EXMAR

EXMAR 2018

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GLOSSARY

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

31 JANUARY 2018
LPG/C COURCHEVILLE (28,000 m³ - 1989 built) is sold for recycling in accordance with the prevailing legislation

2 FEBRUARY 2018
Delivery of LNG FSRU EXCELSIOR (138,000 m³ LNG – built 2003) to Excelerate Energy L.P.

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

20 FEBRUARY 2018
EXMAR's FSRU barge leaves the Wison Offshore Marine shipyard to Singapore for site-specific modifications.

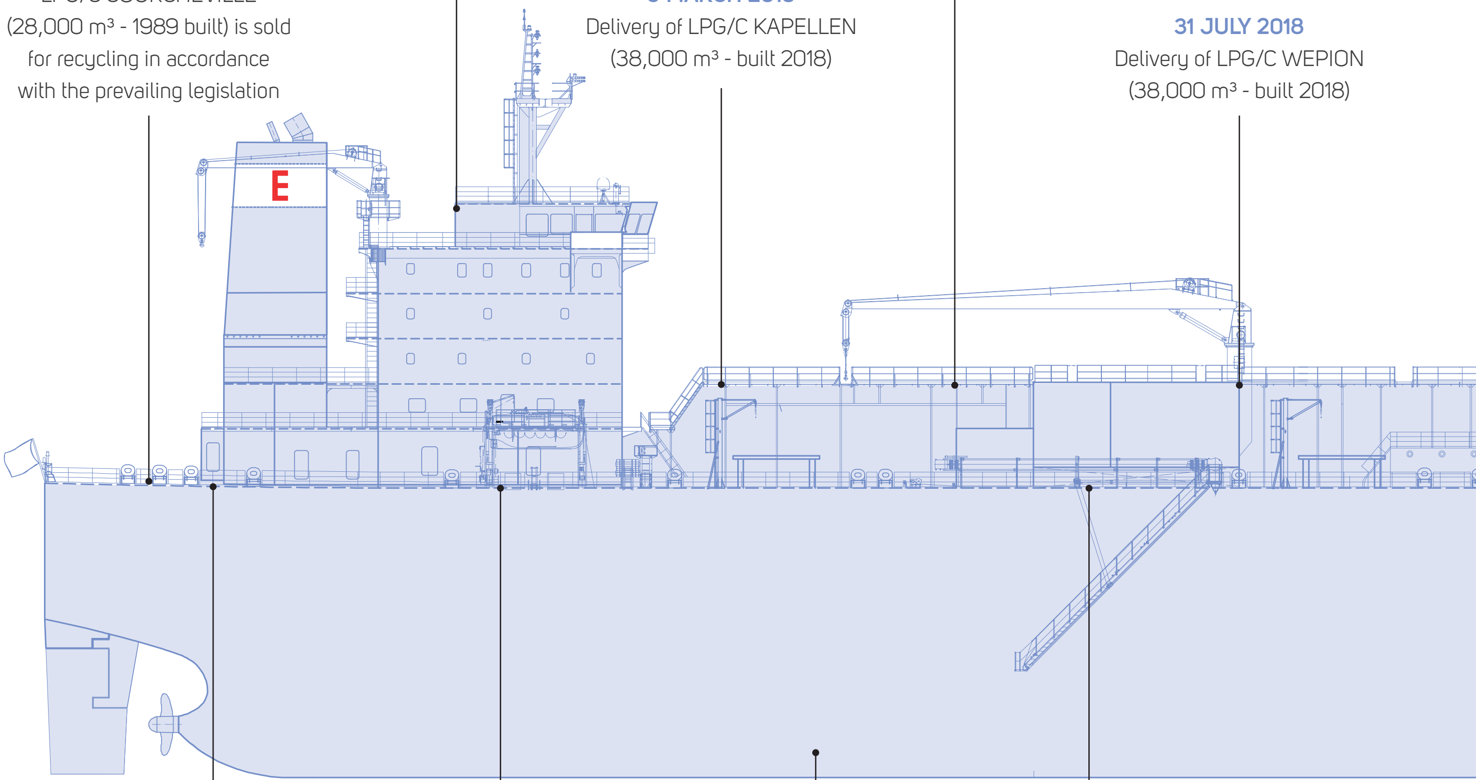
5 MARCH 2018
Delivery of LPG/C KAPELLEN (38,000 m³ - built 2018)

1 APRIL 2018
Multipurpose Supply Vessel GEO OCEAN III joins EXMAR Ship Management, which now manages 16 different vessel types

28 MAY 2018
Delivery of LPG/C KOKSIJDE (38,000 m³- built 2018)

1 JULY 2018
EXMAR Ship Management adds temperature-controlled liquid bulk juice carrier CITRUS VITRA BRASIL to its managed fleet

