrease compared to 2017 can be mainly explained by the LNG sale in 2017, EXMAR provided borrowings to Excelerate, Explorer and Express. As a consequence of the sale, these borrowings have been settled. We refer in this respect to note 16.

Interest expenses relate to EXMAR's borrowings as disclosed in note 24.

	2018	2017
OTHER FINANCE INCOME AND EXPENSES		
OTHER FINANCE INCOME		
Realised exchange gains	1,197	180
Unrealised exchange gains	5,661	469
Dividend income from non-consolidated companies	113	107
Equity securities measured at FVTPL	0	850
Other	28	160
	6,999	1,766
OTHER FINANCE EXPENSES		
Realised exchange losses	-2,545	-1,632
Unrealised exchange losses	-612	-4,220
Banking fees	-3,842	-3,678
Equity securities measured at FVTPL	-2,385	-145
Other	-426	-719
	-9,810	-10,394

The unrealized exchange gain mainly relates to the revaluation of the NOK bond. In 2017, the revaluation of the bond resulted in an unrealized exchange loss. The realized exchange losses mainly concern the settlement of the NOK FX Forward which was closed in 2017. The profit and loss effect in respect of the equity securities measured at FVTPL relates to the equity securities as disclosed in note 18.

	2018	2017
IMPAIRMENT LOSS LOAN TO EQUITY ACCOUNTED INVESTEE		
Impairment loss loan Monteriggioni	0	-35,026

A shareholder's loan existed between EXMAR LNG Investment and Monteriggioni. Part of the shareholder's loan has been repaid during 2017 with the proceeds of the sale of the vessel EXCEL. The remaining part of the loan has been waived during 2017. In the result from equity accounted investees, the income part of this waiver has been registered. Consequently, the waiver of the loan had no impact on the net result of the Group.

FINANCE INCOME/EXPENSE RECOGNISED DIRECTLY IN EQUITY	2018	2017
Equity accounted investees - share of other comprehensive income	204	2,964
Foreign currency translation differences	-878	3,034
Net change in fair value of cash flow hedges - hedge accounting	0	191
	-674	6,189
Recognised in:		
Translation reserve	-1,280	4,111
Hedging reserve	607	2,079
Non-controlling interest	-1	-1
	-674	6,189

9. INCOME TAXES (IN THOUSANDS OF USD)

INCOME TAXES	2018	2017
Taxes current period	-1,865	-1,535
Prior year adjustments	-60	1
INCOME TAXES	-1,925	-1,534
DEFERRED INCOME TAXES	0	181
	-1,925	-1,353

RECONCILIATION OF THE EFFECTIVE TAX RATE				
RESULT BEFORE INCOME TAX		-14,145		29,305
TAX AT DOMESTIC TAX RATE	29.58%	4,184	-33.99%	-9,961
Share of profit of equity accounted investees net of tax		-474		6,362
Increase/decrease resulting from:				
Effects of tax rates in foreign jurisdictions		-3,146		-27,347
Non-deductible expenses		-1,136		-464
Current year tax losses/ credits for which no deferred tax asset has been recognised		-5,353		-4,299
Use of tax credits, tax losses carried forward,... for which no DTA was recognised before		5,042		38,955
Tax exempt income		-982		-4,781
Adjustments in respect of prior years		-60		1
Deferred income taxes		0		181
	13.61%	-1,925	-4.62%	-1,353

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

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.

A. CONSIDERATION RECEIVED	Year ended 31/12/2018
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

B. GAIN ON DISPOSAL OF AN EQUITY ACCOUNTED INVESTEE	Year ended 31/12/2018
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

COMPARATIVE INFORMATION AS DISCLOSED IN ANNUAL REPORT 2017

DISPOSAL OF A SUBSIDIARY IN 2017

EXMAR reached an agreement on 31 August 2017 to sell insurance broker Belgibo NV (including CMC Belgibo BVBA) to Jardine Lloyd Thomson Group plc (JLT), one of the world's leading providers of insurance, reinsurance and employee benefits related advice, brokerage and associated services. The assets and liabilities of these former subsidiaries have been derecognised from the balance sheet. The sale resulted in a gain of USD 26.7 million.

A. CONSIDERATION RECEIVED	Year ended 31/12/2017
Consideration received in cash and cash equivalents (base price)	23,946
Balance of base price	2,698
	26,644

The base price of the Belgibo sale amounts to EUR 20.25 million. This amount has been received in cash in September 2017 and has been translated to USD at the exchange rate of September 2017 (1€ = 1.1825 USD).
The balance of the base price amounts to EUR 2.25 million. This amount has not yet been received by EXMAR and is subject to a successful audit of the August 31, 2017 figures. EXMAR does not expect significant corrections to the balance of the base price as a consequence of this audit. The balance of the base price has been translated to USD at the closing rate of 2017 (1€ = 1.1993 USD).

B. ASSETS AND LIABILITIES OVER WHICH CONTROL WAS LOST	Transaction date 31/08/2017
NON -CURRENT ASSETS	
Property, plant and equipment	179
Intangible assets (including goodwill)	2,266
CURRENT ASSETS	
Cash and cash equivalents	13,455
Trade and other receivables	6,305
NON -CURRENT LIABILITIES	
Provisions	-74
Employee benefits	-541
CURRENT LIABILITIES	
Borrowings	-456
Trade debts and other payables	-21,365
Deferred tax liability	-797
	-1,029

	Year ended 31/12/2017
C. GAIN ON DISPOSAL OF A SUBSIDIARY	
Total consideration	26,644
Participation	-1,022
Net assets disposed of	1,029
	26,651

	Year ended 31/12/2017
D. NET CASH INFLOW ON DISPOSAL OF A SUBSIDIARY	
Consideration received in cash and cash equivalents (base price)	23,946
Less: cash and cash equivalent balances disposed of	-13,455
	10,491

DISPOSAL OF AN EQUITY ACCOUNTED INVESTEE IN 2017

On December 7, 2017 EXMAR has sold its 50% share in the LNG companies Excelerate NV, Explorer NV & Express NV to Excelerate Energy. The investments in these equity accounted investees have been derecognised from the balance sheet. The sale resulted in a gain of USD 70 million. The three LNG companies each owned an LNG regasification vessel. These vessels were financed via shareholder's loans from EXMAR NV and Excelerate Energy. EXMAR NV financed these shareholder's loans with bank loans.

	Year ended 31/12/2017
A. CONSIDERATION RECEIVED	
Consideration received in cash and cash equivalents	328,313
Presentation in the consolidated Statement of Cash flows:	
Disposal of subsidiary and equity accounted investees, net of cash disposed of:	50,946
Repayments from equity accounted investees:	277,367
	328,313

The consideration received amounts to EUR 328.3 million and includes the repayment of the shareholder's loans for an amount of USD 277.4 million. The outstanding bank loans for the vessels within EXMAR NV have been repaid with these proceeds. This repayment of USD 270.2 million is included in the cash flow statement under repayment of borrowings.
The repayments from equity accounted investees and repayment of borrowings does not tie in with the amount mentioned in the cash flow statement as other repayments from equity accounted investees and other repayment of borrowings are included in the amounts in the cash flow statement.

	Year ended 31/12/2017
B. GAIN ON DISPOSAL OF AN EQUITY ACCOUNTED INVESTEE	
Total consideration	328,313
Repayments from equity accounted investees	-277,367
Carrying amount of the equity accounted investee disposed of	19,075
	70,021

11. VESSELS (IN THOUSANDS OF USD)

	LPG	LNG	Offshore	Under construction - advance payments (*)	Total
COST 2017					
BALANCE AS PER 1 JANUARY 2017	118,500	0	40,459	172,062	331,021
Changes during the financial year					
Acquisitions		0	0	275,483	275,483
Borrowing costs		0	0	6,017	6,017
Disposals (**)		0	-40,459	0	-40,459
Conversion differences		0	0	0	0
Transfer (***)		453,562	0	-453,562	0
BALANCE AS PER 31 DECEMBER 2017	118,500	453,562	0	0	572,062
COST 2018					
BALANCE AS PER 1 JANUARY 2018	118,500	453,562	0	0	572,062
Changes during the financial year					
Acquisitions (****)	742	18,815			19,557
Borrowing costs	0	0			0
Disposals	-270	0			-270
Conversion differences	0	0			0
Transfer	0	0			0
BALANCE AS PER 31 DECEMBER 2018	118,972	472,377	0	0	591,349
DEPRECIATIONS AND IMPAIRMENT LOSSES 2017					
BALANCE AS PER 1 JANUARY 2017	3,029	0	40,459	0	43,488
Changes during the financial year					
Depreciations	6,012		0		6,012
Disposals	0		-40,459		-40,459
Conversion differences	0		0		0
BALANCE AS PER 31 DECEMBER 2017	9,041	0	0	0	9,041
DEPRECIATIONS AND IMPAIRMENT LOSSES 2018					
BALANCE AS PER 1 JANUARY 2018	9,041	0	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	0	26,926
NET BOOK VALUE					
NET BOOK VALUE AS PER 31 DECEMBER 2017	109,459	453,562	0	0	563,021
NET BOOK VALUE AS PER 31 DECEMBER 2018	104,218	460,205	0	0	564,423

(*) 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 barge KISSAMA has been sold during April 2017. The gain realized on this sale amounted to USD 1.6 million.

