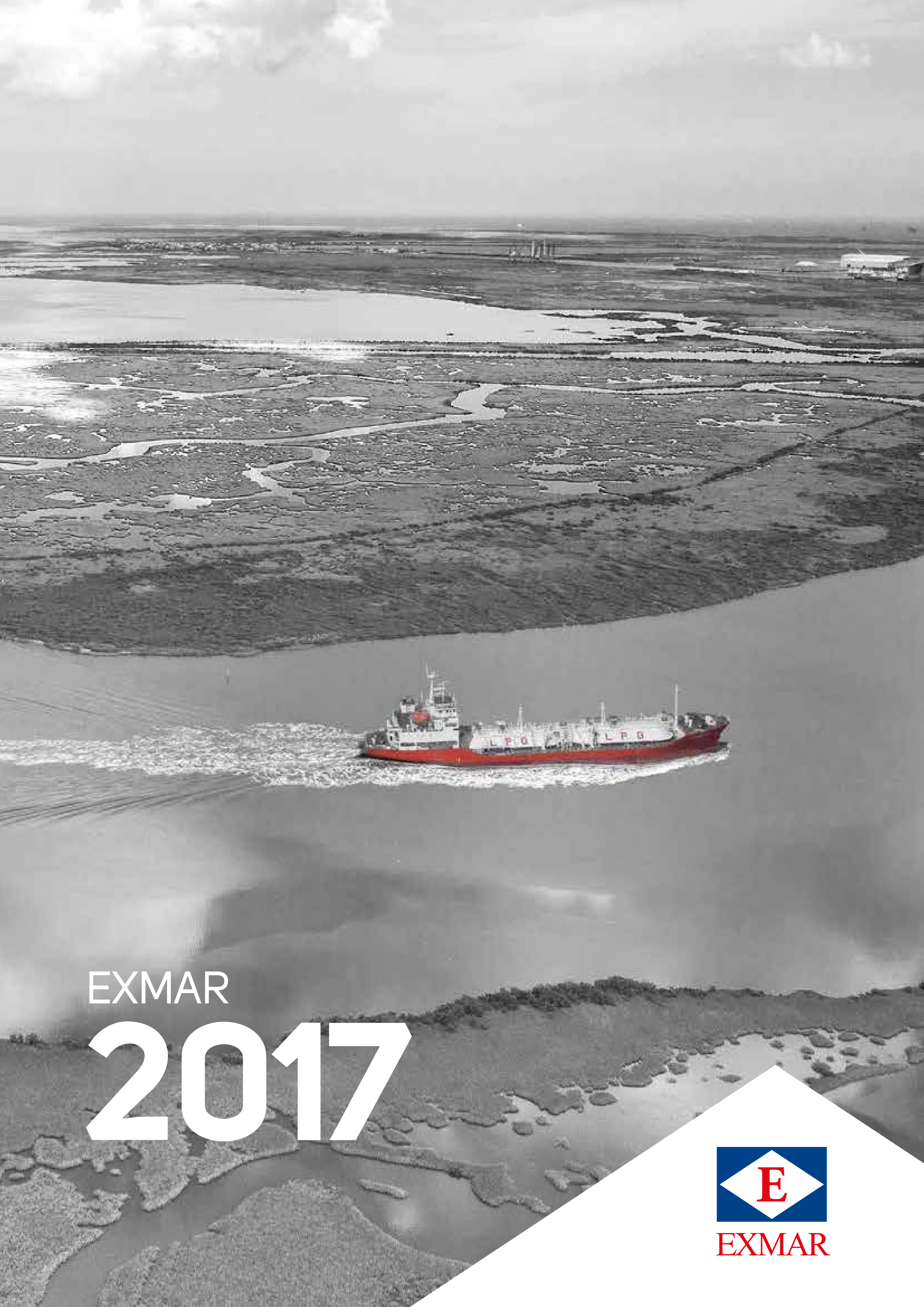
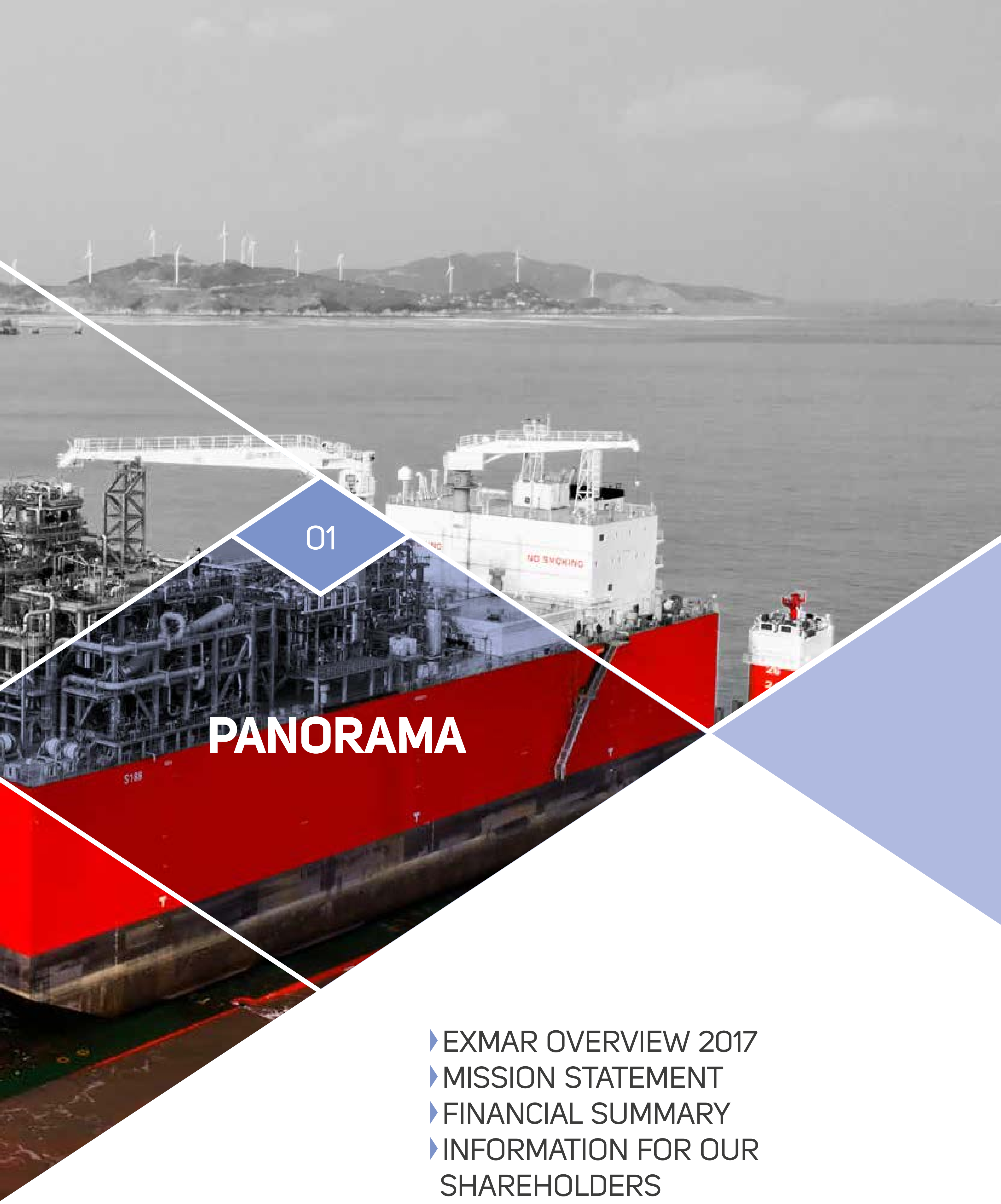

EXMAR
2017
EXMAR

CONTENTS


HAI YANG SHI YOU 278



01

PANORAMA

EXMAR OVERVIEW 2017

In 2017, EXMAR has weathered a prolonged, perfect storm of low hydrocarbon prices, oversupply of gas and excess shipping capacity. EXMAR's LNG division has sold its vintage vessel-based FSRUs and LNG carriers and is now focusing on two unique, *barge-based* floating terminals specifically designed to simplify the import and export of LNG in niche markets.

Four floating storage and regasification units (FSRUs) which had previously been under long-term charter to Excelerate Energy (EE) were acquired by the same company following the buyout of EXMAR's 50% ownership share in each vessel. The LNG carrier EXCEL was also sold by EXMAR to an owner who is converting it into a floating storage unit.

The world's first FSRU barge was delivered to EXMAR in December 2017, with long-term employment for the unit secured with a reputable counterpart as of mid-2018 onwards. The floating liquefaction barge CFLNG was successfully commissioned in 2017 and is awaiting final deployment with several candidates under consideration.

EXMAR will reinforce its position in the Very Large Gas Carrier segment after securing a long-term charter agreement for two LPG-fueled 80,200 m^3 newbuild gas carriers with Statoil ASA. The vessels will be built and delivered by 2020.

EXMAR's midsize LPG five-year fleet renewal programme started in 2014 is nearing completion with no less than 13 energy-efficient newbuilds having joined the fleet by end of 2018. The majority are committed to long-term charters with first class customers. These vessels are the sixth generation of midsize gas carriers to be designed by EXMAR engineers and naval architects. Two older midsize vessels, BRUGGE VENTURE and COURCHEVILLE have been sold, one for recycling.

The Offshore division has focused its efforts on securing further partnerships with oil majors and private deepwater oil exploration companies with scalable, flexible OPTI® and FPSO solutions that enable low cost, high yielding exploration and production.

The EXMAR Holdings division concluded the sale in August 2017 of the 100%-owned insurance company Belgibo to long-term business partner Jardine Lloyd Thomson Group plc (JLT), generating a capital gain of USD 26,7 million.

The overall balance of all these transactions has significantly altered EXMAR's debt profile and has generated important levels of cash for further investment in growth.

EXMAR Ship Management has currently 84 vessels under management (compared to 46 in 2016). The company has further increased its focus on niche markets by offering operation and maintenance services to specialized vessels including FSRUs, LNG Carriers, Very Large Gas Carriers, midsize LPG vessels, Pressurized LPG vessels, product tankers and bulk carriers.

Ship owners, particularly those in the energy sector, must be able to live with cycles. EXMAR has passed through one of the biggest storms ever faced by the shipping industry and has emerged stronger and in excellent shape to make the most of the new market opportunities in 2018.

MISSION STATEMENT

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

EXMAR creates economically viable and sustainable energy value chains in long-term alliances with first class business partners. EXMAR designs, builds, certifies, owns, leases and operates specialized, floating maritime infrastructure for this purpose as well as aiming for the highest standards in performing commercial, technical, quality assurance and administrative management for the entire maritime energy industry.