31 JULY 2018
Delivery of LPG/C WEPION (38,000 m³ - built 2018)

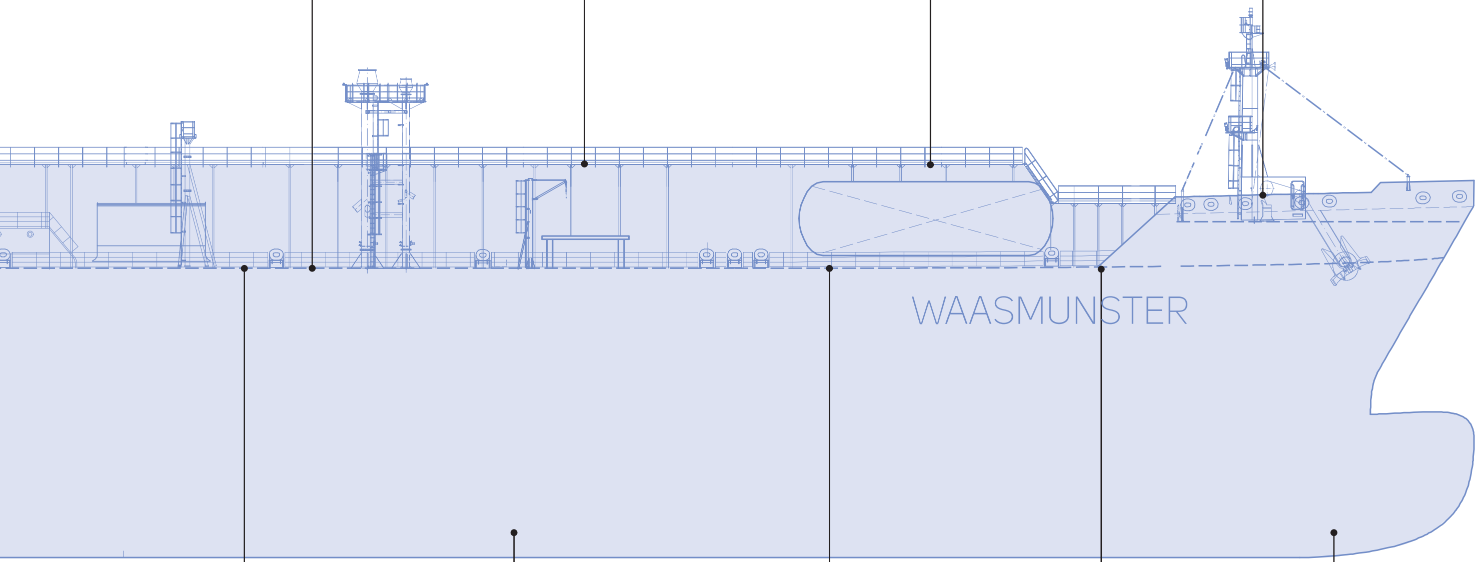


1 OCTOBER 2018
EXMAR's FSRU barge commences on hire to Gunvor

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.

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.



3 OCTOBER 2018
Refinancing of EXMAR's Pressurized fleet through a sale and lease back structure with Japanese owners

1 JANUARY 2019
FSO NKOSSA II enters into management of EXMAR Ship Management

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

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%

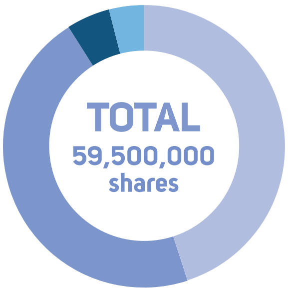
EBITDA
67.4

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

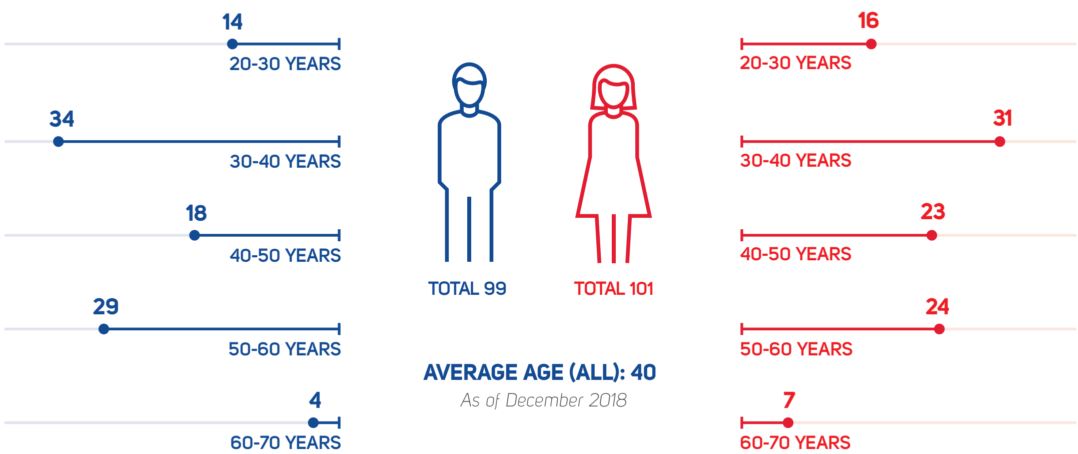
EXMAR IN THE WORLD

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

HEADQUARTERS OFFICES BRANCHES

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:

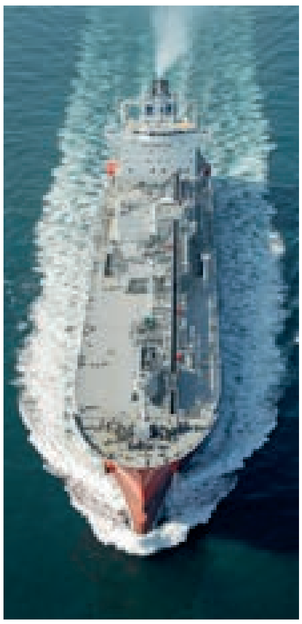
72%
Europe

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 (m³)	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 (m³)	Year Built	Status
LPG VLGC			
BW TOKYO	83,270	2009	t.c./j.v.

	Type	Capacity (m³)	Production Capacity	Year Built	Status
BARGE-BASED FSRU					
S188	lng	25,000	600 mm ft³	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

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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.

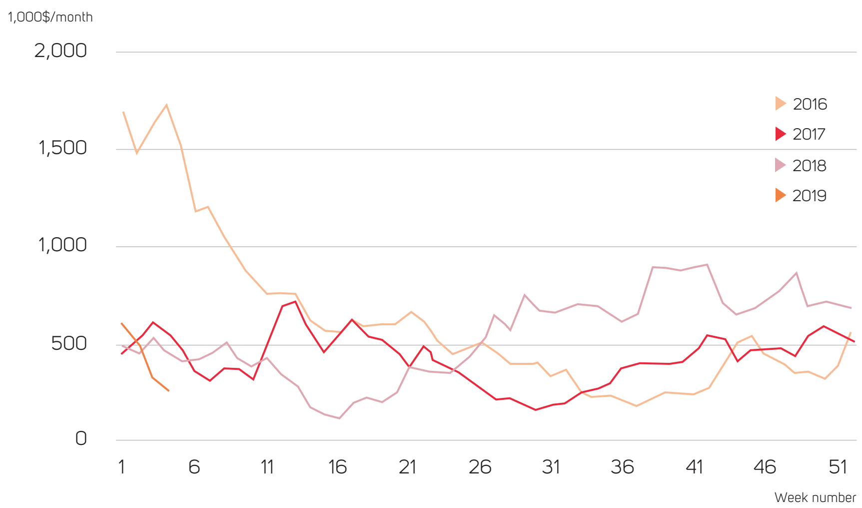
Despite there being signs of manufacturing activity slowing down in China with the US-China trade relationship hanging in the balance, China is expected to take in more LPG in 2019 thanks to the start-up of four new propane dehydrogenation plants.