(***) The CARIBBEAN FLNG has been delivered on 27 July 2017. The FSRU has been delivered on 21 December 2017. Both units have been transferred from vessels under construction to vessels in 2017. The CARIBBEAN FLNG has been renamed TANGO FLNG during 2018 as a consequence of the employment contract with YPF.

(****) During 2018, additional investments occured in respect of the TANGO FLNG and the FSRU. Depreciations on both units started in the course of 2018, they are depreciated over a period of 30 years.

The vessels are pledged as a security for the related underlying liabilities. We refer to note 24 for more information in respect of these underlying liabilities.

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. 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 6.14% for the LPG segment and 6.36% for the LNG 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 14 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 2017				
BALANCE AS PER 1 JANUARY 2017	3,706	988	6,726	11,420
Changes during the financial year				
Acquisitions	0	88	162	250
Disposals	0	-1	-561	-562
Translation differences	510	91	306	907
Change in consolidation scope (*)	0	0	-1,325	-1,325
BALANCE AS PER 31 DECEMBER 2017	4,216	1,166	5,308	10,690
COST 2018				
BALANCE AS PER 1 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
DEPRECIATIONS AND IMPAIRMENT LOSSES 2017				
BALANCE AS PER 1 JANUARY 2017	2,960	656	4,725	8,341
Changes during the financial year				
Depreciations	31	187	707	925
Disposals	0	-1	-499	-500
Translation differences	409	89	249	747
Change in consolidation scope (*)	0	0	-1,146	-1,146
BALANCE AS PER 31 DECEMBER 2017	3,400	931	4,036	8,367
DEPRECIATIONS AND IMPAIRMENT LOSSES 2018				
BALANCE AS PER 1 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
NET BOOK VALUE				
NET BOOK VALUE AS PER 31 DECEMBER 2017	816	235	1,272	2,323
NET BOOK VALUE AS PER 31 DECEMBER 2018	749	227	1,056	2,032

(*) The change in consolidation scope relates mainly to the sale of the Belgibo group in 2017.

13. INTANGIBLE ASSETS (IN THOUSANDS OF USD)

	Concessions, patents, licences	Client portfolio	Total
COST 2017			
BALANCE AS PER 1 JANUARY 2017	2,786	11,169	13,955
Changes during the financial year			
Acquisitions	254	0	254
Disposals	-279	0	-279
Translation differences	195	0	195
Transfer	580	-580	0
Change in consolidation scope (*)	-459	-10,589	-11,048
BALANCE AS PER 31 DECEMBER 2017	3,077	0	3,077
COST 2018			
BALANCE AS PER 1 JANUARY 2018	3,077	0	3,077
Changes during the financial year			
Acquisitions	34		34
Disposals	0		0
Translation differences	-63		-63
BALANCE AS PER 31 DECEMBER 2018	3,048	0	3,048
AMORTISATIONS AND IMPAIRMENTS LOSSES 2017			
BALANCE AS PER 1 JANUARY 2017	2,012	8,292	10,304
Changes during the financial year			
Depreciations	428	639	1,067
Disposals	-269	0	-269
Translation differences	167	0	167
Transfer	580	-580	0
Change in consolidation scope (*)	-453	-8,351	-8,804
BALANCE AS PER 31 DECEMBER 2017	2,465	0	2,465
AMORTISATIONS AND IMPAIRMENTS LOSSES 2018			
BALANCE AS PER 1 JANUARY 2018	2,465	0	2,465
Changes during the financial year			
Depreciations	211		211
Disposals	0		0
Translation differences	-33		-33
BALANCE AS PER 31 DECEMBER 2018	2,643	0	2,643
NET BOOK VALUE			
NET BOOK VALUE AS PER 31 DECEMBER 2017	612	0	612
NET BOOK VALUE AS PER 31 DECEMBER 2018	405	0	405

(*) The change in consolidation scope relates mainly to the sale of the Belgibo group in 2017.

14. EQUITY ACCOUNTED INVESTEES (IN THOUSANDS OF USD)

EQUITY ACCOUNTED INVESTEES	2018	2017
BALANCE AS PER 1 JANUARY	104,416	147,598
Changes during the financial year		
Share in the profit/loss(-)	-1,603	18,717
Dividends paid	-2,000	-4,942
Changes in consolidation scope (*)	-938	18,921
Allocation of negative net assets (**)	4,691	-54,440
Conversion differences	-403	1,076
Changes in other comprehensive income equity accounted investees	1,000	1,888
Other	-673	-1,398
Reclassification to equity accounted investee held for sale (***)	0	-23,004
BALANCE AS PER 31 DECEMBER	104,490	104,416

(*) The change in consolidation scope in 2017 relates to the AHLMAR/BIM acquisition and to the disposal of the LNG companies.

(**) 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 reclassification to equity accounted investee held for sale in 2017 relates to the LNG company Excelsior. We refer to note 10 for more information in this respect.

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, 2018, an amount of USD 635.4 million (2017: USD 641 million) was outstanding under such loan agreements, of which EXMAR has guaranteed USD 317.7 million (2017: USD 320.5 million). We refer in this respect also to note 29.

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.

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

	2018	2017
ASSETS		
Interest in joint ventures	96,679	97,035
Interest in associates	7,811	7,381
Borrowings to equity accounted investees	54,203	63,244
	158,693	167,660
LIABILITIES		
Interest in joint ventures	0	0
Interest in associates	0	0
	0	0

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

The company Excelsior BVBA is no longer recognized as joint venture due to the sale of the shares of this company in January 2018. We refer to note 10 for more information in this respect.

	Segment	Description activities
ASSOCIATES		
Bexco NV	Services	Rope manufacturer for marine and offshore industry
Bureau International Maritime NV	Services	Training services for the maritime industry
Bureau International Maritime Congo	Services	Training services for the maritime industry
Compagnie Parisienne Formation et Logistique	Services	Training services for the maritime industry
Marpos NV	Services	Provides waste solutions for marine industry
Electra Offshore Ltd	Offshore	Owner of the accommodation barge WARIBOKO
Exview Hong Kong Ltd	Offshore	Bareboat owner of the accommodation barge WARIBOKO
Springmarine Nigeria Ltd	Offshore	Time-charter agreementfor the accommodation barge WARIBOKO

The financial information presented below represents the IFRS financial statements of the joint ventures or associates and not EXMAR's share of those amounts. For the operating lease obligations, capital commitments and contingencies of the equity accounted investees, we refer to note 30, 31 and 32.

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

MOL	TEEKAY	ASS	CMB	ASSOCIATES				TOTAL
LNG	LNG	Offshore	Services	Services Bexco	Services Marpos	Offshore WARIBOKO companies	Services BIM companies	
50%	50%	50%	50%	45%	45%	40%	40%	
0	75,013	19,277	17,008	7,945	428	12,507	416	841,143
4,704	17,213	4,057	12,587	15,485	1,375	11,253	2,907	140,613
4,703	16,012	2,883	86	197	937	2,553	318	71,076
0	0	0	17,597	4,601	0	5,183	0	628,915
0	0	0	17,541	4,149	0	0	0	315,112
0	0	0	0	0	0	0	0	203,581
0	0	0	3	0	0	5,183	0	109,717
4	62,871	25	2,173	11,340	1,065	10,573	1,581	157,758
0	60,490	0	1,718	4,643	0	0	0	110,415
0	0	0	0	0	0	0	0	14,001
0	0	0	0	0	0	4,875	0	4,875
0	24,799	10,220	2,168	18,543	1,893	15,876	1,938	208,203
0	6,960	2,969	1,072	1,055	51	1,892	220	55,188
46	1,368	72	0	0	0	0	19	5,278
0	3,360	146	375	154	4	1,491	7	35,767
0	0	0	386	3	62	288	5	744
113	9,044	-376	579	45	115	2,625	-1,209	-2,908
0	125	42	0	0	0	0	0	2,001
113	9,169	-334	579	45	115	2,625	-1,209	-907
4,700	29,355	23,309	9,825	7,489	738	8,004	1,742	
2,350	14,676	11,654	4,914	3,364	333	3,202	696	
2,293	13,030	11,821	4,818	3,503	296	2,370	1,215	100,982
57	4,585	-167	290	20	52	1,050	-484	-603
0	-2,000	0	0	0	0	0	0	-2,000
0	-938	0	-194	-159	-15	0	-35	-2,014
2,350	14,676	11,654	4,914	3,364	333	3,420	696	96,365
0	0	0	0	0	0	1,219	21	8,125
2,350	14,676	11,654	4,914	3,364	333	4,639	717	104,490