Photo credit: Alen Spanjol

FINANCIAL SUMMARY

CONSOLIDATED KEY FIGURES

	International Financial Reporting Standards (IFRS 11) *(Note 1)*		Management reporting based on proportionate consolidation *(Note 2)*	
	31/12/2017	Restated (*) 31/12/2016	31/12/2017	Restated (*) 31/12/2016
CONSOLIDATED STATEMENT OF PROFIT OR LOSS (IN MILLION USD)				
Turnover	93.4	96.0	227.6	278.5
EBITDA	58.6	7.8	141.4	116.5
Depreciations and impairment losses	-8.0	-6.8	-71.4	-46.1
Operating result (EBIT)	50.6	1.0	70.0	70.4
Net finance result (*)	-40.0	4.3	-40.5	-31.2
Share in the result of equity accounted investees (net of income tax)	18.7	34.6	0.1	0.7
Result before tax	29.3	39.9	29.6	39.9
Tax	-1.3	0.5	-1.6	0.5
Consolidated result after tax	28.0	40.4	28.0	40.4
of which group share	28.0	40.4	28.0	40.4
INFORMATION PER SHARE (IN USD PER SHARE)				
Weighted average number of shares of the period	56,832,558	56,751,292	56,832,558	56,751,292
EBITDA	1.03	0.14	2.49	2.05
EBIT (operating result)	0.89	0.02	1.23	1.24
Consolidated result after tax	0.49	0.71	0.49	0.71
INFORMATION PER SHARE (IN EUR PER SHARE)				
Exchange rate	1.1249	1.1061	1.1249	1.1061
EBITDA	0.92	0.12	2.21	1.86
EBIT (operating result)	0.79	0.02	1.09	1.12
Consolidated result after tax	0.44	0.64	0.44	0.64

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

Note 2: The figures in these columns show joint ventures applying the proportionate consolidation method instead of applying the equity method. The amounts in these columns correspond with the amounts in the 'Total' column of Note 2 Segment Reporting in the Financial Report per 31 December 2017. 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 2017.

(*) IAS 23 requires that borrowing costs which are attributable to the construction of vessels are to be capitalized as part of the asset. As a consequence of the non-application of IAS 23 in prior periods, the opening balances of vessels under construction, the interest cost of the prior period as well as the equity have been restated. We refer to note 11 in the Financial Report per 31 December 2017.

KEY FIGURES IN MUSD
AS PER 31.12.2017
(based on proportionate consolidation method)

MARKET CAP
441.1

TOTAL ASSETS
1,244.8

NET DEBT
504.9

EQUITY RATIO
38.36%

EBITDA (2017)
141.4

INFORMATION FOR OUR SHAREHOLDERS

SHARE INFORMATION

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

PARTICIPATION AS PER 31 DECEMBER 2017

TOTAL: 59,500,000 SHARES

CONTACT

All EXMAR press releases can be consulted on the website: www.exmar.com

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 (Company Secretary).

In case you wish to receive our printed financial report please e-mail: annualreport@exmar.be

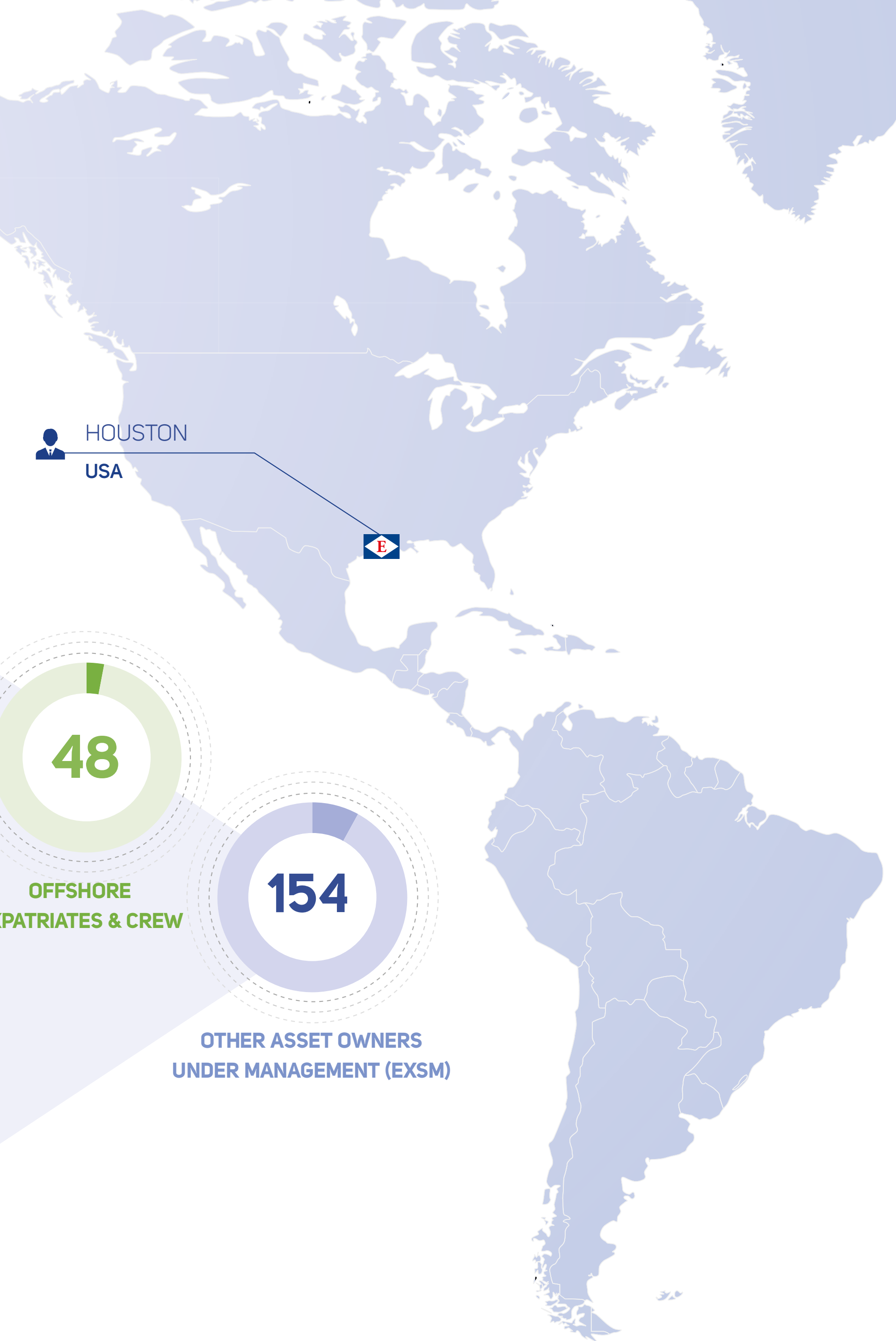
FINANCIAL CALENDAR

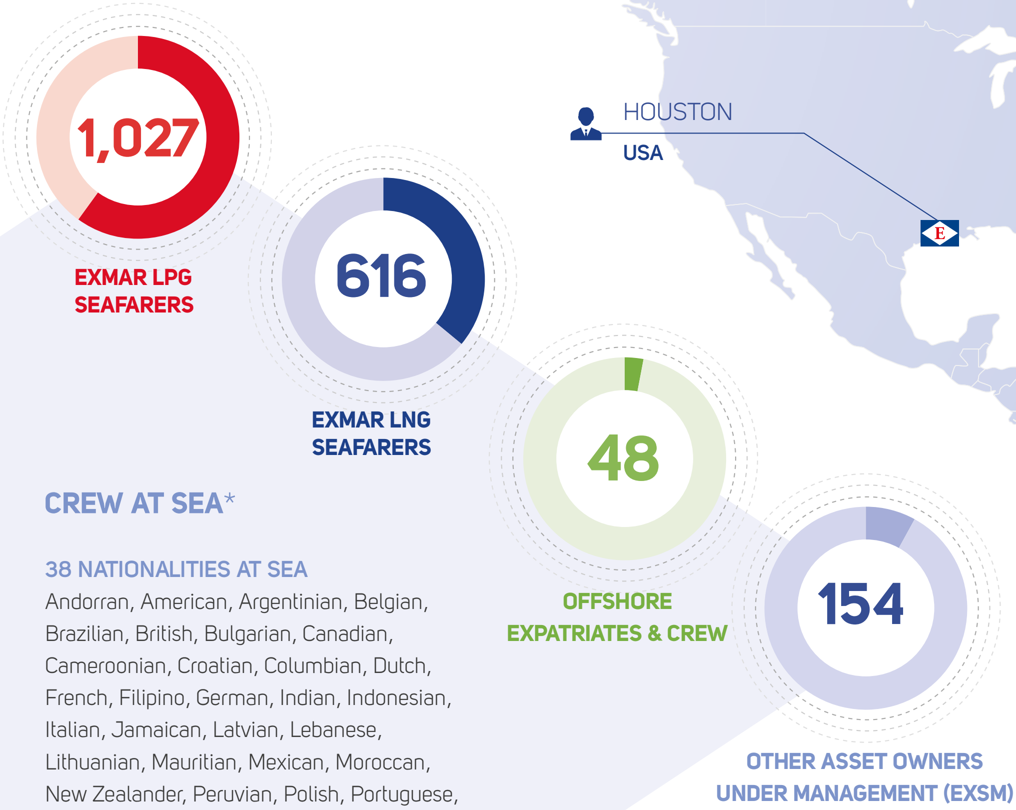
15 MAY 2018
ANNUAL SHAREHOLDERS MEETING

7 SEPTEMBER 2018
FINAL RESULTS 1ST SEMESTER 2018

25 OCTOBER 2018
3RD QUARTER RESULTS 2018

EXMAR IN THE WORLD





CREW AT SEA*

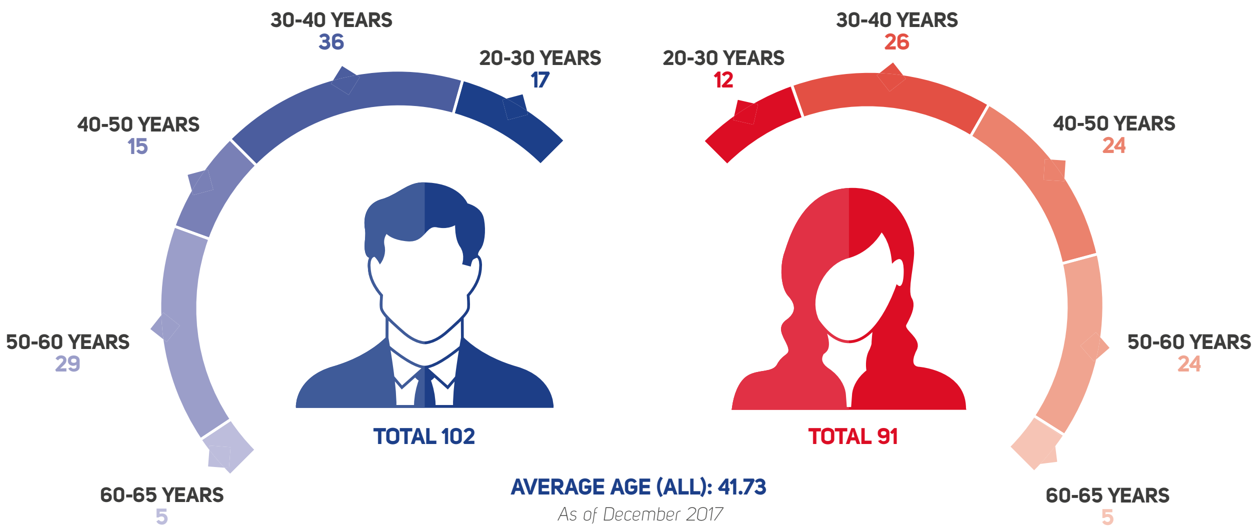
38 NATIONALITIES AT SEA

Andorran, American, Argentinian, Belgian, Brazilian, British, Bulgarian, Canadian, Cameroonian, Croatian, Columbian, Dutch, French, Filipino, German, Indian, Indonesian, Italian, Jamaican, Latvian, Lebanese, Lithuanian, Mauritian, Mexican, Moroccan, New Zealander, Peruvian, Polish, Portuguese, Romanian, Russian, Senegalese, South African, Spanish, Sri Lankan, Tunisian, Trinidadian, Ukrainian

** Note 6, Financial report.*

As of December 2017.