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.

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.

BALTIC GAS INDEX



Source: Braemar ACM

13 energy-efficient MGC vessels have joined the EXMAR LPG fleet since 2014

MIDSIZE

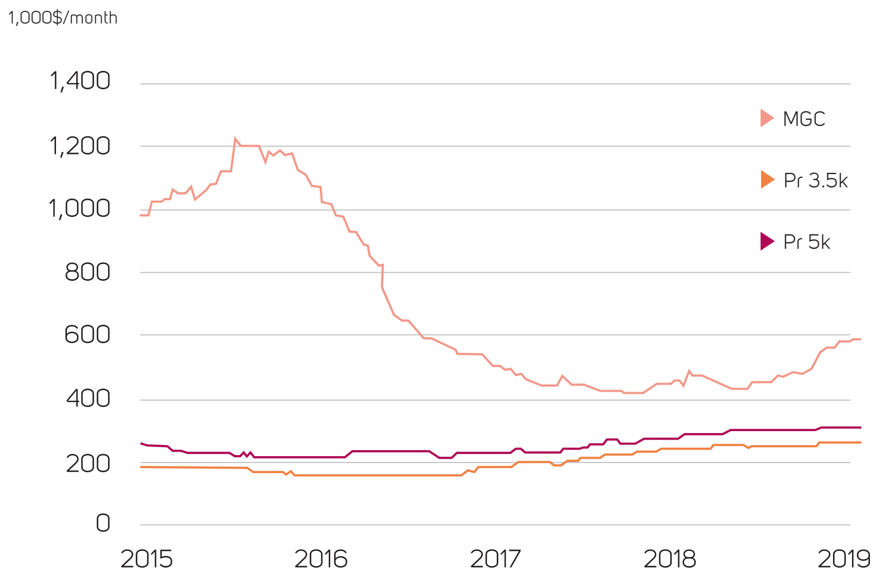
In contrast to 2016 and 2017 during which time 27 newbuilds were delivered, only nine new **Midsize Gas Carrier (MGC)** vessels joined the global fleet in 2018. Accompanied by the upward momentum of both VLGC and **Large Gas Carrier (LGC)** segments in the course of the year, MGC earnings followed suit 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

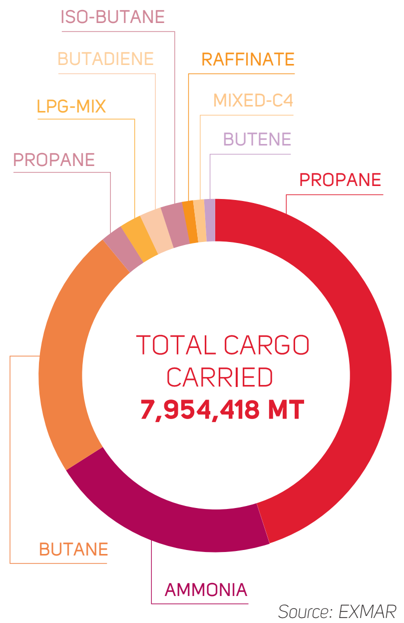
The Pressurized vessel segment has continued to improve during 2018 since its upsurge in 2017. Downstream markets strengthened both East and West of Suez, contributing to more demand for frequent and small cargo deliveries. Also the distribution of easy petrochemical cargoes such as propylene rose in 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%.

1Y TC RATE



Source: Clarkson

TOTAL LPG CARGO FLEET 2018



Source: EXMAR

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 new-build 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.