JOINT VENTURE PARTNER	TEEKAY	EELP
SEGMENT	LPG	LNG
PERCENTAGE OWNERSHIP INTEREST	50%	50% (*)
31 DECEMBER 2017		
Non-current assets	640,711	0
Current assets	61,253	0
Of which Cash and cash equivalents	38,371	0
Non-current liabilities	520,066	0
Of which Bank Borrowings	304,939	0
Of which finance leases	110,596	0
Of which Other Borrowings	104,531	0
Current liabilities	58,622	0
Of which Bank Borrowings	41,761	0
Of which finance leases	7,072	0
Of which Other Borrowings	0	0
Revenue	128,230	78,531
Depreciations, amortizations & impairment losses	41,985	19,731
Interest income	1,719	45
Interest expense	20,831	33,290
Income tax expense	2	1
RESULT FOR THE PERIOD	-5,982	7,108
Other comprehensive result for the period	2,724	0
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	-3,258	7,108
NET ASSETS (100%)	123,276	0
EXMAR'S SHARE OF NET ASSETS	61,638	0
SHARE IN THE NET ASSETS OF EQUITY ACCOUNTED INVESTEES AT 1 JANUARY 2017	59,166	-21,334
Share in total comprehensive income	-1,629	3,554
Dividends paid/received	5,500	0
Other	-1,399	17,780
SHARE IN THE NET ASSETS OF EQUITY ACCOUNTED INVESTEES AT 31 DECEMBER 2017	61,638	0
NETTING NEGATIVE EQUITY	1,997	0
SHARE IN THE NET ASSETS OF EQUITY ACCOUNTED INVESTEES AT 31 DECEMBER 2017 AFTER NETTING	63,635	0

(*) On December 7, 2017 EXMAR has sold its 50% shares in the LNG companies Excelerate NV, Explorer NV & Express NV to Excelerate Energy. The difference between other in above overview and the sum of participation and net assets disposed of in note 10 - section B Gain on disposal of an equity accounted investee - mainly relates to a settlement agreement in respect of speed and performance discussions regarding the related vessels.

MOL	TEEKAY	ASS	CMB	ASSOCIATES			OTHER	TOTAL
LNG	LNG	Offshore	Services	Services Bexco	Services Marpos	Offshore WARIBOKO companies	Services BIM companies	
50%	50%	50%	50%	45%	45%	40%	40%	
0	82,567	22,945	18,822	9,058	105	14,399	581	789,188
4,724	14,912	7,739	14,246	8,333	1,091	15,175	4,503	131,976
4,490	13,989	7,266	289	549	811	3,997	473	70,235
0	60,000	2,042	20,234	5,350	0	10,058	0	617,750
0	60,000	2,000	20,172	4,842	0	0	0	391,953
0	0	0	0	0	0	0	0	110,596
0	0	0	4	0	0	10,058	0	114,593
138	11,419	5,000	3,200	4,242	539	14,136	2,046	99,342
0	3,750	4,000	1,727	922	0	0	0	52,160
0	0	0	0	0	0	0	0	7,072
0	0	0	0	0	0	4,350	0	4,350
3,071	47,994	11,461	2,167	16,010	1,865	28,329	4,121	321,779
47,410	12,858	2,969	1,040	1,053	58	1,892	225	129,221
21	0	50	0	6	0	0	22	1,863
2,057	6,518	337	391	146	0	1,768	5	65,343
0	0	0	483	3	0	293	35	817
18,479	16,696	472	507	-1,098	182	1,376	-156	37,584
0	910	142	0	0	0	0	0	3,776
18,479	17,606	614	507	-1,098	182	1,376	-156	41,360
4,586	26,060	23,642	9,634	7,799	657	5,380	3,038	
2,293	13,030	11,821	4,817	3,503	296	2,152	1,215	
-6,946	34,731	12,764	4,108	3,541	183	3,513	0	89,724
9,239	8,803	307	254	-493	82	551	-63	20,605
0	-7,500	-1,250	0	0	0	-1,692	0	-4,942
0	-23,004	0	456	455	31	-2	1,278	-4,405
2,293	13,030	11,821	4,818	3,503	296	2,370	1,215	100,982
0	0	0	0	0	0	1,437	0	3,434
2,293	13,030	11,821	4,818	3,503	296	3,807	1,215	104,416

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

	LPG	LNG	Offshore	Services	Total
BORROWINGS TO EQUITY ACCOUNTED INVESTEES 2017					
AS PER 1 JANUARY	56,119	298,452	16,934	0	371,505
New loans and borrowings	0	0	0		0
Repayments	-6,822	-317,138	-4,267		-328,227
Change in allocated negative net assets (*)	756	53,380	304		54,440
Capitalised interests	220	332	0		552
Impairment loss (**)	0	-35,026	0		-35,026
AS PER 31 DECEMBER	50,273	0	12,971	0	63,244
MORE THAN 1 YEAR	50,273	0	8,621	0	58,894
LESS THAN 1 YEAR	0	0	4,350	0	4,350
BORROWINGS TO EQUITY ACCOUNTED INVESTEES 2018					
AS PER 1 JANUARY	50,273	0	12,971	0	
New loans and borrowings	0		0		0
Repayments	0		-4,350		-4,350
Change in allocated negative net assets (*)	-4,910		219		-4,691
Capitalised interests	0		0		0
AS PER 31 DECEMBER	45,363	0	8,840	0	54,203
MORE THAN 1 YEAR	45,363	0	3,965	0	49,328
LESS THAN 1 YEAR	0	0	4,875	0	4,875

(*) 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. .

(**) A shareholder's loan existed between Exmar LNG Investment and Monteriggioni. Part of the shareholder's loan has been repaid during 2017 with the proceeds of the sale of the vessel EXCEL. The remaining part of the loan has been waived during 2017. We also refer to annex 8 in this respect.

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 (LPG SEGMENT) - USD 45.4 MILLION (2017: USD 50.3 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 (OFFSHORE SEGMENT) - USD 8.8 MILLION (2017: USD 13 MILLION)

EXMAR Netherlands has granted a loan to Electra Offshore Ltd. The loan is repaid based on availability of cash. The interest rate applicable on the loan is a fixed percentage of 12%.

17. EQUITY ACCOUNTED INVESTEE HELD FOR SALE

	2018	2017
EQUITY ACCOUNTED INVESTEE HELD FOR SALE		
EXCELSIOR	0	23,004

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. 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. We also refer to note 10 of this annual report.

18. OTHER INVESTMENTS

	2018	2017
EQUITY SECURITIES - FVTPL		
Unquoted shares (*)	1,237	1,573
Quoted shares (**)	2,785	3,004
	4,022	4,577

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

(**) The quoted shares include the 149,089 shares of Teekay quoted at USD 11.02 and the 116,338 shares of Frontera Energy Corporation quoted at CAD 13.38.

As a consequence of the application of the new requirements under IFRS 9, the former "Available-for-sale financial assets" have been renamed to "Equity securities - measured at fair value through profit or loss. On the face of the balance sheet, the former " Available-for-sale financial assets" have been presented as "Other investments".

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

	2018	2017
TRADE AND OTHER RECEIVABLES		
Trade receivables & contract assets	25,001	30,158
Cash guarantees	209	234
Borrowings to equity accounted investees less than 1 year	4,875	4,350
Other receivables	38,599	10,697
Deferred charges (*)	3,086	3,323
Accrued income (*)	575	2,010
	72,345	50,772
OF WHICH FINANCIAL ASSETS (NOTE 29)	65,815	41,919

(*) '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 29.

The increase in other receivables is mainly due to the advance payments made for the building of 2 VLGC newbuildings to Hanjin Heavy Industries & Construction. On 8th 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. We also refer to note 31 of this annual report.

20. DEFERRED TAX ASSETS AND LIABILITIES (IN THOUSANDS OF USD)

	Assets	Liabilities	Assets	Liabilities
	31 December 2018		31 December 2017	
DEFERRED TAX ASSETS AND LIABILITIES IN DETAIL				
Provisions	0	100	793	0
Employee benefits	3,612	0	5,131	0
Vessels	0	2,504	0	2,504
DEFERRED TAX ASSETS / LIABILITIES	3,612	2,604	5,924	2,504
Set off of taks assets/ liabilities	-2,604	0	-2,504	0
Tax assets not recognised (*)	-1,008	0	-3,420	0
	0	0	0	0
DEFERRED TAX ASSETS/ LIABILITIES NOT RECOGNISED (**)				
Deductible temporary differences	1,008		3,420	
Unused tax losses and investment tax credits (**)	48,145		67,657	
	49,153	0	71,077	0

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

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

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

	2018	2017
RESTRICTED CASH AND CASH AND CASH EQUIVALENTS		
RESTRICTED CASH	67,270	67,434
Bank	39,461	31,459
Cash in hand	118	141
Short-term deposits	258	10,223
NET CASH AND CASH EQUIVALENTS	39,837	41,824

The restricted cash relates mainly to the credit facility with the Bank of China for the TANGO FLNG (see also note 24).