EXMAR
HEADQUARTERS PERSONNEL BY GENDER AND AGE



AVERAGE AGE (ALL): 41.73

As of December 2017

HEADQUARTERS

OFFICES

BRANCHES

1,981*
EXMAR employees and seafarers
on shore and at sea
at 31 december 2017

1,561
employees and seafarers
in 2011

53% male share - **47%** female share

Employees located
at EXMAR headquarters

290
EXMAR shore-based staff globally:

73% Europe & Africa

18% North America

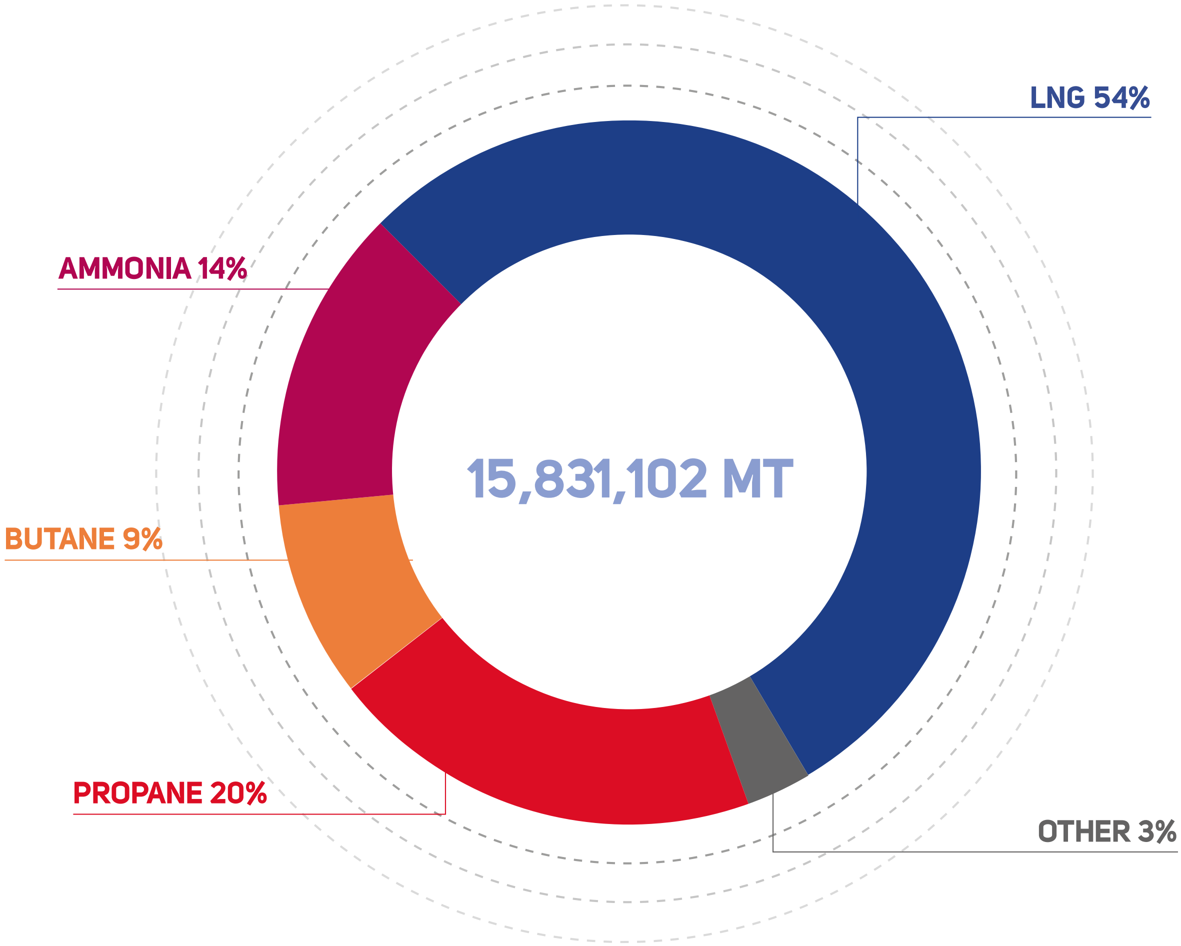
9% Asia

As of 31 december 2017

268
employees with
shore-based staff in 2011

* *Note 6, Financial report*

TOTAL CARGO TRANSPORTED BY EXMAR IN 2017



EXMAR FLEET (AS OF 29 MARCH 2018)

	Capacity (m^3)	Year Built	Status
LPG MIDSIZE			
TOURAINE	39,270	1999	j.v.
EUPEN	38,961	1996	j.v.
LIBRAMONT	38,455	2006	j.v.
SOMBEKE	38,447	2006	j.v.
WAASMUNSTER	38,245	2014	j.v.
WARISOULX	38,227	2014	j.v.
WARINSART	38,213	2014	j.v.
WAREGEM	38,189	2014	j.v.
KAPRIJKE	38,500	2015	j.v.
KNOKKE	38,500	2016	j.v.
KONTICH	38,500	2016	j.v.
BRUSSELS	35,454	1997	j.v.
BASTOGNE	35,229	2002	j.v.
ANTWERPEN	35,223	2005	t.c./j.v.
KALLO	38,500	2017	j.v.
KRUIBEKE	38,500	2017	j.v.
KAPELLEN	38,500	2018	j.v.
KORTRIJK	38,500	2018	j.v.
LPG PRESSURIZED			
SABRINA	5,019	2009	owned
HELANE	5,018	2009	owned
FATIME	5,018	2010	owned
ELISABETH	3,542	2009	owned
MAGDALENA	3,541	2008	owned
ANNE	3,541	2010	owned
ANGELA	3,540	2010	owned
JOAN	3,540	2009	owned
MARIANNE	3,539	2009	owned
DEBBIE	3,518	2009	owned
LPG MIDSIZE NEWBUILDS			
KOKSIJDE	38,500	Q2 2018	j.v.
TBN WEPION	38,200	Q3 2018	j.v.
LPG SEMI-REFRIGERATED			
TEMSE	12,030	1995	j.v.
LPG VLGC			
BW TOKYO	83,270	2009	t.c./j.v.
HANJIN NLP0173	80,200	2020	owned
HANJIN NLP0174	80,200	2020	owned

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

	Type	Capacity (m^3)	Production Capacity	Year Built	Status
BARGE-BASED FSRU					
S188	lng	25,000	600 mm ft^3	2017	owned
BARGE-BASED FLNG					
CFLNG	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.


KONTICH

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.

	Total per 31/12/2017	Total per 31/12/2016
PROPORTIONATE CONSOLIDATION (IN MILLION USD)		
Turnover	97.0	109.4
EBITDA	31.8	56.0
REBITDA (*)	31.3	41.7
Operating result (EBIT)	4.6	34.2
Consolidated result after tax (**)	-15.2	23.1
Vessels (including vessels under construction) (**)	427.6	410.9
Financial debts	291.6	275.4

The operating result (EBIT) of the LPG fleet in 2017 was USD 4.6 million including a capital gain of USD 0.5 million on the sale of the BRUGGE VENTURE (as compared to USD 34.2 million in 2016 including a positive USD 14.3 million realized badwill on the acquisition of 50% of the pressurized fleet from Wah Kwong).

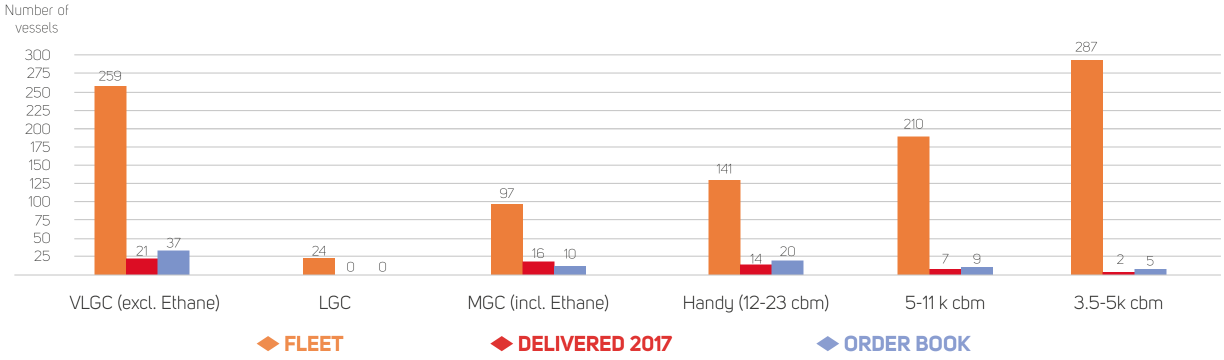
(*) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations. Following items are excluded from EBITDA: sale BRUGGE VENTURE (LPG: USD 0.5 million).

EXMAR LPG FLEET

VLGC: Very Large Gas Carrier (two under construction)
Semi-ref: Semi-refrigerated LPG carrier

(**) IAS 23 requires that borrowing costs which are attributable to the construction of vessels are to be capitalized as part of the asset. As a consequence of the non-application of IAS 23 in prior periods the opening balances of vessels under construction, the interest cost of the prior period as well as the equity have been restated. We refer to note 11 in the Financial Report per 31 December 2017.

2017 LPG FLEET AND ORDER BOOK



Source: Clarksons

MARKET OVERVIEW

VLGC

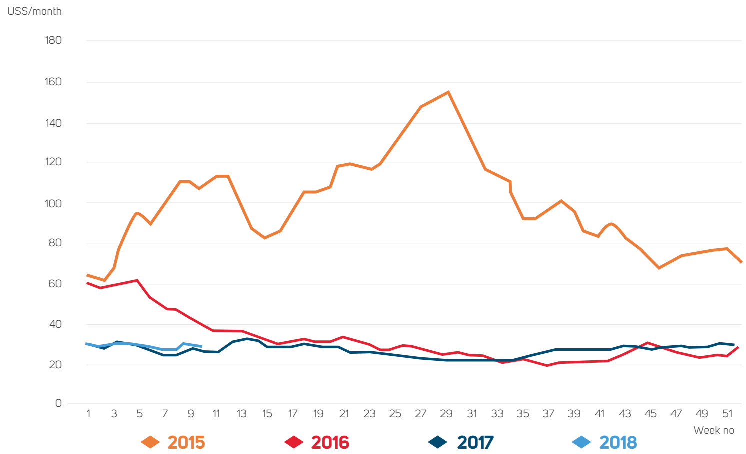
Earnings across most segments have mildly fluctuated but remained largely depressed as a result of the extensive number of vessel deliveries. A lack of long-haul VLGC arbitrage opportunities has persisted despite strong overall US propane exports, in particular during the winter months. Over the summer there were a total of 38 cargo cancellations noted, impacting ton-mile rather severely.

US LPG exports have remained exceptionally strong and totaled more than 2016, with around 2.4 million metric tons (MT) per month on average mainly as a result of the consistently tight inventory situation. Furthermore, additional capacity in 2018 will result in another record breaking supply balance. Whilst the US ramps up exports and is gaining market share, Middle Eastern supply still accounts for the largest portion with an average monthly LPG supply of around 3.1 million tons per month.