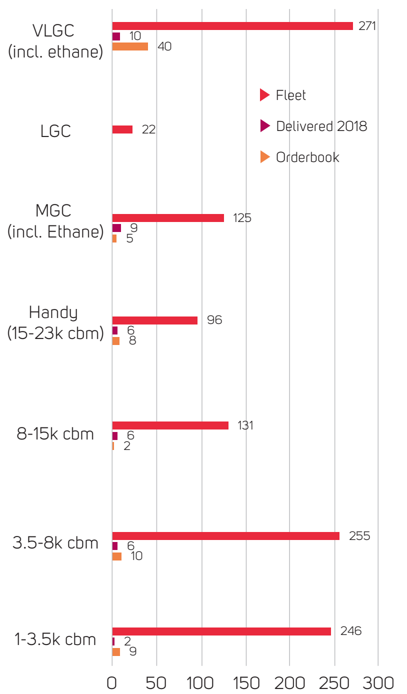
MIDSIZE

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

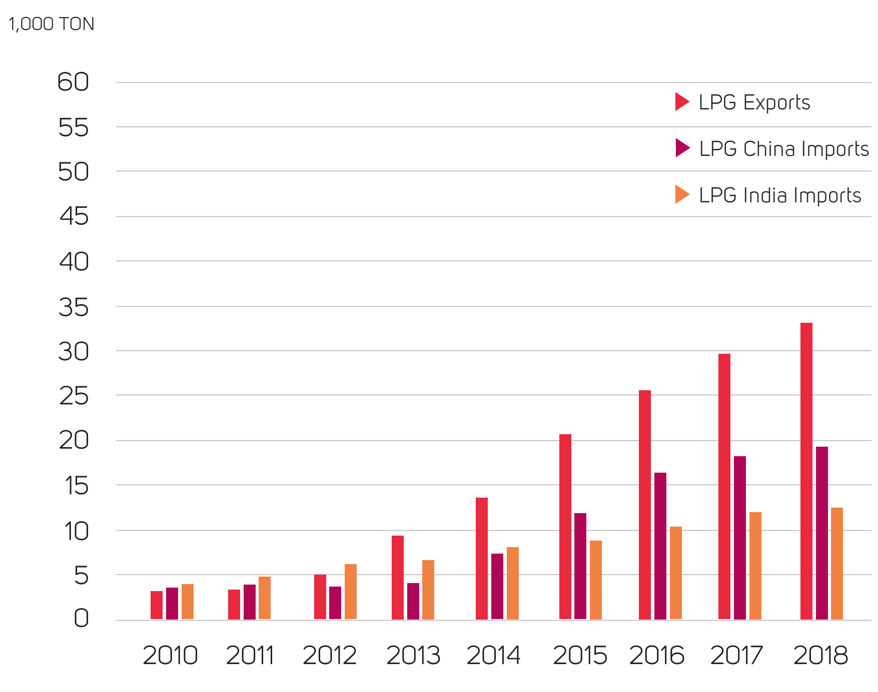
EXMAR continues to efficiently deploy its Pressurized portfolio of ten units with a healthy mix of ships employed East of Suez (China, India, Korea, and Japan) and West of Suez in both LPG and petrochemical trades. 2018 saw full employment of EXMAR's Pressurized fleet, with 100% of the fleet committed 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)

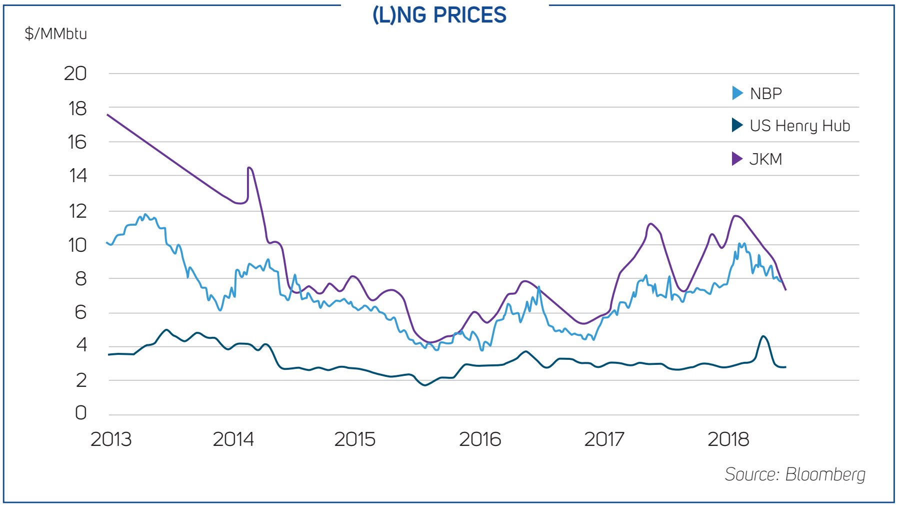
	Total per 31/12/2018	Total per 31/12/2017
PROPORTIONATE CONSOLIDATION (IN MILLION USD)		
Turnover	21.0	68.0
EBITDA	37.0	87.6
REBITDA (*)	6.1	42.6
Operating result (EBIT)	21.4	47.6
Consolidated result after tax	-21.6	25.0
Vessels (including vessels under construction)	497.7	494.6
Financial debts	207.6	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).

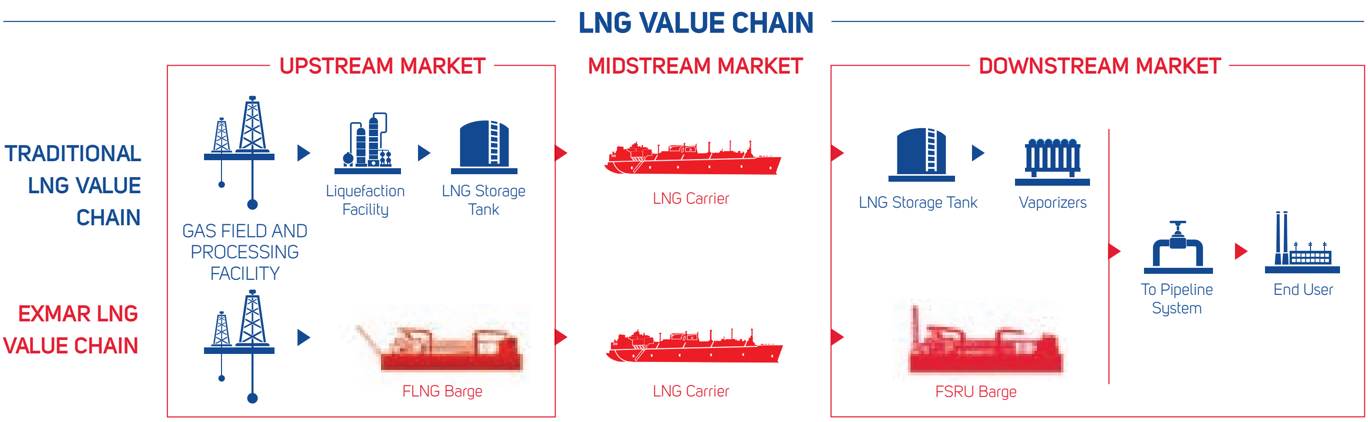
MARKET OVERVIEW

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.