22. SHARE CAPITAL AND RESERVES

SHARE CAPITAL AND SHARE PREMIUM

	2018	2017
NUMBER OF ORDINARY SHARES		
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 2018.

	2018	2017
DIVIDEND PAID		
Gross interim dividend/share (in EUR)		
Rate used:		
Interim dividend payment (in thousands of USD)	0	0
Dividend payment (in thousands of USD)	0	0
TOTAL DISTRIBUTION TO OWNERS OF THE COMPANY (IN THOUSANDS OF USD)	0	0
PROPOSED DIVIDEND		
Gross dividend/share (in EUR)	0.00	0.00
Rate used:	1.1450	1.1993
Proposed dividend payment (in thousands of USD)	0	0

TREASURY SHARES

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

	2018	2017
TREASURY SHARES		
Number of treasury shares held as of 31 December (*)	2,273,263	2,485,247
Bookvalue of treasury shares held (in thousands USD)	44,349	48,486
Average cost price per share (in EUR) - historical value	14.1507	14.1507

(*) 211,984 treasury shares have been sold during 2018 for the share options exercised during the year.

TRANSLATION RESERVE

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

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.

23. EARNINGS PER SHARE

		2018	2017
BASIC EARNINGS PER SHARE IN USD			
Result for the period (in USD)		-15,912,725	28,030,885
Issued ordinary shares as per 31 December		59,500,000	59,500,000
Effect of treasury shares		-2,454,561	-2,667,442
Weighted average number of ordinary shares as per 31 December		57,045,439	56,832,558
		-0.28	0.49
DILUTED EARNINGS PER SHARE IN USD			
Result for the period (in USD)		-15,912,725	28,030,885
Weighted average number of ordinary shares as per 31 December		57,045,439	56,832,558
Average closing rate of one ordinary share during the year (in EUR)	(a)	5.99	5.75
Average exercise price for shares under option during the year (in EUR)	(b)	0.00	4.71
Number of shares under option(*)	(c)	0	216,005
Number of shares that would have been issued at average market price: (c*b) / a		0	-176,936
Weighted average number of ordinary shares during the year including options		57,045,439	56,871,627
		-0.28	0.49

(*) As option plan 3, 4, 8, 9 and 10 are anti-dilutive as per 31 December 2018, they are not included in the calculation of the diluted earnings per share.

24. BORROWINGS (IN THOUSANDS OF USD)

	Bank loans	Other loans	Total
BORROWINGS AS PER 31 DECEMBER 2017			
AS OF 1 JANUARY 2017	354,287	115,450	469,737
New loans	200,019	0	200,019
Scheduled repayments	-294,409	0	-294,409
Paid transaction costs	-13,393	-2,475	-15,868
Amortized transaction costs	921	1,159	2,080
Translation differences	4	38,390	38,394
Change in consolidation scope (*)	-456	0	-456
Call premium	0	6,077	6,077
Settlement CCIRS	0	-32,867	-32,867
AS OF 31 DECEMBER 2017	246,973	125,734	372,707
More than 1 year	217,837	125,734	343,571
Less than 1 year	29,136	0	29,136
AS OF 31 DECEMBER 2017	246,973	125,734	372,707
LPG	59,400	0	59,400
LNG	187,528	0	187,528
Offshore	0	0	0
Services	45	125,734	125,779
AS OF 31 DECEMBER 2017	246,973	125,734	372,707
BORROWINGS AS PER 31 DECEMBER 2018			
AS OF 1 JANUARY 2018	246,973	125,734	372,707
New loans	49,173	20,411	69,584
Scheduled repayments	-56,379	-1,126	-57,505
Paid transaction costs	-1,646	-649	-2,295
Amortized transaction costs	2,114	1,236	3,350
Translation differences	0	-6,188	-6,188
Accrued interest payable	4,702	2,512	7,214
AS OF 31 DECEMBER 2018	244,937	141,930	386,867
More than 1 year	204,690	16,519	221,209
Less than 1 year	40,247	125,411	165,658
AS OF 31 DECEMBER 2018	244,937	141,930	386,867
LPG	67,555	18,635	86,190
LNG	177,354	0	177,354
Offshore	0	0	0
Services	28	123,295	123,323
AS OF 31 DECEMBER 2018	244,937	141,930	386,867

	2018	2017
UNUSED CREDIT FACILITIES		
Unused credit facilities	21,870	13,492
	21,870	13,492

(*) *The change in consolidation scope in 2017 relates to the sale of BELGIBO.*

BANK LOANS

The bank loans mainly relate to the LPG pressurized facilities and the CARIBBEAN FLNG facility, now renamed TANGO FLNG facility.

LPG PRESSURIZED FACILITIES - USD 19.9 MILLION (2017: USD 59.4 MILLION)

In October and December 2008, EXMAR closed 3 senior secured loan facilities for the financing of 10 pressurized LPG vessels. The loans are repayable in quarterly tranches and the applicable interest percentage amounts to three-month LIBOR plus 3% and three-month LIBOR plus 1%. Six vessels have already been refinanced in 2018, the remaining vessels will be refinanced in April 2019 (see NEW LPG pressurized facilities). All obligations of the borrower are guaranteed by EXMAR NV ("guarantor").

NEW LPG PRESSURIZED FACILITIES - USD 47.7 MILLION (2017: USD 0)

In the last quarter of 2018, EXMAR refinanced its LPG pressurized fleet. Five vessels have been refinanced under this transaction in October 2018, one vessel has been refinanced in December 2018. 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. The remaining 4 vessels will be refinanced in April 2019. All obligations of the borrower are guaranteed by EXMAR NV ("guarantor").

TANGO FLNG FACILITY - USD 177.4 MILLION (2017: USD 187.5 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 26.7 million. There is a requirement for EXPORT to deposit an amount equal to 30 months principal plus interest, i.e. an amount of USD 67.4 million, on an escrow account. The Company reached an agreement in principle to partially release the cash currently trapped in this Debt Service Reserve Account: approximately USD 40 million after the first hire payment from YPF expected in May 2019 and an additional USD 13 million after one year of operations of TANGO FLNG. The documentation is being prepared and will be executed once the final approval of Sinosure has been obtained. All obligations of the borrower are guaranteed by EXMAR NV ("guarantor").

OTHER LOANS

The other loans relate to a NOK 700 million senior unsecured bond issue. This bond was closed in July 2014 by EXMAR Netherlands BV ("issuer"), a 100% subsidiary of EXMAR NV. 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 amounts 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, the bond has been classified as a short term liability in the consolidated statement of financial position. 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 amounts to three-month NIBOR plus a margin of 8%. The exchanged USD bonds bear an interest percentage of three-month LIBOR plus a margin of 8.5%. EXMAR has received instructions for exchanges which represents an amount of USD 15,622,732. EXMAR has a call option on the bond at anytime. The call option price and redemption price at maturity amounts to 105%. The call premium of 5% amounts to USD 6.1 million and has been registered in profit or loss during 2017. 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.
As per 31 December 2017, a forward exchange contract was outstanding to cover the NOK/USD exposure. Per 31 December 2018, no instrument was outstanding to cover the NOK/ USD exposure. We also refer to note 29 in this respect.

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 of 2018. The last installment of the FSRU has been mainly financed with the proceeds of the sale of the three LNG companies (Explorer NV, Express NV and Excelerate NV). A term sheet has been signed with CSSC Hong Kong Shipping Company for the financing of the FSRU.

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 the higher of (i) 50% of the consolidated net profit after tax based on the audited consolidated financial statements for the previous financial year and (ii) EUR 0.30 per share. EXMAR has pledged financial assets as collateral for liabilities. We refer to note 21 where the amount of restricted cash in respect of financing agreements is disclosed.

Also 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. As of December 31, 2018 EXMAR was compliant with all covenants. EXMAR is continuously monitoring compliance with all applicable covenants.