China and India remain the main import drivers with Japanese imports hovering around 11 million tons per annum (MTPA). China imported 16.4 million tons in 2017, an increase of 15% compared to 2016 and India has seen growth of 25%, totaling 12.3 million tons in 2017. Demand for both countries is also expected to increase further in the coming year.

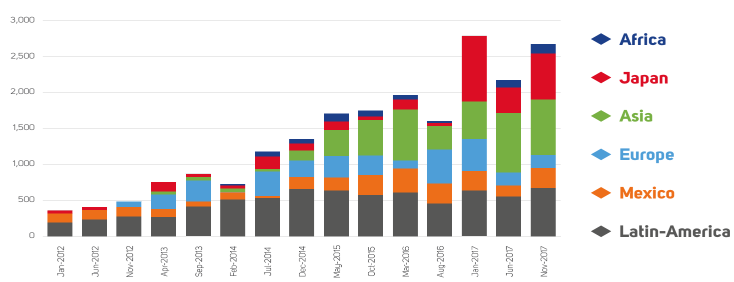
The LPG market-setting Very Large Gas Carrier (VLGC) segment has benefited from healthy demand East of Suez and robust US terminal capacity throughout 2016 and 2017 but a continued overhang of vessels has led to a steady but historically low year-on-year Baltic LPG Index with an average for

VLGC - TIME CHARTER EQUIVALENT (TCE)



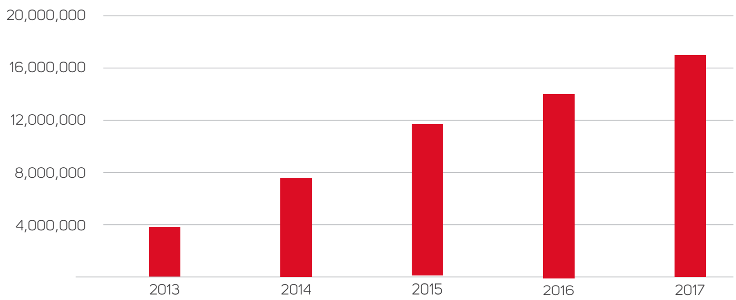
Source: Lorentzen & Stemoco

US LPG EXPORTS BY DESTINATION (1,000 TON)

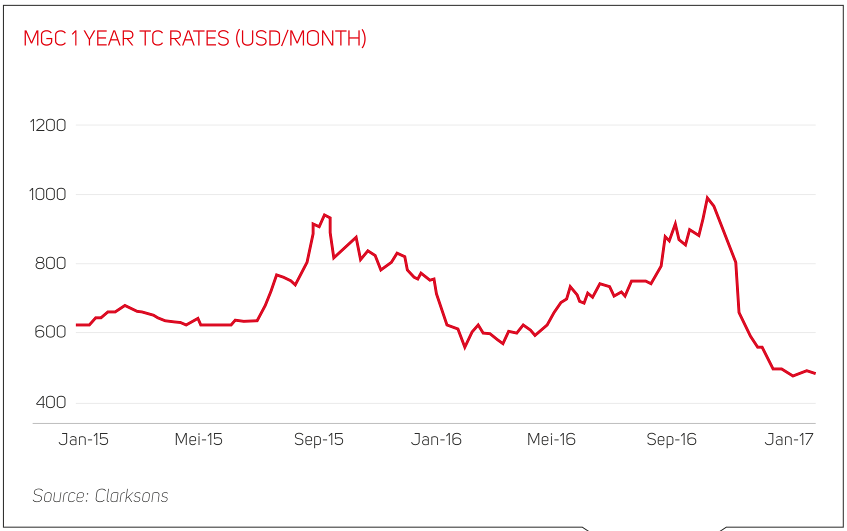


Source: Waterborne

CHINA LPG IMPORTS (METRICS OF TONS)



Source: EXMAR



2017 of USD 27.59 per MT and an average of USD 26.64 per MT in 2016. The VLGC fleet has increased to a total of 264 ships, with 21 deliveries in 2017 and 44 in 2016. EXMAR has ordered two old-Panama VLGC's to be constructed by Hanjin Heavy Industries (HHIC) against long-term contracts with Statoil ASA.

The global LPG market has been quite able to absorb the vast batch of new deliveries in recent years. However more orders have been placed towards the end of the year, often linked to specific projects or trading platforms. In fact, major traders have placed orders at various yards which have been promoting competitive deals. Although exports are expected to further increase in the US and Middle East, with strong demand in the East, shipping length will undoubtedly keep rates subdued.

MIDSIZE

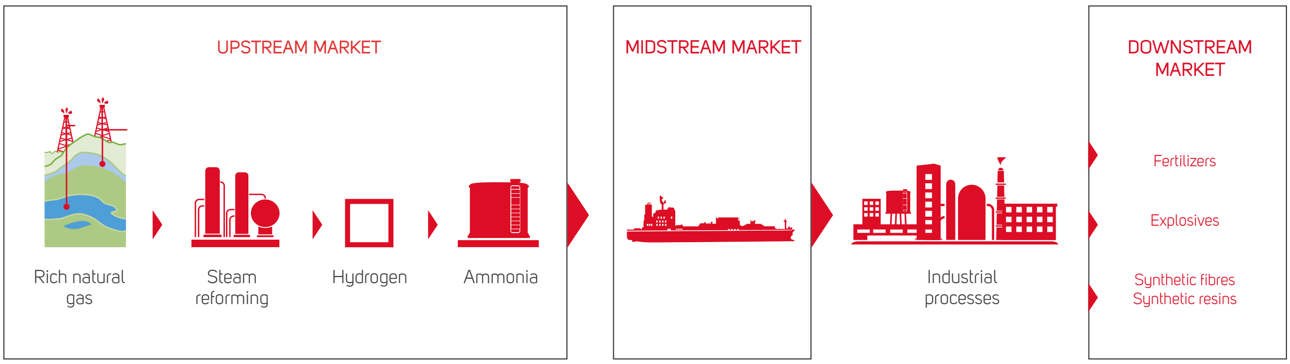
The increased vessel supply throughout 2016 (12 newbuilds) and 2017 (15 newbuilds), worldwide, has had the expected impact on overall earnings in the Midsize Gas Carrier (MGC) segment, causing rates to slide down further and averaging about USD 450,000 per calendar month (pcm) for 2017. Ten ships are still expected by early 2019 including the three EXMAR midsize carriers, bringing the total MGC LPG fleet to 104 ships. The segment has grown by 43% since 2016 and is expected to increase by another 10% within the next year and a half.

Whilst owners of Midsize carriers have managed to maintain relatively firmer rates compared to vessels with larger capacity during the first half of the year, the trickle-down effects from the weaker VLGC and Large Gas Carrier (LGC) markets have caused further significant corrections in this segment. Short-term and one-year contracts are being concluded at half the monthly rates experienced two years ago, i.e. around USD 450,000 per month.

PRESSURIZED

The Pressurized vessel segment has solidified its recovery throughout 2017 with fixtures concluded at rates 35% higher than last year, following a prolonged period of vessel oversupply and a fragmented market with multiple ship owners. Additional volumes have been generated in the Far East for this segment as traders and Oil Majors have expanded their LPG downstream platforms, integrating more Pressurized vessels into their portfolio. The West has experienced an upwards momentum as well as a result of a tight market for vessels and continuous demand for smaller cargoes. A negligible order book (OB) for vessels in this class combined with firm LPG and petrochemical trading paves the way for further improvements in this segment.