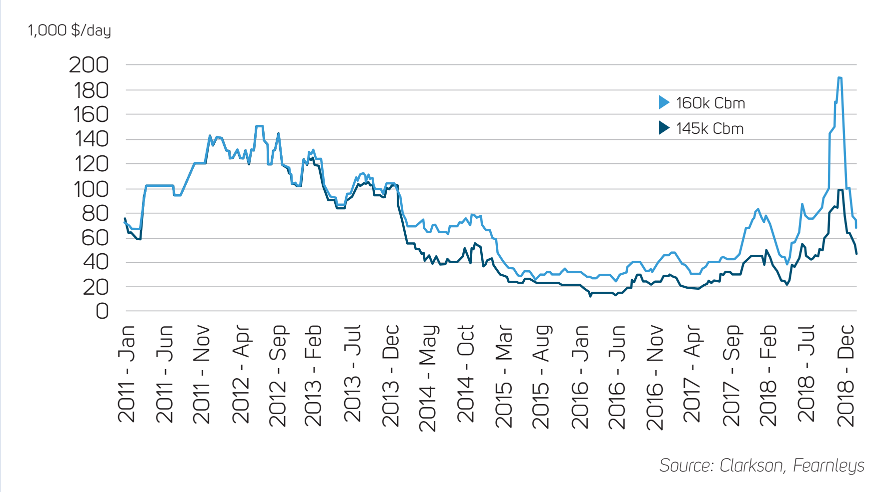
As both LNG price charts indicates, 2018 has again demonstrated that oil and gas prices have proven volatile. Several factors contribute to this phenomenon. They include geopolitical tensions and changing oil and gas output levels.



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.

LNG SHORT-TERM FREIGHT RATES



Source: Clarkson, Fearnleys

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.

> **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.

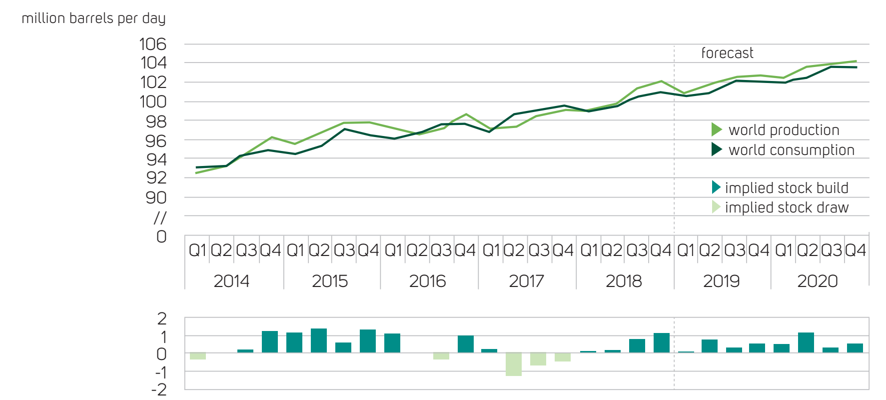
> **Over 200 offshore developments utilizing floating production systems are in the planning process**

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.

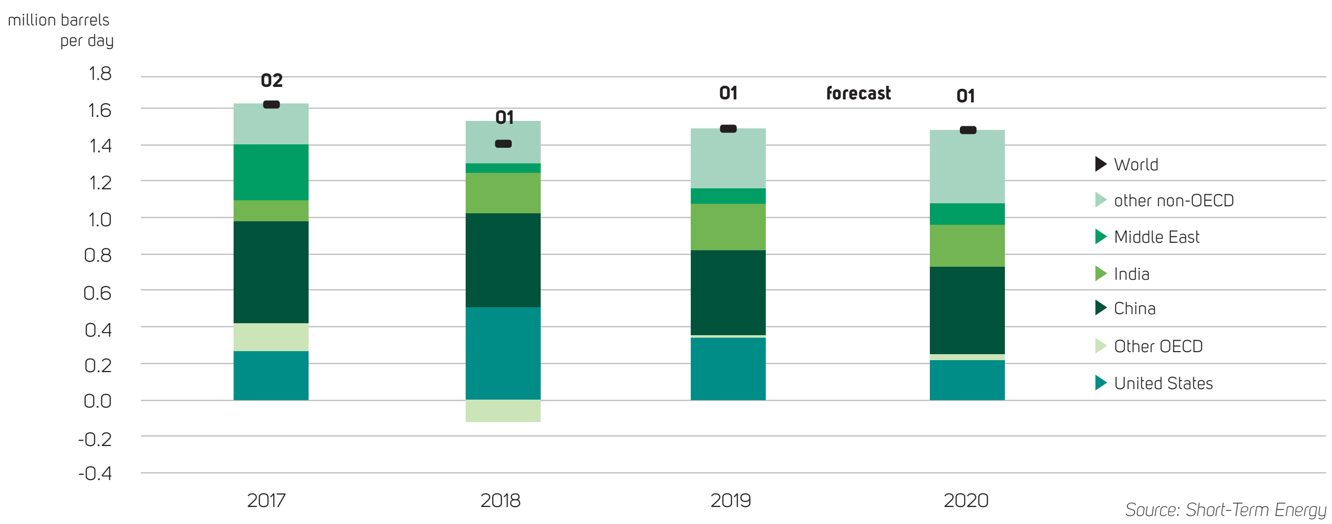
BEXCO

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.

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.

HIGHLIGHTS FOR 2018 AND OUTLOOK FOR 2019

OPTI® SERIES FLOATING PRODUCTION SYSTEMS

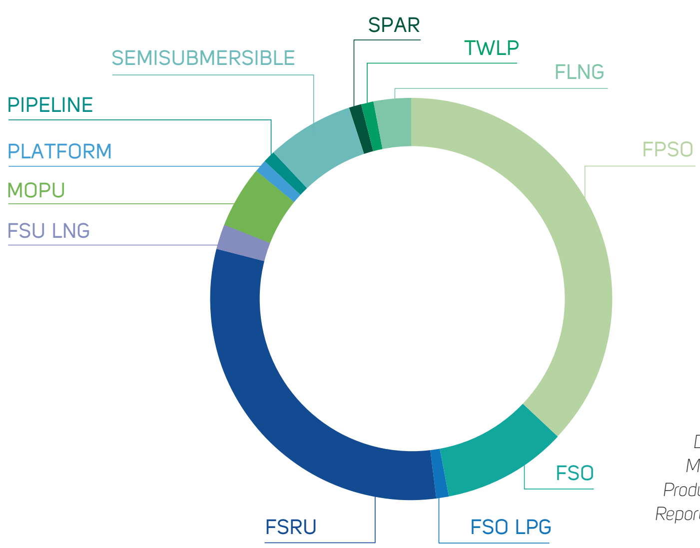
Despite the volatility of oil prices, one operator has executed a contract for the construction of an OPTI® floating production semisubmersible for deployment in the Gulf of Mexico. This new order is a significant achievement for EXMAR at time when only a handful of projects have been sanctioned in recent 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.