RATIO	NEW LPG facilities	LPG facilities	TANGO FLNG facility	Bond	Other
APPLICABLE COVENANTS					
Book equity ratio	≥ USD 300 million	NA	≥ USD 300 million	≥ USD 300 million	≥ USD 300 million + 50% of net income
Free liquid assets	≥ USD 25 million	NA	≥ USD 25 million	≥ USD 25 million	≥ USD 30 million
Cash and cash equivalents added with restricted cash	NA	NA	NA	NA	≥ USD 25 million
Equity ratio	≥ 25%	NA	≥ 25%	NA	NA
Net Interest Bearing Debt or NIBD/equity	NA	NA	NA	Maximum 2,75	NA
Interest Coverage ratio	NA	NA	min 2:1	min 2:1	NA
Working capital ratio	min positive	NA	min positive	min positive	min positive
Minimum security coverage ratio of	NA	120% for facility regarding 8 LPG vessels	NA	NA	NA

25. 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	Plan 3
GRANT DATE FAIR VALUE OF SHARE OPTIONS AND ASSUMPTIONS AT INCEPTION					
Number of options outstanding at year-end (*)	377,750	377,850	441,100	213,682	386,008
Fair value at grant date (in EUR)	3.21	2.32	3.36	5.64	7.38
Share price at grant date (in EUR)	9.62	10.00	11.33	16.80	23.84
Exercise price at inception (in EUR) (*)	9.62	10.54	10.54	14.64	15.96
Expected volatility (**)	40.70%	30.60%	31.40%	25.78%	31.10%
Option life at inception (***)	8 years	8 years	8 years	8 years	8 years
Maturity date	2023	2022	2021	2020	2019
Expected dividends	0.3 eur/y	0.3 eur/y	0.4 eur/y	0.50 eur/y	0.66 eur/y
Risk-free interest rate	0.53%	0.62%	1.87%	4.29%	3.85%

(*) 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, 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. In respect of plan 2, zero options have been exercised during 2018 and 309,089 options have forfeited as a consequence of the maturity of the plan. In respect of plan 7, 211,984 options have been exercised during 2018 and 4,021 options have forfeited as a consequence of the maturity of the plan.

RECONCILIATION OF OUTSTANDING SHARE OPTIONS	number of options	weighted average exercise price	number of options	weighted average exercise price
	2018		2017	
OUTSTANDING AT 1 JANUARY	2,483,178	11.14	2,766,284	10.58
New options granted	0	0.00	0	0.00
Changes during the year				
Options exercised	-211,984	4.71	-192,186	4.89
Options forfeited	-474,804	10.76	-90,920	6.90
OUTSTANDING AT 31 DECEMBER	1,796,390	12.00	2,483,178	11.14
EXERCISABLE AT 31 DECEMBER	1,796,390	12.00	2,070,428	11.44

The weighted average remaining contractual life of the outstanding options at the end of December 2018, amounts to 3.08 years. The average share price for the options exercised during 2018 amounts to EUR 5.99.

BASIC EARNINGS PER SHARE IN USD	2018	2017
Total number of share options outstanding	1,796,390	2,483,178
Included in personnel expenses		
option plan 9	0	412
option plan 10	578	508
	578	920

26. EMPLOYEE BENEFITS (IN THOUSANDS OF USD)

LIABILITY FOR DEFINED BENEFIT PLAN AND SIMILAR LIABILITIES

The group provides pension benefits for most of its employees, either directly or through a contribution to an independent fund. The pension benefits for management staff employed before 1 January 2008 are provided under a defined benefit plan. This plan is a defined benefit plan organized as a final pay program.

For the management staff employed as from 1 January 2008, the management staff promoted to management as from 1 January 2008 and the management staff who reached the age of 60, the pension benefits are provided under a defined contribution plan. Belgian defined contribution plans are subject to the Law of April 28, 2003 on supplementary pensions (WAP). According to article 24 of this law, the employer has to guarantee a fixed minimum return of 3.25% on employer contributions and of 3.75% on employee contributions and this for contributions paid until 31/12/2015. As from January 2016, the employer has to guarantee an average minimum return of 1.75% on both employer and employee contributions (as changed by the Law of 18 December 2015).
This guaranteed minimum return generally exceeds the return that is normally guaranteed by the insurer.
Because the employer has to guarantee the statutory minimum return on these plans, not all actuarial and investment risks relating to these plans are transferred to the insurance company managing the plans. Therefore these plans do not meet the definition of defined contribution plan under IFRS and have to be classified by default as defined benefit plans. An actuarial calculation has been performed in accordance with IAS 19 based on the projected unit credit method. This calculation resulted in a defined benefit obligation of 94 KUSD which has been registered in the consolidated accounts through the statement of Other Comprehensive Income (see table below for composition of the net obligation). The contributions recognised in the profit or loss statement in respect of this defined contribution plan amount to USD 0.6 million (2017: USD 0.7 million).

EMPLOYEE BENEFITS	2018	2017	2016	2015	2014
EMPLOYEE BENEFITS - DEFINED BENEFIT PLAN					
Present value of funded obligations	-11,697	-12,072	-11,297	-11,662	-14,063
Fair value of the defined plan assets	7,626	7,361	7,098	7,217	7,852
PRESENT VALUE OF NET OBLIGATIONS	-4,072	-4,711	-4,198	-4,445	-6,211
EMPLOYEE BENEFITS - BELGIAN DEFINED CONTRIBUTION PLAN WITH GUARANTEED RETURN					
Present value of funded obligations	-4,703	-3,313	-3,845		
Fair value of the defined plan assets	4,609	3,198	3,777		
PRESENT VALUE OF NET OBLIGATIONS	-94	-115	-69	0	0
TOTAL EMPLOYEE BENEFITS	-4,166	-4,826	-4,267	-4,445	-6,211

DEFINED BENEFIT PLAN	2018	2017
CHANGES IN LIABILITY DURING THE PERIOD		
LIABILITY AS PER 1 JANUARY	12,072	11,297
Distributions	-333	-792
Actual employee's contributions	89	80
Interest cost	101	87
Current service cost	536	512
Actual taxes on contributions paid (excluding interest)	-102	-79
Actuarial gains/losses	-114	776
Disposal of a subsidiary	0	-1,315
Translation differences	-552	1,507
LIABILITY AS PER 31 DECEMBER	11,697	12,072
CHANGES OF FAIR VALUE OF PLAN ASSETS		
PLAN ASSETS AS PER 1 JANUARY	7,361	7,098
Contributions	929	722
Distributions	-333	-792
Return on plan assets	64	56
Actuarial gain/loss	117	241
Actual taxes on contributions paid (excluding interest)	-102	-79
Actual administration costs	-58	-45
Disposal of a subsidiary	0	-774
Translation differences	-353	933
PLAN ASSETS AS PER 31 DECEMBER (*)	7,626	7,361
EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS		
Current service expenses	-536	-512
Interest expense	-101	-87
Expected return on plan assets	64	56
Administration cost	-58	-45
TOTAL PENSION COST RECOGNISED IN THE INCOME STATEMENT (SEE NOTE 6)	-631	-587
EXPENSE RECOGNISED IN OTHER COMPREHENSIVE INCOME		
Recognition of actuarial gains and losses	-231	535
TOTAL PENSION COST RECOGNISED IN OTHER COMPREHENSIVE INCOME	-231	535
MOST SIGNIFICANT ASSUMPTIONS, EXPRESSED IN WEIGHTED AVERAGES		
Discount rate at 31 December	0.90%	0.85%
Expected return on assets at 31 December	0.90%	0.85%
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	960	747
DETAIL PLAN ASSETS INVESTMENTS		
Shares	2%	3%
Bonds & loans	90%	87%
Property investments	6%	7%
Cash	2%	3%

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

27. PROVISIONS (IN THOUSANDS OF USD)

PROVISIONS	2018	2017
Long-term provisions (*)	2,360	2,434
Short-term provisions	0	0
AS PER 1 JANUARY	2,360	2,434
New provisions	0	0
Reversal of unused provisions	-2,360	0
Change in consolidation scope (**)	0	-74
AS PER 31 DECEMBER	0	2,360
Long-term provisions (*)	0	2,360
Short-term provisions	0	0
AS PER 31 DECEMBER	0	2,360

(*) 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.

(**) The change in consolidation scope relates to the sale of Belgibo.

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

TRADE AND OTHER PAYABLES	2018	2017
Trade payables	24,772	28,787
Other payables	15,258	24,645
Accrued expenses and deferred income(*)	8,153	6,569
	48,183	60,001
OF WHICH FINANCIAL LIABILITIES (NOTE 29)	39,877	53,330

(*) 'Accrued expenses' comprise expenses not invoiced yet, but to be allocated to the current accounting year, e.g. commissions, port expenses,...
'Deferred income' comprises already invoiced revenue, related to the next accounting year, e.g. freight, hire,...