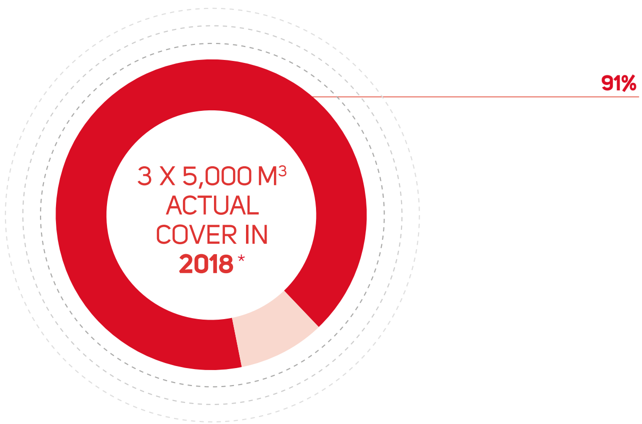
AMMONIA VALUE CHAIN

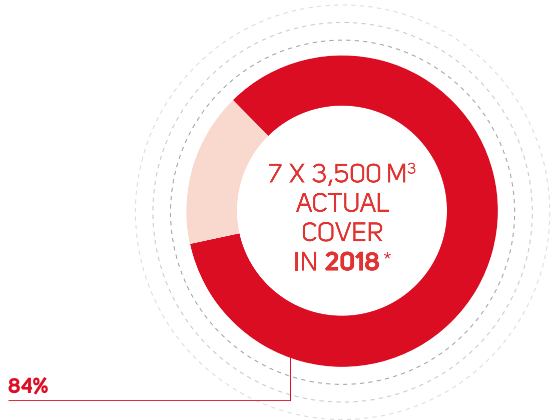


EXMAR LPG FLEET COVER

LPG MIDSIZE FLEET

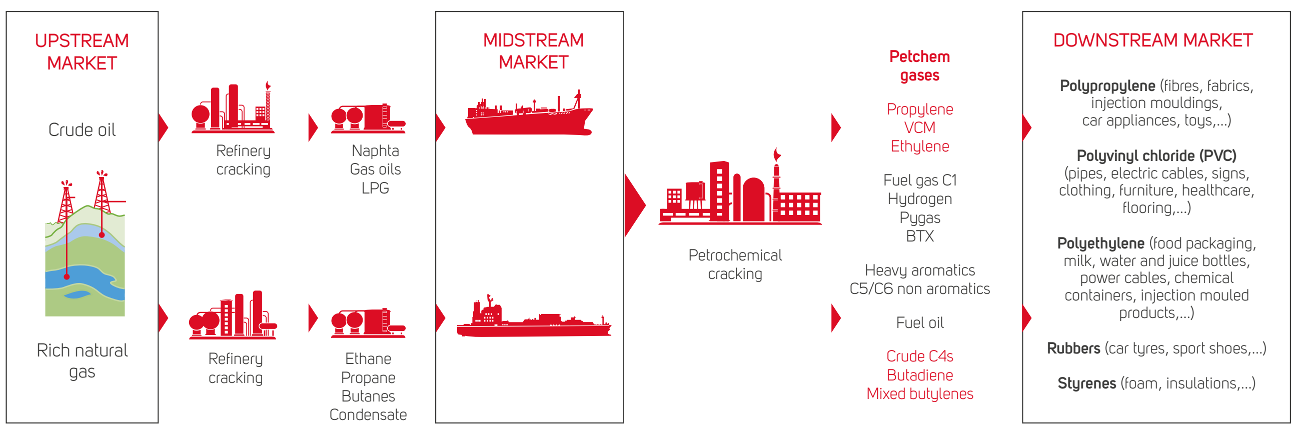
PRESSURIZED FLEET





** As of 29 March 2018*

LPG VALUE CHAIN



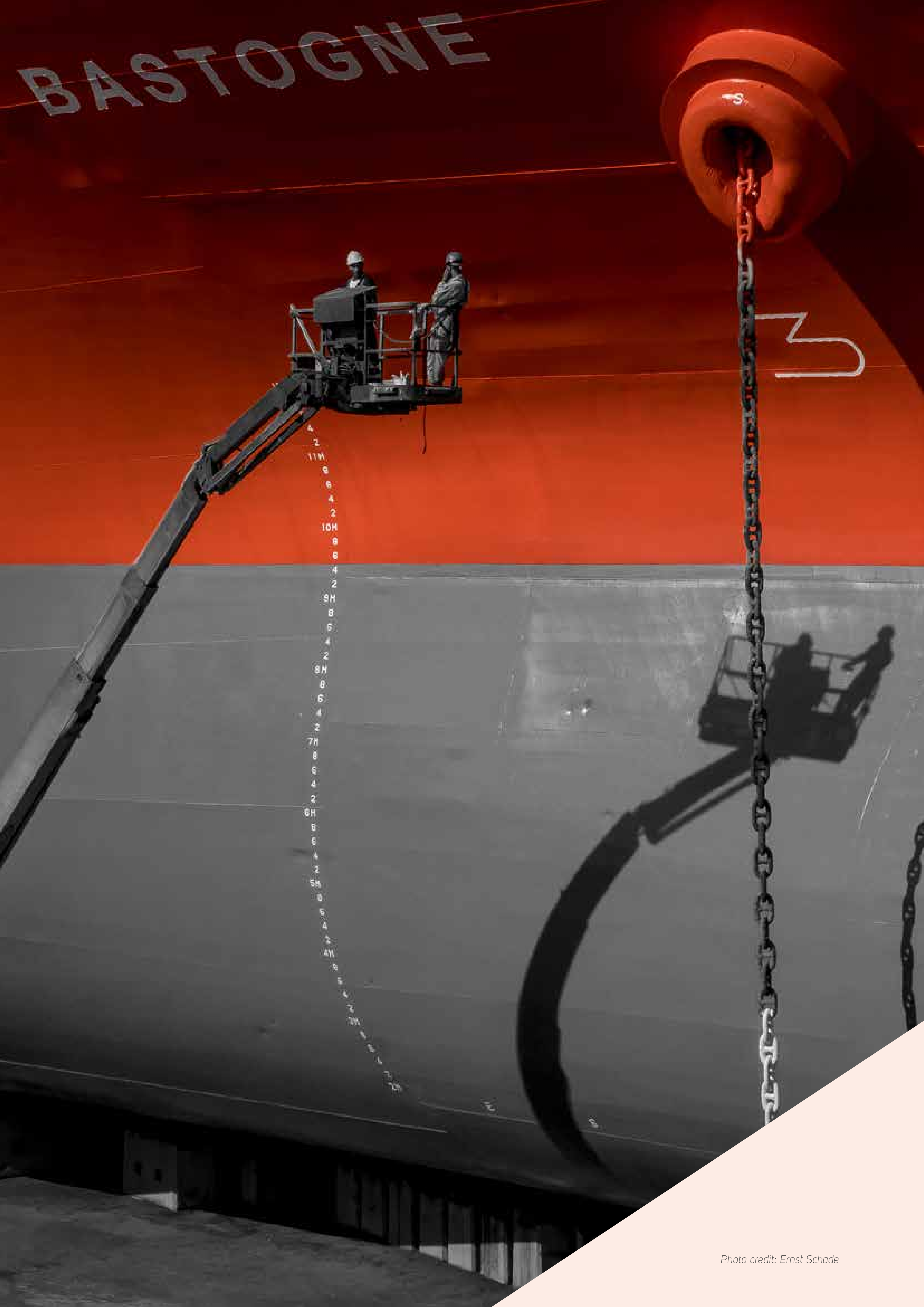


Photo credit: Ernst Schade

HIGHLIGHTS 2017 AND OUTLOOK FOR 2018

VLGC

BW TOKYO (83,000 m³, 2009 built) performed according to its contract but earnings remain under pressure as they are linked to the depressed Baltic Freight Index (BFI). EXMAR has re-enforced its position in the VLGC segment after securing a long-term charter agreement for two LPG-fueled 80,200 m³ newbuild gas carriers with Statoil ASA. The vessels will be built at Hanjin Heavy Industries Corporation in Subic Bay, the Philippines, and delivered by 2020. Exports of LPG are expected to further increase in the US and Middle East, with continuous strong demand in the Far East and India. The vast supply of newbuild deliveries may add downward pressure on rates in this segment in 2018. Due to EXMAR's limited exposure in the VLGC segment in 2018, the impact on its earnings will be limited.

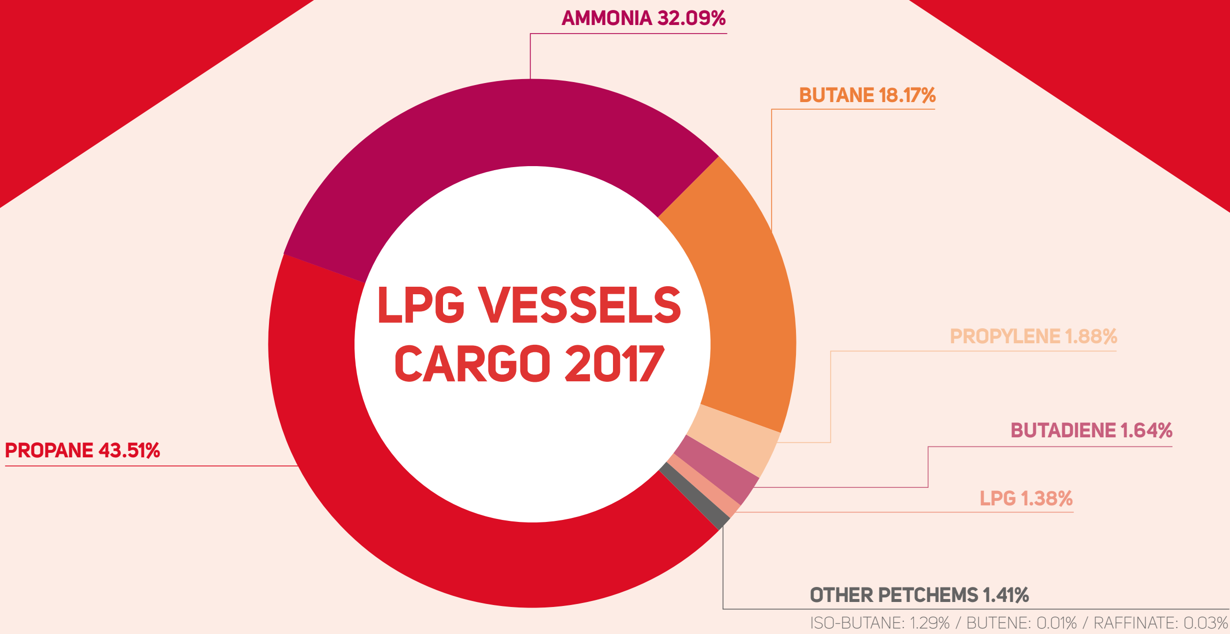
MIDSIZE

EXMAR's midsize LPG five-year fleet renewal programme that started in 2014 is nearing completion with 11 energy-efficient newbuilds having joined the fleet up until now with two more expected by the end of 2018. The majority is committed to long-term charters with first class customers. These vessels are the sixth generation of midsize gas carriers designed by EXMAR engineers and naval architects. Two older midsize vessels, BRUGGE VENTURE (35,440 m³ - 1997 built) and COURCHEVILLE (28,000 m³ - 1989 built) were sold, the latter for recycling. The capital gain of approximately USD 1.0 million on the sale of the COURCHEVILLE will be recorded in the first quarter of 2018. EXMAR continues to secure employment but at lower rates than 2017. Presently its fleet cover for 2018 is 71%.

PRESSURIZED

Rates in the small segment continued their pronounced upwards shift, albeit more modestly in the 3,500 m³ segment. Five vessels are positioned West (Atlantic Basin) and are on charter and five vessels are in the Far East (China, India, Korea, Japan), also having secured medium-term employment. A negligible order book combined with firm LPG and petrochemical trading paves the way for further improvements in this segment. EXMAR is well positioned with its ten Pressurized vessels to benefit further from these solid rates. To date 84% of EXMARs seven 3,500 m³ Pressurized fleet is covered for 2018, with 91% coverage for its three 5,000 m³ ships.

LPG VESSELS CARGO 2017



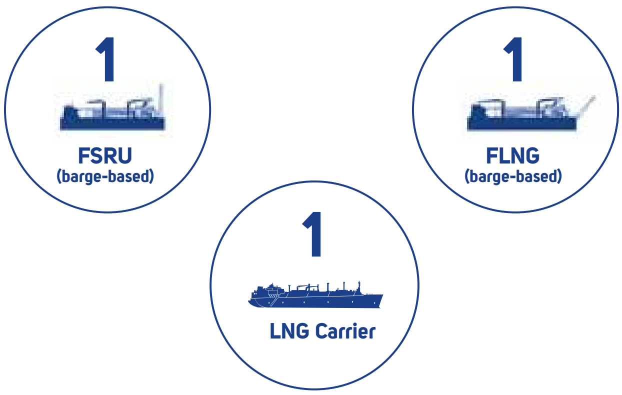
LNG

EXMAR is a leading player in LNG shipping, regasification and liquefaction, having pioneered the ship-to-ship transfer of LNG at sea as well as on-board regasification of LNG to feed onshore energy grids. EXMAR has now successfully designed and built two unique, barge-based floating LNG terminals which will be used for the import and export of natural gas. The barge-based FSRU is already being deployed for a long-term commitment to regasify and import LNG into an energy grid. The barge-based liquefaction terminal will be deployed to treat, clean and liquefy natural gas from source for export.

	Total per 31/12/2017	Total per 31/12/2016
PROPORTIONATE CONSOLIDATION (IN MILLION USD)		
Turnover	68.0	91.5
EBITDA	87.6	59.4
REBITDA (*)	42.6	50.4
Operating result (EBIT)	47.6	41.0
Consolidated result after tax (**)	25.0	17.7
Vessels (including vessels under construction) (**)	494.6	580.6
Financial debts	219.4	373.4

The operating result (EBIT) of the LNG division in 2017 was USD 47.6 million including a capital gain of USD 70.0 million on the sale of the EXCELERATE, EXPLORER and EXPRESS and an impairment of USD 22.5 million on the EXCEL (as compared to USD 41.0 million in 2016 which was positively influenced by an exceptional revenue of USD 9.0 million received from Pacific Exploration & Production (PEP)).

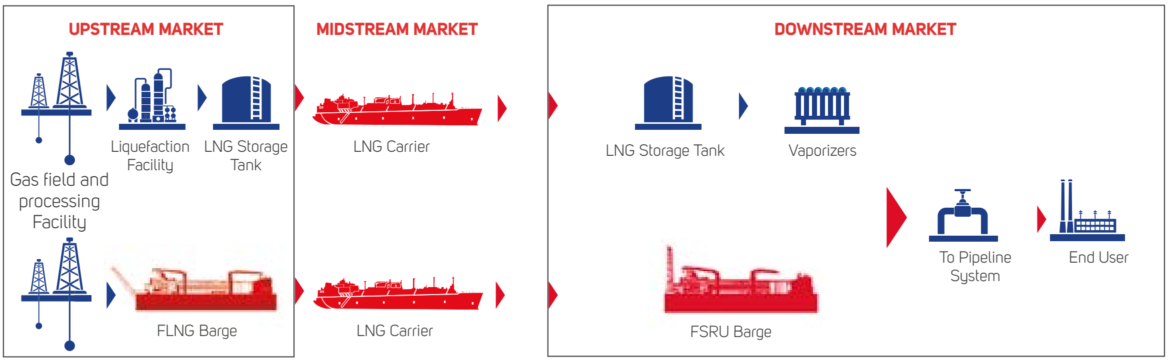
EXMAR LNG INFRASTRUCTURE



(*) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations. Following items are excluded from EBITDA: fees Wison (LNG: USD -25 million) and the sale of EXCELERATE, EXPLORER and EXPRESS (LNG: USD 70 million).