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.

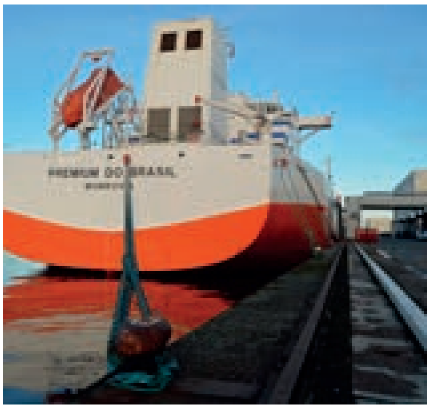
EXMAR SHIP MANAGEMENT

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.

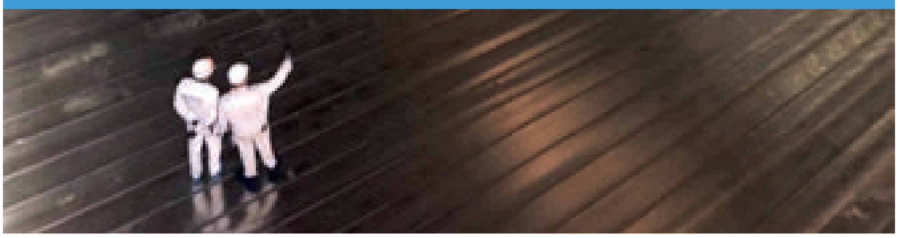
HIGHLIGHTS FOR 2018 AND OUTLOOK FOR 2019

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.

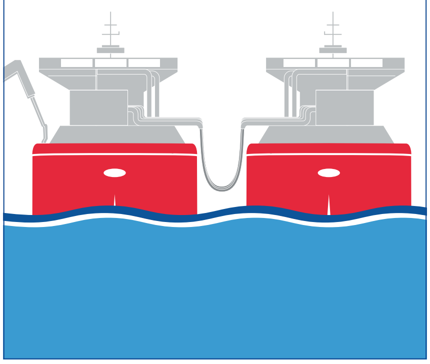
In addition, EXMAR Ship Management expanded its global footprint by establishing company representation with an office in Kingston, Jamaica. EXMAR Ship Management plans to expand its activities in the crewing business whilst serving its existing customer base close to where there vessels trade and operate. 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

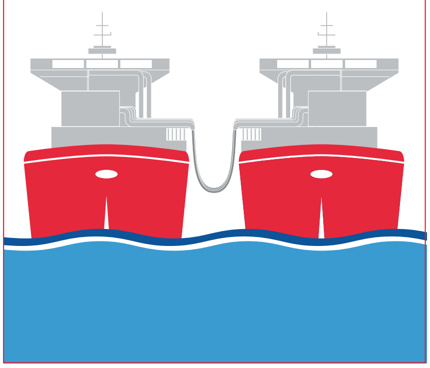
On 5 October 2018 the conversion team of a 138,000 m³ LNG carrier into a floating storage unit (FSU) reached a milestone with the cutting of the first steel plate for the 'sponson' structure – the start of processing about 680 tons of steel. The sponson will reinforce the hull to protect the vessel against 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.



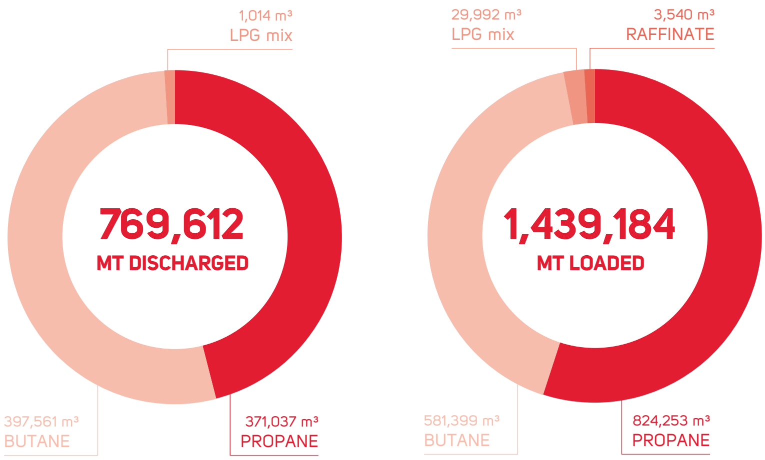
LNG SHIP-TO-SHIP TRANSFERS
175 TRANSFERS OF 22,177,500.6 M³ OF LNG IN 2018



LPG SHIP-TO-SHIP TRANSFERS IN 2018
195 CARO TRANSFERS



TOTAL LPG SHIP-TO-SHIP TRANSFER



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** Semi-ref.
- **5** Fully Pressurized LPG Carrier
- **7** VLGC