29. FINANCIAL RISKS AND FINANCIAL INSTRUMENTS (IN THOUSANDS OF USD)

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 various financial instruments, mainly interest rate hedges. EXMAR applies hedge accounting for all hedging relations which meet the conditions to apply hedge accounting (formal documentation and high effectiveness at inception and on an ongoing basis). Financial instruments are recognised initially at fair value. Subsequent to initial recognition, the effective portion of changes in fair value of the financial instruments qualifying for hedge accounting, is recognised in other comprehensive income. Any ineffective portion of changes in fair value and changes in fair value of financial instruments not qualifying for hedge accounting are recognised immediately in profit or loss.

DERIVATIVE FINANCIAL INSTRUMENTS	2018	2017
ASSETS		
FX Forward	0	1.065
TOTAL ASSETS	0	1.065
LIABILITIES		
TOTAL LIABILITIES	0	0

FAIR VALUE HIERARCHY	Level 1	Level 2	Level 3	Total
31 DECEMBER 2018				
Equity securities - FVTPL	2.785	1.237		4.022
TOTAL FINANCIAL ASSETS CARRIED AT FAIR VALUE	2,785	1,237	0	4.022
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 joint ventures 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 16 of this annual report.

EXPOSURE TO RISK	2018	2017
CARRYING AMOUNTS OF FINANCIAL ASSETS		
Borrowings to equity accounted investees	54,203	63,244
Other investments - equity instruments at FVTPL	4,022	4,577
Trade and other receivables	60,940	37,569
Derivative financial instruments	0	1,065
Restricted cash	67,270	67,434
Cash and cash equivalents	39,837	41,824
	226,272	215,712

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	2018	2017
EXPOSURE TO INTEREST RATE RISK		
Total borrowings(*)	392,918	387,010
with fixed interest rate	19,285	0
with variable interest rate: gross exposure	373,633	387,010
Interest rate financial instruments (nominal amount)	0	0
NET EXPOSURE	373,633	387,010

(*) *The difference of the total borrowings compared to the balance sheet amount relates to transaction costs and accrued interests payables allocated to the loan account.*

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):

	2018		2017	
	+ 50 bp	- 50 bp	+ 50 bp	- 50 bp
SENSITIVITY ANALYSIS				
Interest-bearing loans (variable interest rate)	-1,868	1,868	-1,935	1,935
Interest rate swaps and cross currency rate swaps	0	0	0	0
SENSITIVITY (NET)	-1,868	1,868	-1,935	1,935
Impact in profit or loss	-1,868	1,868	-1,935	1,935
Impact in equity	0	0	0	0
TOTAL IMPACT	-1,868	1,868	-1,935	1,935

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. In order to monitor the EUR currency risk, the Group uses a varied range of foreign currency rate hedging instruments if deemed necessary. As per 31 December 2018 and 2017, no forward exchange contracts were outstanding to cover the EUR/USD exposure. In 2014 and 2015, a NOK 1 billion senior unsecured bond was issued. The NOK/USD exposure was covered by two cross currency interest rate swaps that matched the debt profile of the bond. These CCIRS-contracts have ended in July 2017. As per 31 December 2017, a forward exchange contract was outstanding to cover the NOK/USD exposure. As per 31 December 2018, no forward exchange contract was outstanding in this respect.

EXPOSURE TO RISK

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

	2018			2017		
	EUR	NOK	GBP	EUR	NOK	SGD
Receivables	12,576	0	0	22,499	0	4
Payables	-19,632	-70	-583	-19,653	-573	-7,205
Interest-bearing loans	-14	-912,450	0	-254	-912,450	0
BALANCE SHEET EXPOSURE	-7,070	-912,520	-583	2,592	-913,023	-7,201
IN THOUSANDS OF USD	-8,095	-105,031	-746	3,109	-111,298	-5,389

Sensitivity analysis

As per 31 December 2018 an increase in the year-end EUR/USD rate of 10% would affect the statement of profit or loss with USD -0.8 million (2017: USD 0.3 million), excluding the effect on any forward exchange contracts. 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 no longer covered by the CCIRS-contracts or forward contracts. An increase in the year-end NOK/USD rate of 10% would affect the statement of profit or loss with USD -10.5 million (2017: USD -11.1 million), excluding the effect on any forward exchange contracts. 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, 2018 EXMAR was compliant with all covenants. We also refer in this respect to note 24 regarding borrowings, to note 31 regarding capital commitments and to section "Significant judgments and estimates".

MATURITY ANALYSIS OF FINANCIAL LIABILITIES, BORROWINGS TO EQUITY ACCOUNTED INVESTEES AND FINANCIAL GUARANTEES

Our current financial liabilities such as trade and other payables are expected to be paid within the next twelve months and are therefore not included in below tables. The contractual maturities of our financial liabilities and our borrowings to equity accounted investees, including estimated interest payments, are detailed in the tables below. The contractual maturities of our financial liabilities are based on the contractual amortization tables of the facilities. The contractual maturities of our borrowings to equity accounted investees are based on the contractual amortization 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 2017									
NON-DERIVATIVE FINANCIAL LIABILITIES:									
Bank loans	USD	libor + 3%	2019-2020	-49,950	-53,616	-9,279	-29,207	-15,130	0
Bank loans	USD	libor + 1%	2018-2019	-9,450	-9,498	-5,264	-4,234	0	0
Bank loans	USD	libor + 3%	2029	-187,528	-262,285	-26,379	-26,660	-74,427	-134,819
Bond	NOK	Nibor + 8% Libor +8.5%	2019	-125,734	-147,770	-11,344	-136,426	0	0
Other bank loans	EUR			-45	-50	-12	-12	-26	0
				-372,707	-473,219	-52,278	-196,539	-89,583	-134,819
DERIVATIVE FINANCIAL INSTRUMENTS (NET):									
FX Forward	NOK/USD			1,065	1,065	1,065	0	0	0
				1,065	1,065	1,065	0	0	0
BORROWINGS TO EQUITY ACCOUNTED INVESTEES	USD			63,244	73,541	8,417	41,767	23,357	0
FINANCIAL GUARANTEES	USD			0	-320,508	-31,663	-96,427	-192,418	0

	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

FAIR VALUES

CARRYING AMOUNTS VERSUS FAIR VALUES

SENSITIVITY ANALYSIS	Fair value hierarchy (*)	2018 Carrying amount	2018 Fair value	2017 Carrying amount	2017 Fair value
Borrowings to equity accounted investees	2	54,203	50,188	63,244	60,875
Other investments - equity instruments at FVTPL	1/2	4,022	4,022	4,577	4,577
Derivative financial instruments assets	2	0	0	1,065	1,065
Interest-bearing loans	1/2	-386,867	-396,650	-372,707	-398,112
		-328,642	-342,440	-303,821	-331,595

(*) 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. In respect of the interest-bearing loans, the fair value of the bond is based on a level 1 valuation. The carrying amount of the bond amounts to USD 123.3 million, whereas the fair value amounts to USD 116.3 million. The other interest-bearing loans are based on a level 2 valuation.

BASIS FOR DETERMINING FAIR VALUES:	
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
Derivative financial instruments:	present value of future cash flows, discounted at the market rate of interest at reporting date
Interest-bearing loans:	quoted closing bid price at reporting date for NOK bond/ present value of future cash flows, discounted at the market rate of interest at reporting date
Borrowings to equity accounted investees:	present value of future cash flows, discounted at the market rate of interest at reporting date

For certain financial assets and liabilities (trade and other receivables, cash and cash equivalents and trade and other payables) not carried at fair value, no fair value is disclosed because the carrying amounts are a reasonable approximation of the fair values.

30. LEASES (IN THOUSANDS OF USD)

OPERATING LEASES

LEASE OBLIGATIONS

EXMAR leases a number of assets using operating lease agreements. The agreements don't impose restrictions such as additional debt and further leasing. The expense for 2018 relating to the operating lease agreements amounts to USD 10.9 million (2017: USD 11 million) of which USD 8.7 million is born by our equity accounted investees (2017: USD 8.9 million). No payments for non-cancellable subleases were received. The future minimum lease payments for our subsidiaries and equity accounted investees are as follows:

OPERATING LEASE OBLIGATIONS (LEASES AS LESSEE)	2018 Subsidiaries	2018 Equity accounted investees	2017 Subsidiaries	2017 Equity accounted investees
Less than 1 year	4,784	8,080	1,667	8,572
Between 1 and 5 years	9,556	30,125	4,168	21,636
More than 5 years	0	1,599	0	7,212
	14,340	39,804	5,835	37,420

The amounts disclosed for the equity accounted investees represent our share in the lease obligations. The average duration of the lease agreements amount to 2.77 years. The group has for some of the leased assets purchase options, some contracts foresee extension options. Such options have not been taken into account for determining above lease obligations.