(**) IAS 23 requires that borrowing costs which are attributable to the construction of vessels are to be capitalized as part of the asset. As a consequence of the non-application of IAS 23 in prior periods the opening balances of vessels under construction, the interest cost of the prior period as well as the equity have been restated. We refer to note 11 in the Financial Report per 31 December 2017.

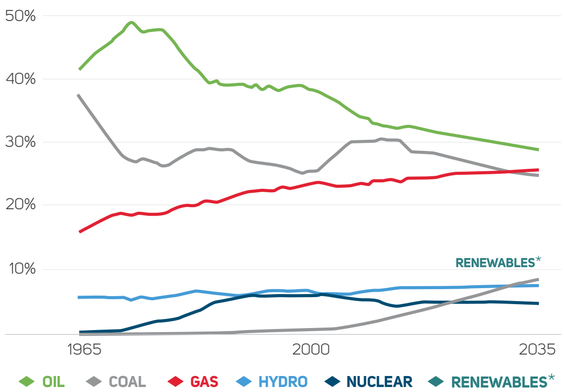
LNG VALUE CHAIN



LNG BUSINESS UNIT – MARKET OVERVIEW

Market experts remain optimistic about the global shifted focus toward cleaner-burning fuels. One of the main reasons for this is the abundance of cheap natural gas discoveries around the world. Demand of LNG is currently at around about 290 million (mio) tons and is estimated to be heading towards approximately 480 mio tons by 2030. Moreover the International Energy Agency (IEA) forecasts that should the current trend persist, the rise in LNG will boost natural gas demand growth to outpace oil and coal by 2040. This view is supported by several factors: the rapid deployment and falling costs of clean energy technologies, the growing electrification of energy, a cleaner energy mix (especially in China) and the expected resilience of shale gas supplies in the US. The shift to a more services-oriented global economy also supports this view. This change will of course be impacted by the extent to which coal is phased out as a high-pollution source of energy.

SHARES OF PRIMARY ENERGY

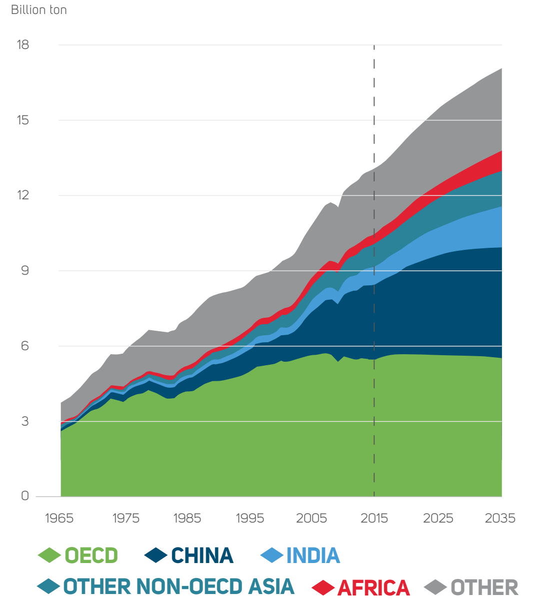


Source: BP, Energy Outlook 2017

**Renewables includes wind, solar, geothermal, biomass and biofuels*

Virtually all of the growth in world energy demand is expected to come from fast-growing emerging economies, with China and India accounting for half of the increase. Energy demand from OECD-countries will barely grow.

ENERGY CONSUMPTION BY REGION

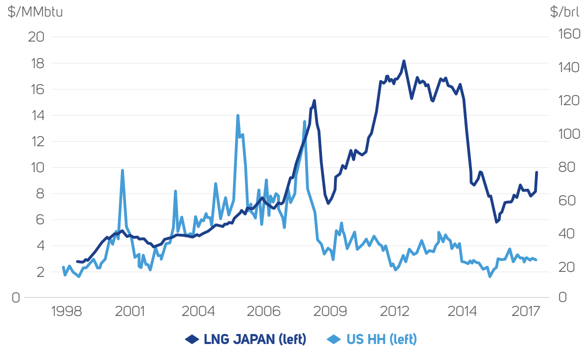


Source: BP, Energy Outlook 2017

The evolution of LNG import prices supports this increasing energy demand of the emerging countries. Current price levels, worldwide export capacity and the LNG import terminal alternatives available on the market, encourage these countries to launch fast track power supply initiatives.

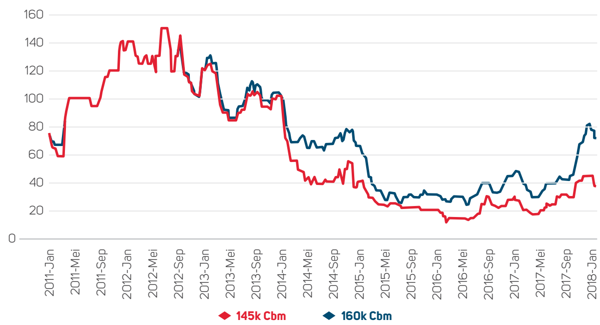
West-East arbitrage and the first cargoes from the new Wheatstone LNG plant in Australia pushed freight levels significantly upwards. Modern LNG carriers reaped the benefit, whereas steam turbine ships were still insufficiently rewarded enough to cover both variable and fixed asset costs. By year end, the LNG fleet amounted to 450 LNG carriers, with a pending order book of 94 vessels to be delivered in the coming years. This represents 21% of the existing fleet.

LNG PRICES



Source: Bloomberg

LNG SHORT-TERM FREIGHT RATES (USD 1,000 PER DAY)



Source: Clarkson, Fearnleys

LNG SHIPPING

LNG carriers employed on the spot market in 2017 were challenged by low energy prices, an oversupply of fleet tonnage and delayed LNG deliveries from new liquefaction plants, with existing plants experiencing lower utilization levels. Modern units earned below USD 30,000 per day, whilst older generation or steam turbine units were only obtaining rates below USD 20,000 per day.

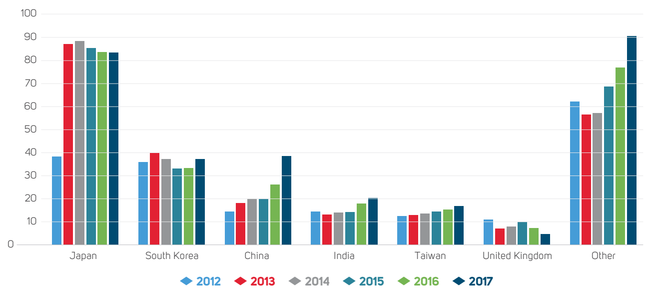
A sudden change in market fundamentals at the end of the year changed matters: a winter cold snap, higher LNG prices catering for

In contrast to previous years, worldwide traded LNG volumes substantially increased during 2017 to 292 mio tons, representing 12% growth over 2016. Most of the increase can be attributed to more exports from US, Australia, Angola, Nigeria and Malaysia. Plants in the US (Cove Point train one and two, Freeport train one, Elba Island) as well as in Australia (Ichthys, Prelude, Wheatstone train two) will continue to be the supply growth drivers in 2018 by ramping up production and bringing new projects online.

On the import side, and apart from the demand recovery in Japan and Korea, two developments stand out. First, there is the step up of LNG imports into China from 26 mio to over 38 mio tons. The government's push to ensure that industrial and residential sectors switch from burning coal to gas from May 2017 onwards fell behind schedule. Half of the deliveries were sourced from Australia. With this conversion programme expanding from the Northeast to other parts of the country, China is ready to use substantially more LNG in the years to come. Second, it has become a reality that the number of LNG buyers has become more and more dispersed. Supported by higher gas prices, most European customers did consume more LNG through 2017. Emerging countries in South East Asia will be needing more LNG in the coming years.

	2012	2013	2014	2015	2016	2017
IMPORTERS						
Japan	88	88	89	85	84	83
South Korea	36	40	37	33	33	37
China	15	18	20	20	26	38
India	14	13	14	14	18	20
Taiwan	13	13	11	15	15	17
UK	11	7	8	10	8	5
Other	62	57	57	69	77	91
TOTAL	238	235	239	245	261	291

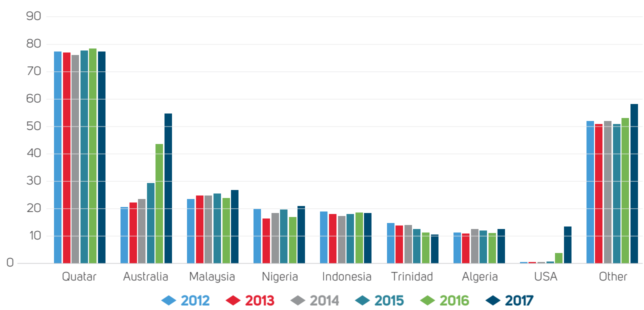
LNG IMPORTS (MIO TON)



Source: Poten & Partners

	2012	2013	2014	2015	2016	2017
EXPORTERS						
Qatar	77	77	76	78	78	78
Australia	21	22	23	29	44	45
Malaysia	23	25	25	25	24	27
Nigeria	20	16	18	20	17	21
Indonesia	19	18	17	18	19	18
Trinidad	15	14	14	12	11	11
Algeria	11	11	12	12	11	12
USA	0	0	0	0	4	13
Other	52	52	52	51	53	58
TOTAL	238	235	239	245	261	292
Growth	*-0.65%*	*-1.34%*	*1.48%*	*2.73%*	*6.39%*	*12.10%*

LNG EXPORTS (MIO TON)



Source: Poten & Partners

FLOATING REGASIFICATION

More than 40 LNG import projects under study and/or development seek to capitalize on the current lower LNG prices resulting from the large amount of export capacity on line. As these are looking to become on line in the next two to three years, FSRUs are definitely considered the preferred regasification solution.

FSRUs are believed to be cost-efficient for these import projects as these can be started up on a small- to medium scale basis and eventually be scaled up at a later stage when required.

Site specific factors, such as meteorological and maritime conditions, social and environmental factors and locally available infrastructure and pipeline grids, demand FSRU providers to be adaptive in developing the most flexible and competitive solution for the projects under consideration.

With only about ten FSRUs available or on order - which will be pre-dominantly delivered to emerging LNG importing countries facing gas supply shortages - the situation leaves quite some opportunities for FSRU providers.

FLOATING LIQUEFACTION

With the current large amount of export capacity coming on stream, the development of new LNG export initiatives in todays' markets remains challenging. Despite this, with current oil prices stabilizing above USD 60/barrel (bbl), a strong market interest exists to pursue FLNG schemes, allowing developers to monetize their existing stranded gas reserves on a fast-track basis.

HIGHLIGHTS 2017 AND OUTLOOK FOR 2018

EXISTING FLEET

The LNG fleet performed according to their contract until the end of the year except for the LNG/C EXCEL which was active on the spot market until it was sold for conversion into a floating storage unit (FSU) in October 2017. Through this sale EXMAR has limited its exposure to challenging spot freight market conditions for steam turbine ships with LNG/C EXCALIBUR performing according to her long-term contract to Excelerate Energy (EE).