LNG FLEET UNDER MANAGEMENT

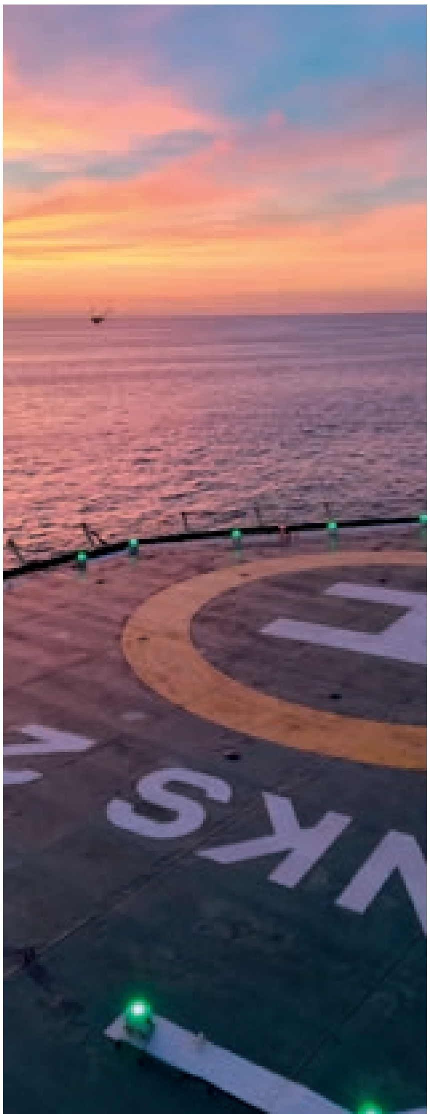
- **1** FLNG (barge-based)
- **2** FSU (vessel-based)
- **1** LNG Carrier
- **1** FSRU (barge-based)
- **1** LNG Bunkering vessel *
- **9** FSRU (vessel-based)

ADDITIONAL FLEET UNDER MANAGEMENT

- **5** Liquid tankers
- **3** Bulk carriers
- **2** Accomm. Barges
- **4** Luxury motor and sailing yachts
- **1** FSO
- **1** Multipurpose supply vessel

TOTAL: 64

Crew management



FSO NKOSSA II – THE LATEST ADDITION TO EXMAR SHIP MANAGEMENT'S FLEET LIST

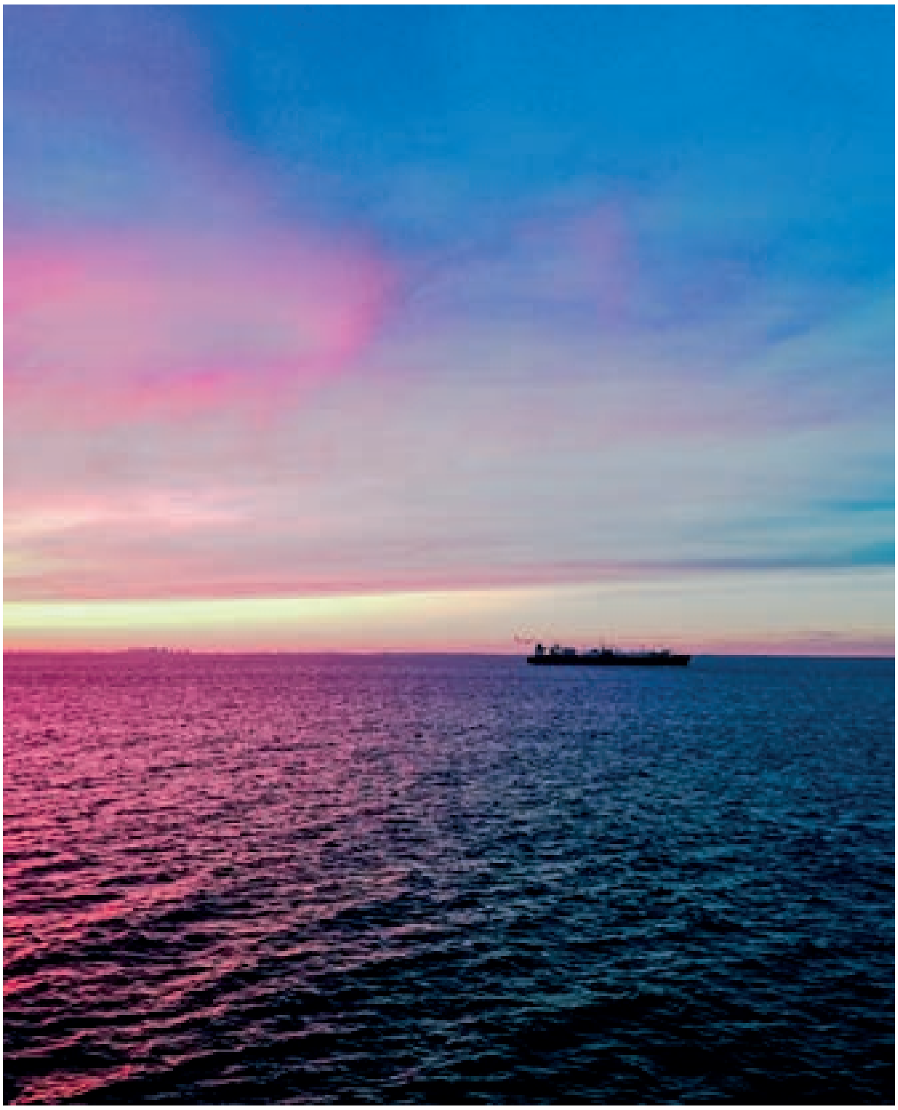
EXMAR Ship Management was awarded technical management for the Floating Storage and Offloading (FSO) LPG unit NKOSSA II (owned by TOTAL E&P Congo). EXMAR Ship Management opened a local shore base organization in Pointe Noire to cater for the technical, logistical and operational requirements of the owners 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.

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.

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 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!"


EXMAR

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"

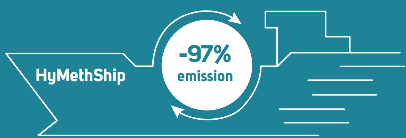
In December 2018, over 40 EXMAR colleagues participated in a special run in Antwerp organized for Belgium's national Christmas charity appeal "De Warmste Week" (the Warmest Week) with a total of close to 17.3 million euro raised for nearly 2,000 organisations. In cold and blustery weather, the team crossed 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.