LEASE RIGHTS

The Group entered into long-term time charter agreements for certain assets in its fleet. In respect of lease classification, it was judged that substantially all risks and rewards remain with the Group. As a consequence, these agreements qualify as operating leases.
The income in 2018 relating to operating leases amounts to USD 120.2 million (2017: USD 157.6 million) of which USD 86.6 million is earned by our equity accounted investees (2017: USD 134 million). The future minimum rental receipts are as follows:

	2018		2017	
	Subsidiaries	Equity accounted investees	Subsidiaries	Equity accounted investees
OPERATING LEASE RIGHTS (LEASES AS LESSOR)				
Less than 1 year	67,812	68,547	24,057	65,955
Between 1 and 5 years	276,079	105,617	714	136,220
More than 5 years	378,896	34,975	0	48,265
	722,787	209,139	24,771	250,440

The amounts disclosed for the equity accounted investees represent our share in the lease rights. The average duration of the lease agreements amounts to 2.3 years. The Group has granted for some of these vessels purchase options and some contracts foresee a possible extension at the end of the lease agreement. Such options have not been taken into account for determining above lease rights.

The increase in operating lease rights for subsidiaries in comparison with 2017 can be explained by the employment contracts for the FSRU and the TANGO FLNG.

FINANCE LEASES

EXMAR leases 5 vessels under financial lease agreements. These vessels are all situated within our equity accounted investees. Hence, the financial lease obligations are not shown in our consolidated financial statements. The payments made in 2018 relating to the finance lease agreements amount to USD 11.5 million (2017: USD 5.1 million), all born by our equity accounted investees.

31. CAPITAL COMMITMENTS (IN THOUSANDS OF USD)

On 2nd 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.

On 8th 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.

In order to fulfil its long-term commitments towards Equinor ASA of Norway and further dedicate its resources to innovative shipping solutions, EXMAR is currently in advanced negotiations with other shipyards to secure replacement vessels.

32. CONTINGENCIES

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

The LNGC 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. At this point in time, the Board of Directors is not able to calculate the outcome and possible outflow as a consequence of this matter and is of the opinion that no provisions should be taken in the consolidated financial statements.

33. 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 392 to the Group (2017: KEUR 305) for services provided during 2018. The outstanding amount at year end in respect of these services amounts to KEUR 72 (2017: KEUR 113).

EXMAR Shipmanagement charged KEUR 464 to Saverex for shipmanagement services in respect of the yacht "Douce France" (2017: KEUR 438). The outstanding amount at year end in respect of these services amounts to KEUR 174.

Per 31/12/2018, a provision of KEUR 397 (2017: KEUR 320) was accounted for towards Mr Nicolas Saverys as a consequence of private expenses to be recharged.

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 31/12/2017	Payables per 31/12/2017	Services provided (P&L 2017)	Services received (P&L 2017)
Shipmanagement services	903	233	16,717	0
General, accounting and corporate services	294	12,862	1,165	0
Site supervision & plan approval services	791	0	2,178	0
Rental services	0	0	0	1,076

SERVICES (IN THOUSANDS OF EUR)	Receivables per 31/12/2018	Payables per 31/12/2018	Services provided (P&L 2018)	Services received (P&L 2018)
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

EXMAR also provides borrowings to its joint ventures and associates for which an interest income is recognised in the financial statements. We refer to note 16 for an overview of these borrowings and to note 8 for the total amount of interest income.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

BOARD OF DIRECTORS

BOARD OF DIRECTORS (IN THOUSANDS OF EUR)	2018	2017
Chairman	100	100
Other members (individual amount)	50	50
Total paid (*)	500	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 2018. Per 31/12/2018, a provision of KEUR 397 (2017: KEUR 320) was accounted for towards Mr Nicolas Saverys as a consequence of private expenses to be recharged.

AUDIT COMMITTEE

AUDIT COMMITTEE (IN THOUSANDS OF EUR)	2018	2017
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)	2018	2017
Members (individual amount)	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. In 2018 the Executive Committee, excluding the CEO, consisted of six members on average. Four members of the Executive Committee (including the CEO) have a self-employed status. In the event of termination of their appointment, they have no right to any form of severance compensation. Two 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 and Chirmont NV (represented by Miguel De Potter) to a compensation equivalent to three month's salary. David Lim is employed through an agreement under United States law.

EXECUTIVE COMMITTEE, EXCLUDING CEO	2018	2017
TOTAL FIXED REMUNERATION	2,366	2,709
of which for insurance and pension plan	333	331
of which value of share options	0	0
TOTAL VARIABLE REMUNERATION	625	700

CEO (IN THOUSANDS OF EUR)	2018	2017
TOTAL FIXED REMUNERATION	997	1,037
of which for insurance and pension plan	174	214
of which value of share options	0	0
TOTAL VARIABLE REMUNERATION	1,100	900

No loans were granted to the members of the executive committee in 2018. Per 31/12/2018, a provision of KEUR 397 (2017: KEUR 320) was accounted for towards Mr Nicolas Saverys as a consequence of private expenses to be recharged.

The members of the executive committee are among the beneficiaries of the 5 share option plans approved by the board of directors. The accumulated number of options (plan 3,4 and plan 8 to 10) allocated to the members of the executive committee are as follows:

NUMBER OF SHARES ALLOCATED	2018	2017
Nicolas Saverys	227,553	325,408
Patrick De Brabandere	156,160	198,807
Pierre Dincq	108,982	119,829
Marc Nuytemans	90,000	119,464
Bart Lavent	0	90,000
Miguel de Potter	90,000	93,000
David Lim	104,464	128,927
Jonathan Raes	2,500	0
	779,659	1,075,435

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.

34. GROUP ENTITIES

	Country of incorporation	Company id	Consolidation method	Ownership	
				2018	2017
CONSOLIDATED COMPANIES					
JOINT VENTURES					
Estrela Ltd	Hong Kong		Equity	50.00%	50.00%
Excelsior BVBA (*)	Belgium	0866.482.687	Equity	0.00%	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	50.00%	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	40.00%	40.00%
Bureau International Maritime Congo	Congo		Equity	40.00%	40.00%
Compagnie Parisienne Formation et Logistique	France		Equity	40.00%	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	60.00%	60.00%
Ahlmar SA	Luxembourg		Full	60.00%	60.00%
Ahlmar Ship Management NV	Belgium	0676.847.588	Full	60.00%	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 Energy France (**)	France		Full	100.00%	0.00%
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%	0.00%
Exmar Export Netherlands (**)	Netherlands		Full	100.00%	0.00%
Exmar FSRU Hong Kong Ltd (**)	Hong Kong		Full	100.00%	0.00%
Exmar Holdings Ltd	Liberia		Full	100.00%	100.00%
Exmar Hong Kong Ltd	Hong Kong		Full	100.00%	100.00%
Exmar LNG Holding NV	Belgium	0891.233.327	Full	100.00%	100.00%
Exmar LNG Infrastructure NV (***)	Belgium	0555.660.441	Full	0.00%	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%	0.00%
Exmar Small Scale LPG HK Ltd (**)	Hong Kong		Full	100.00%	0.00%

CONSOLIDATED COMPANIES	Country of incorporation	Company id	Consolidation method	Ownership 2018	Ownership 2017
SUBSIDIARIES					
Exmar Small Scale LPG BE NV (**)	Belgium	0713.409.957	Full	100.00%	0.00%
Exmar (UK) Shipping Company Ltd	Great-Britain		Full	100.00%	100.00%
Exmar Yachting NV	Belgium	0546.818.692	Full	100.00%	100.00%
Expedita Ltd (***)	Hong Kong		Full	0.00%	100.00%
Export LNG Ltd	Hong Kong		Full	100.00%	100.00%
Farnwick Shipping Ltd	Liberia		Full	100.00%	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%
Kellett Shipping Inc (***)	Liberia		Full	0.00%	100.00%
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	100.00%	100.00%

(*) This company has been sold during the accouting year. We refer to note 10 for further information.
(**) These companies were incorporated during the accouting year.
(***) These companies were liquidated during the accouting year.

35. MAJOR EXCHANGE RATES USED

EXCHANGE RATES	Closing rates 2018	Closing rates 2017	Average rates 2018	Average rates 2017
EUR	0.8734	0.8338	0.8447	0.8890
GBP	0.7812	0.7398	0.7478	0.7762
HKD	7.8319	7.8146	7.8371	7.7906
NOK	8.6885	8.2050	8.1245	8.2753

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

36. 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:

FEES STATUTORY AUDITOR	2018	2017
Audit services	384	367
Audit related services	3	0
Tax services	89	83
	476	450

For 2018 and 2017, the non-audit fees do not exceed the audit fees.

37. SUBSEQUENT EVENTS

On 2nd 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.

On 8th 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.

In order to fulfil its long-term commitments towards Equinor ASA of Norway and further dedicate its resources to innovative shipping solutions, EXMAR is currently in advanced negotiations with other shipyards to secure replacement vessels.