During the course of 2017, as charterer of EXMAR's FSRU fleet, the US-based company Excelerate Energy expressed an interest in acquiring the full 50% share held by EXMAR in the companies owning the respective FSRUs EXCELERATE, EXPLORER, EXPRESS and EXCELSIOR. Negotiations resulted in a win-win for both parties with EE enhancing their FSRU project portfolio and EXMAR monetizing its cooperation with its American partner over the past 15 years.

The sale of EXMAR's shares in the first three companies took place before the end of 2017 and the fourth was concluded for Excelsior BVBA in early 2018. EXMAR Ship Management, having operated and maintained the fleet to the entire satisfaction of both owners and charterers, will continue to perform ship management services for the nine FSRUs now owned by EE.

With this capital reallocation EXMAR LNG is well positioned to further focus on its next generation of floating LNG solutions.

EXMAR FLNG ACTIVITIES

After having secured a USD 200 million asset financing, CARIBBEAN FLNG (CFLNG) has been delivered from the Wison shipyard (Nantong, China) on 27 July 2017. CFLNG consists of a floating liquefaction plant with 16,100 m³ of LNG storage capable of producing 500,000 tons of LNG per year. Costs accrued for the late delivery of CFLNG of approximately USD 11 milion has weighed on the operating result of 2017.

EXMAR is in dialogue with several potential partners for its deployment on multiple projects. With the required supporting local infrastructure and related operational permits in place, CFLNG can be mobilized, installed and commissioned on site within four to six months from contract signature. Until the successful conclusion of negotiations and confirmation of her deployment, CFLNG will remain at the yard, with all measures for preservation of the on-board equipment having been taken.

EXMAR FSRU ACTIVITIES

In December 2017 delivery of the world's first barge-based FSRU has been taken from the same shipyard in Nantong, China. The unit has a re-gasification capacity of up to 600 million standard cubic cubic feet per day (MMSCFD) and a storage capacity of 26,320 m³ of LNG. This is again a milestone in EXMAR's history as this FSRU is the first of the new generation of barge-based floating regasification assets, and is well positioned to add value to medium sized LNG import projects globally as it is a fast track, flexible and cost-efficient solution. Prior to delivery, long-term employment has been secured with a reputable counterpart and commercial operations are to commence from mid-2018 onwards.

In addition to this barge-based FSRU project, EXMAR has two purpose-built LNG import terminal projects under development for gas-fired independent power production (IPP) projects. Final Investment Decision (FID) on both projects is targeted in 2018 to match project development outcome and related terms and conditions with global IPP project financing requirements.

For the India-based Swan Energy import terminal project, EXMAR and the various parties involved terminated discussions in view of the complexity of the set-up of this project.

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 and offshore units.

	Total per 31/12/2017	Total per 31/12/2016
PROPORTIONATE CONSOLIDATION (IN MILLION USD)		
Turnover	33.2	52.4
EBITDA	-5.7	-0.8
REBITDA (*)	-7.3	-1.7
Operating result (EBIT)	-7.7	-3.6
Consolidated result after tax	-7.7	-1.5
Vessels (including vessels under construction)	11.0	12.5
Financial debts	3.0	5.0

The operating result (EBIT) of the offshore division in 2017 was USD -7.7 million (as compared to USD -3.6 million in 2016).

(*) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations. Following items are excluded from EBITDA: sale KISSAMA (Offshore: USD 1.6 million).

EXMAR OWNED OFFSHORE FLEET

2
Accomm. Barges

OFFSHORE: MARKET OVERVIEW

Prior to the beginning of the dramatic fall in oil prices in 2014, world demand for oil was 92 million barrels per day (bpd). At that time, most experts were forecasting a growth in oil demand of one million bpd per year until 2020. The availability of cheaper oil unexpectedly drove demand up by 2.1 million bpd in 2015, 1.8 million bpd in 2016 and 1.6 million bpd in 2017. Some forecasters are now predicting demand will hit the 100 million bpd mark in the second half of 2018. This growth in demand has brought the price of oil up to its present price range of USD 60 per barrel. Higher prices have certainly helped the economics of some development projects. Nonetheless the lack of investment in some segments of the industry, particularly the offshore, may make meeting future oil demand challenging. This will create opportunities for EXMAR.

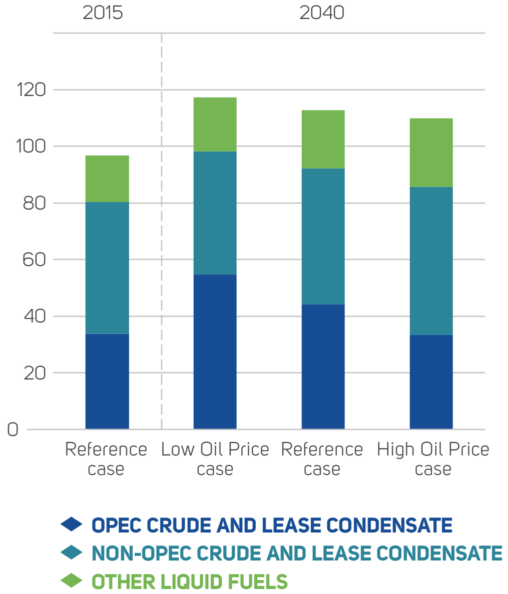
At the end of 2017, the offshore petroleum industry delivered approximately 30% of the world's daily oil supply and approximately 32% of global daily gas production. Historically, offshore project sanctions closely track oil prices. An example is floating production system (FPS) contract awards, which averaged 26 units per year from 2010 to 2012. As oil prices fell in 2014, there were only 19 FPS awards. When the price of oil dropped further, contract awards were also reduced as only nine FPS contracts were issued in both 2015 and 2016. Many offshore development schedules were delayed and some projects scrapped. With the oil price rise in 2017, a total of 21 FPS contracts were issued. The lack of investment in the past three years coupled with the natural decline of existing offshore fields may result in a net loss of offshore production. This in turn would contribute to an overall reduction in total daily output.

Deepwater projects compete for Capital Expenditure (CAPEX) investment against other opportunities, including onshore shale plays in North America. Many forecasters have predicted that quick-to-market shale production would more than make up for any losses in conventional oil supply. But as with offshore developments, some shale plays appear to be more cost-efficient than others, even with prices above USD 50 or USD 60 per barrel.

Forecasters cited the number of shale wells that have been drilled but "uncompleted" could be brought into production and more than make up for losses. These wells, called DUCs (Drilled and uncompleted wells), actually grew by more than 1,000 wells during 2017 to approximately 7,500. Possible explanations for this are that investment funds are reluctant to fund additional infrastructure to deliver new production to market, lack of logistics and development resources and reduced rig productivity.

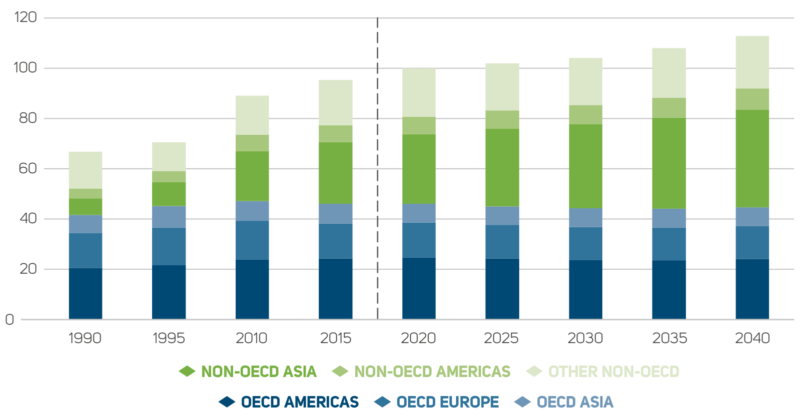
To compete with onshore projects and attract the necessary CAPEX to fund projects, offshore operators have implemented plans to reduce costs by streamlining the entire development process and timeline and specify floating facilities with specifications that allow deepwater projects to effectively compete within the shale segment. EXMAR Offshore targets these operators with a proven low cost, high value Floating Production System (FPS) solution.

WORLD PETROLEUM & LIQUID FUELS PRODUCTION (MILLION BARRELS PER DAY)



Source: U.S. Energy Information Administration

PETROLEUM AND OTHER LIQUIDS CONSUMPTION MILLION BARRELS PER DAY



Source: U.S. Energy Information Administration

Globally, deepwater reserves remain an important source for development and monetization by resource owners. Numerous offshore prospects potentially requiring FPS development may reach Final Investment Decision (FID) in the coming years.

Brazil's deepwater portfolio makes for a good example with breakeven costs estimated at between USD 40 and USD 50 per barrel. Petrobras' commitment to development is demonstrated with its award of an FPSO in 2017 and is projected to award another three FPSOs for 2018.

Mexico presents an opportunity with recent lease offerings to attract foreign investment in promising deepwater areas.

However exploration drilling is yet to commence and FID for production is foreseen past 2020.

Offshore development following discoveries in developing countries such as Mozambique, Cyprus and Guyana will give these nations an opportunity for export revenue and possible energy independence. EXMAR competes to win these projects through an OPTI® FPS or FPSO application through experience, technical expertise, and operational skill.

BEXCO

BEXCO is one of the principal fiber rope suppliers worldwide. The company designs, engineers, manufactures and supplies high-quality, made-to-measure synthetic fiber rope solutions for marine and offshore applications. Adverse market conditions significantly impacted the offshore market for deepwater mooring rope, with no tenders for new projects during the first three quarters of 2017. However, the market picked up by the end of the year, with BEXCO winning an important tender for deepwater mooring rope for installation in the Gulf of Mexico with an oil major. The order for over 20 DeepRope segments of over 1,000 metres each will be produced at its two production sites at Hamme and at the Antwerp quay facility in 2018. BEXCO maintained its market position in other offshore and marine segments, although its business was negatively impacted by sluggish vessel offshore installation and vessel newbuild activities. Despite this adverse market situation, BEXCO expanded its R&D activities in 2017 with the introduction of its new FLEXOR heavy lift round sling for offshore applications and a new subsea-buoyant mooring solution for the LNG sector, with both new products attracting their first customers. The company also successfully established new direct representation in the North American market in 2017 and plans further expansion to other geographical regions in 2018.

By the same token, existing offshore projects will remain necessary to sustain the aforementioned increase in oil and gas demand. EXMAR accommodation units serve the need for offshore workers who perform operations and maintenance of these projects. While maintenance overhauls have been postponed in the last two years, oil companies cannot continue deferring the work necessary to maintain production levels. We see a recovery of offshore projects starting in 2018 – 2019, with the need to accommodate more offshore workers.

DVO

With its main office located near Paris, France, DV Offshore (DVO) is an independent firm of consulting engineers specialized in all the technical aspects of marine engineering and operations. Over a period of 40 years DVO has successfully completed more than 1,000 specialist assignments in 40 different countries. DVO has acted as consulting engineers in industrial maritime projects for oil majors, port authorities, governmental institutions and companies involved in the oil and gas industry, with recognized expertise in mooring engineering and installation. DVO has advised and participated in projects involving Open Sea Terminals (Single Point Mooring, Conventional Buoy Mooring), Port Terminals, Offshore floating storage, Liner shipping, Marine operations and Underwater engineering as well as operations. The past three years have been very difficult in the Engineering and Procurement offshore market but DVO has been able to sustain its activity due to a large commitment to various product terminals. 2018 should normally see some activities resuming due to the recommencement of oil and gas exploration.