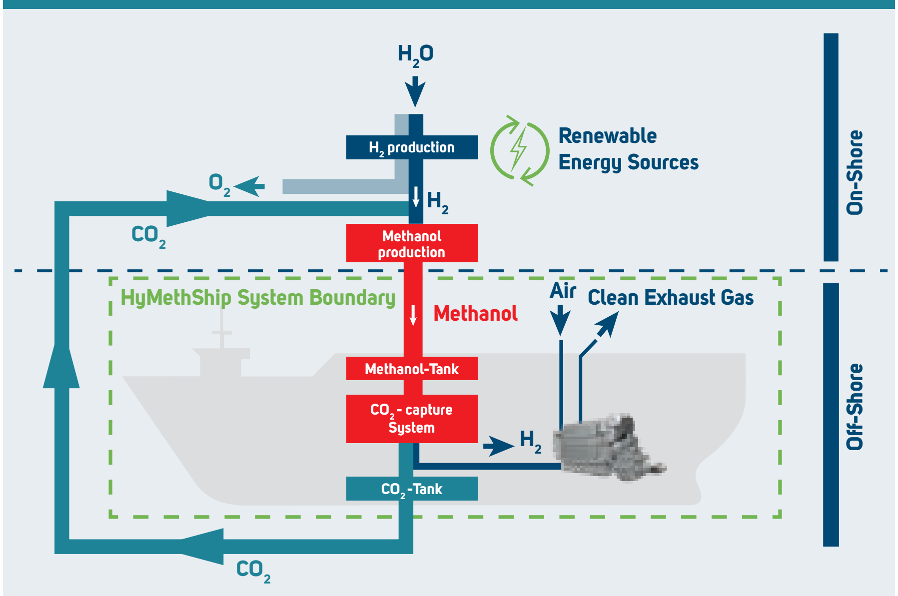
SUPPORTING THE ZACHTEKRACHT SAILING INITIATIVE

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.

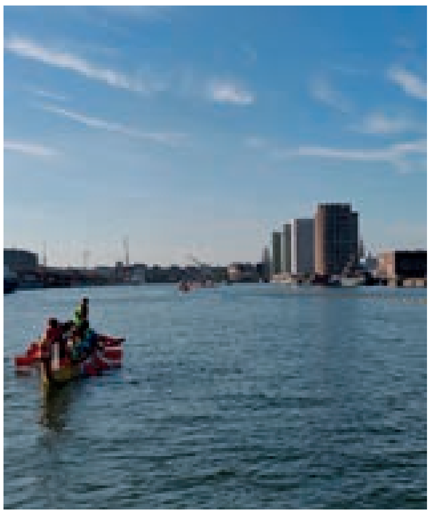




YOUNGSHIP BELGIUM

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

CONTENT

CORPORATE GOVERNANCE STATEMENT

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

GOVERNANCE MODEL

EXMAR NV is governed by the Belgian 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

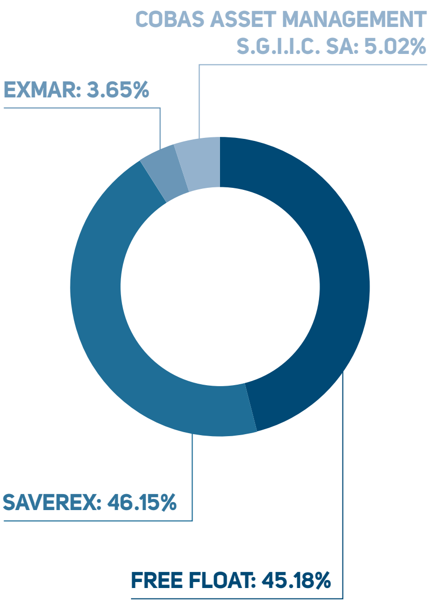
1.6 PURCHASE OF OWN SHARES

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.

	Outstanding as per 31/12/2017	Expired during 2018	Exercised in 2018	Granted 2018	Outstanding as per 31/12/2018
SHARE OPTIONS					
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 CO_2, 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).

	Proportionate Consolodation	Difference	Equity Consolodation
RECONCILIATION CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND PROPORTIONATE CONSOLIDATION (SEGMENT REPORTING)			
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	Proportionate Consolodation	Difference	Equity Consolodation
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)

FOR THE YEAR ENDED 31 DECEMBER 2017	Proportionate Consolodation	Difference	Equity Consolodation
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	2018	2017
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.

	2018	2017
FINANCE INCOME/EXPENSE RECOGNISED DIRECTLY IN EQUITY		
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)

	2018		2017	
INCOME TAXES				
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.

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

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

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.

	Year ended 31/12/2017
A. CONSIDERATION RECEIVED	
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).

	Transaction date 31/08/2017
B. ASSETS AND LIABILITIES OVER WHICH CONTROL WAS LOST	
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

C. GAIN ON DISPOSAL OF A SUBSIDIARY	Year ended 31/12/2017
Total consideration	26,644
Participation	-1,022
Net assets disposed of	1,029
	26,651

D. NET CASH INFLOW ON DISPOSAL OF A SUBSIDIARY	Year ended 31/12/2017
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.

A. CONSIDERATION RECEIVED	Year ended 31/12/2017
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.

B. GAIN ON DISPOSAL OF AN EQUITY ACCOUNTED INVESTEE	Year ended 31/12/2017
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.

	number of options	weighted average exercise price	number of options	weighted average exercise price
	2018		2017	
RECONCILIATION OF OUTSTANDING SHARE OPTIONS				
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.

	2018	2017
BASIC EARNINGS PER SHARE IN USD		
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

	Fair value hierarchy (*)	2018		2017	
		Carrying amount	Fair value	Carrying amount	Fair value
SENSITIVITY ANALYSIS					
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:

	2018		2017	
	Subsidiaries	Equity accounted investees	Subsidiaries	Equity accounted investees
OPERATING LEASE OBLIGATIONS (LEASES AS LESSEE)				
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	Ownership 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%

	Country of incorporation	Company id	Consolidation method	Ownership 2018	Ownership 2017
CONSOLIDATED COMPANIES					
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

	Closing rates 2018	Closing rates 2017	Average rates 2018	Average rates 2017
EXCHANGE RATES				
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:

	2018	2017
FEES STATUTORY AUDITOR		
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

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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