SIGNIFICANT JUDGMENTS AND ESTIMATES

The significant judgments 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

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 projected cash flows based on approved budgets and the liquidity impact of the management measures listed below, it has sufficient liquidity to meet 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 2018 have been prepared on a going concern basis. In making this assessment, the Board of Directors assumed that the following management measures be timely and successfully completed to provide sufficient liquidity for the Company:

* The Company reached an agreement in principle with Bank of China, financing TANGO FLNG under a Loan Facility, to partially release cash currently trapped in a Debt Service Reserve Account to secure the Loan Facility. Following the execution of this agreement in principle, approximately USD 40 million restricted cash is expected to become available in May 2019 (ie after the collection of the first hire payment from YPF is expected) and an additional USD 13 million of restricted cash is expected to become available after one year of operations of TANGO FLNG. The documentation is being prepared and will be executed once the final approval of the China Export and Credit Insurance Corporation, Sinosure has been obtained.

* The Company agreed on a non-binding Term Sheet for the financing of the FSRU barge (chartered out to Gunvor) with China State Shipbuilding Corporation ("CSSC"). The FSRU barge is currently not pledged to any financings. The Company and CSSC Leasing have agreed to work towards a long term (10 years) sale and lease-back structure with drawdown of a first tranche of approximately USD 80 million net assumed in May 2019. A second tranche of approximately USD 40 million net is assumed to become available for drawdown in October 2019 (i.e. once the FSRU barge is expected to be operationally accepted by Gunvor). The total of this financing is still conditional, amongst others to final credit committee approval of CSSC but the Company is confident that such approval will be obtained in a reasonable timeframe. Gunvor has continued to pay full hire under the Time Charter Party.

* The Company is looking to refinance, partly or fully, its existing bond (approximately USD 121.4m) which is falling due on July 7, 2019. The Company believes that there is appetite for such refinancing, however no commitments have been made. DNB Markets, Nordea and Pareto Securities have been mandated in relation to a bond issue which may follow.

* 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 31th 2018 and the next testing date with respect to the financial position as at the end of June 2019 is in September 2019. Meeting the financial covenants at June 2019 is depending upon the successful implementation of some of the measures mentioned above. In the event of a breach of covenants the Company will request and is assuming it will be able to obtain a waiver from the relevant lenders.

The Board is confident that management will be able to timely and successfully implement these plans 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 for the period of at least 12 months from the date of authorising these financial statements.

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 Ludwig Criel , and the Executive Committee, represented by Patrick De Brabandere and Miguel de Potter, hereby certifies on behalf and for the account of the company, that to their knowledge.
- The consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the equity, financial position and financial performance of the company, and the entities included in the consolidation as a whole.
- The annual report on the consolidated financial statements includes a fair overview of the development and performance of the business and the position of the company, and the entities included in the consolidation, together with a description of the principal risks and uncertainties which they are exposed to.

REPORT OF THE STATUTORY AUDITOR

STATUTORY AUDITOR'S REPORT TO THE SHAREHOLDERS' MEETING OF EXMAR NV FOR THE YEAR ENDED 31 DECEMBER 2018 - 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 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 2 consecutive periods.

REPORT ON THE AUDIT OF 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 2018, the consolidated statement of profit or loss, the 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 904 341 (000) USD and the consolidated statement of profit or loss shows a consolidated net loss for the year then ended of 16 070 (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 2018 and of its consolidated results and its consolidated cash flows 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 operational challenges that put pressure on its financial position. In preparing the financial statements, the board assumed that all management measures would 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 measures indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 564 423 (000) USD represent 62% of the consolidated balance sheet total as at 31 December 2018. Management's assessment of the valuation of property, plant and equipment was significant to our audit because this process is complex and requires significant management judgement. Furthermore, there is an increased risk of impairment, as certain significant long-lived assets currently do not yield positive operating cash flows. **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 for determining the fair value less costs to sell ("FVLCTS") of the vessels. We obtained a written confirmation from the appraisers on their independence, expertise and valuation basis. • 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. • We involved Deloitte's shipping industry fair value experts to assist us in the evaluation of the discount rates, spot hire rates/post charter rates, commission costs and scrap value of the vessel. We performed sensitivity analysis where considered necessary and assessed the consistency of valuation methodologies applied and assumptions used. • 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.

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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary (revised in 2018) to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's 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 119 of the Companies Code.

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 119, § 2 of the Companies Code, 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 the internationally recognised framework. In accordance with article 144, § 1, 6° of the Companies Code 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 134 of the Companies Code, 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, 16 April 2019 - The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL - Represented by Gert Vanhees

STATUTORY ACCOUNTS

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

BALANCE SHEET	31/12/2018	31/12/2017
ASSETS		
FIXED ASSETS	619,568	674,579
(In-)tangible assets	394	568
Financial assets	619,174	674,011
CURRENT ASSETS	117,273	88,097
Amounts receivables within 1 year	79,250	36,848
Investments	19,587	33,827
Cash and cash equivalents	18,201	17,092
Accrued income	235	330
TOTAL ASSETS	736,841	762,676
EQUITY AND LIABILITIES		
EQUITY	659,230	649,050
Capital	88,812	88,812
Share premium	209,902	209,902
Reserves	86,338	90,001
Accumulated profits	274,178	260,335
PROVISIONS AND DEFERRED TAXES	337	2,697
Provisions and deferred taxes	337	2,697
LIABILITIES	77,274	110,929
Amounts payable within one year	77,274	110,929
TOTAL EQUITY AND LIABILITIES	736,841	762,676

STATEMENT OF PROFIT OR LOSS	01/01/2018 - 31/12/2018	01/01//2017 - 31/12/2017
STATEMENT OF PROFIT OR LOSS		
Operating income	3,846	5,668
Operating expenses	-9,551	-10,834
OPERATING RESULT	-5,705	-5,166
Financial income	24,788	133,306
Financial expenses	-7,606	-16,772
RESULT FOR THE YEAR BEFORE TAX	11,477	111,368
Income tax	-1,297	-312
RESULT FOR THE YEAR	10,180	111,056
APPROPRIATION OF RESULT		
Result to be appropriated	270,516	257,806
Transfer from/(to) capital and reserves	3,662	2,529
Result to be carried forward	-274,178	-260,335
Distribution of result	0	0

05

GLOSSARY

GLOSSARY

Bbl	Barrel
BIM	Bureau International Maritime
BWTS	Ballast water treatment system
CAPEX	Capital Expenditure
cbm	Cubic meters (m^3)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFLNG	Caribbean FLNG
CO2	Carbon dioxide
COO	Chief Operating Officer
DPC	Data Protection Committee
DVO	DV Offshore
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EE	Excelerate Energy
EFTA	Norway and Iceland
EOC	Exmar Offshore Company
ERP	Enterprise resource planning
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
FSPO	Floating Storage Production and Offloading
FSRU	Floating Storage and Regasification Unit
GDPR	General Data Protection Regulation
GHG	Greenhouse gas
GT	Gross tonnage
HFO	Heavy Fuel Oil
HHIC	Hanjin Heavy Industries and Construction
HMPE	High Modulus Polyethylene
HSEQ	Health, Safety, Environment and Quality
HSEEQ	Health, Safety, Environmental Energy and Quality
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ISO	International Organization for Standardization
JLT	Jardine Lloyd Thomson Group plc
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
LTIF	Lost Time Injury Frequency
MAS	Marine Aviation Special Risks
MGC	Midsize Gas Carrier
Midsize	Carriers with capacity of 20,000 m^3 to 40,000 m^3
Mio	Million
MMSCFD	Million standard cubic feet per day
MOPU	Mobile Offshore Production Unit
MRV	Monitoring, Reporting, Verification
MT	Metric tons
MTPA	Million tons per annum
NH3	Ammonia
NOK	Norwegian Krone
NYSE	New York Stock Exchange
OB	Order book
OECD	Organization for Economic Co-operation and Development
OPEC	Organization of the Petroleum Exporting Countries
OPEX	Operating Expenditures
Pcm	Per calendar month
Petchems	Petrochemicals
POB	Persons on board
PSU	Power supply unit
PVC	Polyvinylchloride
R&D	Research & Development
REBITDA	Recurring earnings before interests, taxes, depreciations and amortizations
Semi-ref.	Semi-refrigerated LPG carrier
SPAR	Type of floating oil platform typically used in very deep waters, and is named for logs used as buoys in shipping that are moored in place vertically.
STS	Ship-to-ship
TC	Time charter
TCE	Time charter equivalent
TTSL	Taking The SAFETY LEAD
U/C	Under Construction
UN	United Nations
UNCTAD	United Nations Conference on Trade & Development
US	United States
USA	United States of America
USD	United States Dollar
VCM	Vinyl Chloride Monomer
VLGC	Very Large Gas Carrier
WAF	West African
WTI	West Texas Intermediate