HIGHLIGHTS 2017 AND OUTLOOK FOR 2018

OPTI® SERIES FLOATING PRODUCTION SYSTEMS

Based on last year's indicators, it appears that the market has turned from a low barrel price of below USD 30/bbl (per barrel - source WTI) in early 2016 to a price of over USD 50/bbl during the final months of 2017. With the apparent bottoming of the market now left behind there has been an increase in activity around new developments in the Gulf of Mexico. While the general sentiment is positive many operators are proceeding with appropriate caution having commenced early planning and design work in 2017 with decisions to be made in 2018.

In 2017, EXMAR was contracted to perform early conceptual design work for a number of potential developments in the Gulf of Mexico based on the highly successful DELTA HOUSE production facility with its OPTI-11000™design. It's owner-operator LLOG won the top industry OTC Distinguished Achievement Award 2017 in recognition of cost, time from discovery to first production, safety performance, reliability, and regulatory compliance. The breakeven price for DELTA HOUSE cited from inception was approximately USD 27/bbl and is below USD 20/bbl going forward.

Even at barrel prices above USD 60/bbl, operators will favor less expensive and short-cycle development options such as subsea tie-backs to existing infrastructure with available production capacity. However by adopting EXMAR's proven low-cost OPTI® based floating production system, operators have the potential option to capture the benefits of additional production from their developments within a short timeframe.

ENGINEERING AND DESIGN

EXMAR's USA office based in Houston was no longer able to rely on its previous main source of income from drilling contractors who continue to experience low levels of activity in Offshore exploration. The loss in revenue from drilling has been partially mitigated by increasing topsides engineering work primarily in support of EXMAR's LNGi projects involving the CFLNG and FSRU Barge. In 2017, EXMAR Houston was also contracted to perform work for additional tie-backs to the DELTA HOUSE that utilized EXMAR's proprietary, cost-effective FAST® riser pull-in procedure for connecting risers to the OPTI® hull.

ACCOMMODATION BARGES

In early 2017, the KISSAMA accommodation barge was sold to Indian buyers for use outside the West African Market. The NUNCE accommodation barge was extended from 2019 to 2022 with Sonangol and the WARIBOKO continues to be employed by Total in Nigeria. Last year 50% of the total West African (WAF) accommodation barge fleet remained unemployed in long-term lay-up. Whilst this situation is expected to remain unchanged in 2018, an increase in activity from 2019 onwards is predicted with new projects coming online and the need for maintenance programmes that have been postponed from previous years.

FLOATING PRODUCTION STORAGE AND OFFLOADING VESSELS

EXMAR Offshore submitted a bid for the FPSO SEPIA for Petrobras in early 2017. While unsuccessful in offering the lowest price to Petrobras, the results placed EXMAR in a close second position. Following this experience, EXMAR was invited to participate in the FPSO BUZIOS 5 tender to be submitted in the second semester of 2018. Petrobras is the world leader in FPSO utilization with close to 20 new units to be awarded within the next five years. Given EXMAR's experience with traditional floating production (FPSO, semi-submersibles, FSO) and innovative production infrastructure (LNGRV, FLNG, FSRU), EXMAR is well positioned to re-enter the FPSO market in 2018 and 2019.

SUPPORTING SERVICES

20 Midsize LPG Carrier *

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

LNG FLEET UNDER MANAGEMENT

1 FLNG (barge-based) ***

1 FSRU (barge-based) ***

	Total per 31/12/2017	Total per 31/12/2016
PROPORTIONATE CONSOLIDATION (IN MILLION USD)		
Turnover	47.5	46.3
EBITDA	27.7	1.9
REBITDA (*)	1.0	1.1
Operating result (EBIT)	25.5	-1.2
Consolidated result after tax	25.9	1.1
Vessels (including vessels under construction)	0.0	0.0
Financial debts	136.7	126.3

The contribution of the Supporting activities to the operating result (EBIT) for 2017 was USD 25.5 million including a capital gain on the sale of Belgibo of USD 26.7 million (compared to USD -1.2 million in 2016).

ADDITIONAL FLEET UNDER MANAGEMENT

4 Liquid tankers

3 Bulk carriers

(*) REBITDA: recurring earnings before interests, taxes, depreciations and amortizations. Following items are excluded from EBITDA: sale Belgibo (Services: USD 26.7 million).

EXMAR SHIP MANAGEMENT

LPG FLEET UNDER MANAGEMENT

- **5** Fully Pressurized LPG Carrier
- **1** Semi-ref.
- **8** VLGC *
- **17** Inland LPG tanker **
- **3** LNG Carrier
- **10** FSRU (vessel-based)
- **1** FSU (vessel-based)
- **1** LNG Bunkering vessel **
- **7** Luxury motor and sailing yachts
- **2** Accomm. barges

84 Assets

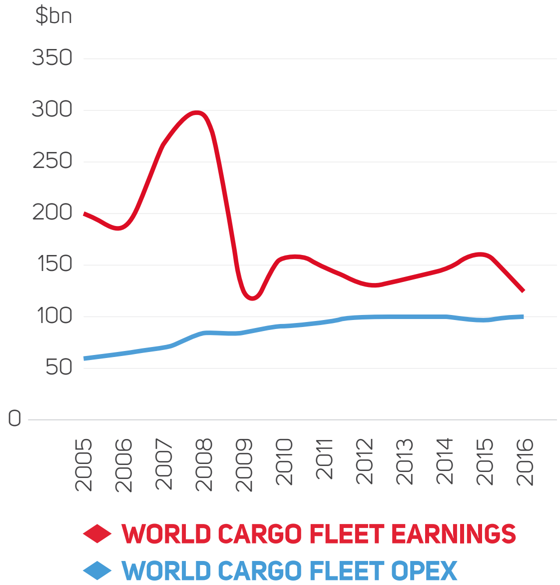
* Includes two under construction
** Crew management
*** To be deployed

EXMAR SHIP MANAGEMENT - MARKET OVERVIEW

The market for outsourcing has grown in recent times for the management of a vessel or vessels to a qualified ship manager who provides crew management, technical, operational and HSEQ (Health, Safety, Environment and Quality) management as well as maintenance, training, ICT and cargo handling expertise.

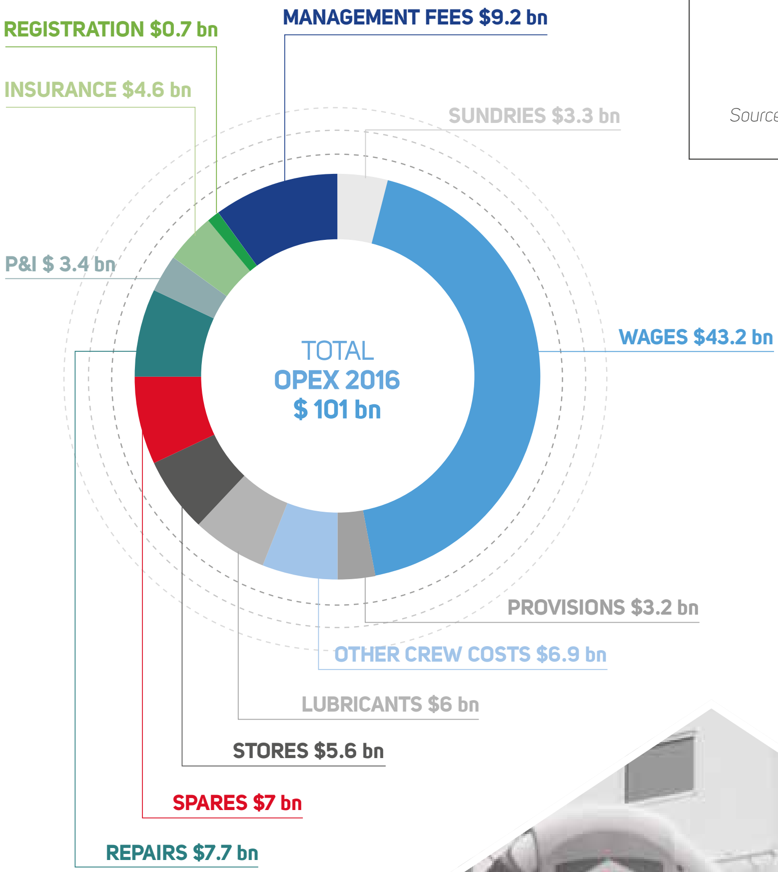
According to the latest UNCTAD (United Nations Conference on Trade & Development) Review of Maritime Transport, the overall world shipping fleet has grown reaching 93,161 vessels representing some 1.86 billion (bn) deadweight tons. Bulk carriers account for the highest share tonnage-wise, whilst offshore vessels and gas carriers have the highest share of value per merchant vessel.

TOTAL OPEX



Source: Clarksons Research

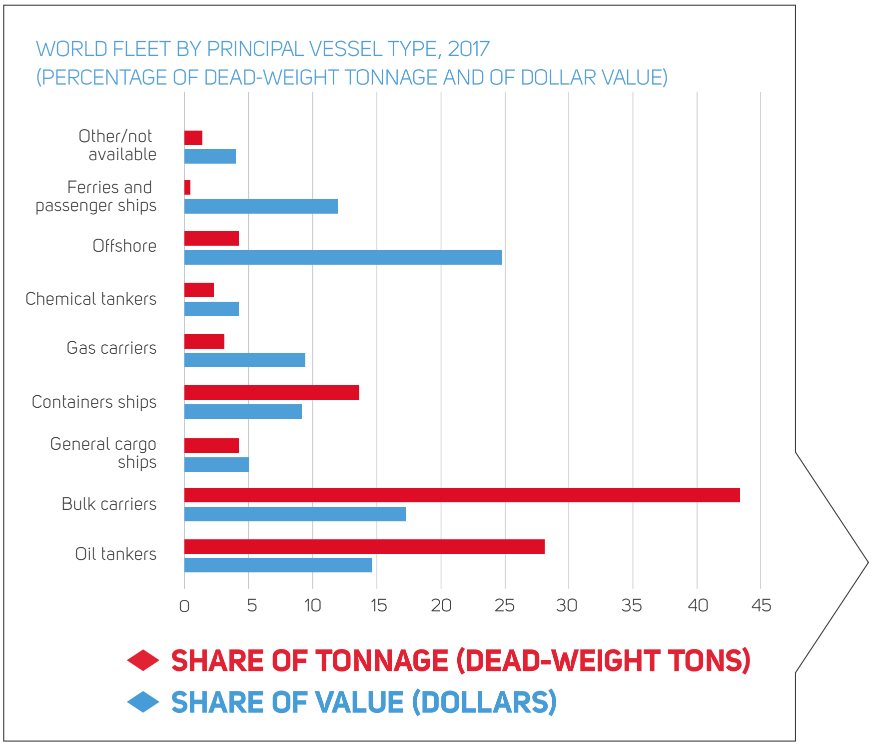
TOTAL OPEX 2016



Source: Clarksons Research

In a shipping market heavily impacted in many segments with excess capacity and falling cargo freight rates, ship owners are being obliged to focus on cutting operating expenses in order to weather that downturn. Despite varying estimates from different sources, no more than 15% of the current world fleet is under third-party ship management.

Clarksons Research has estimated that the aggregate annual OPEX (operating expenditures) for the world's cargo fleet has now breached USD 100 billion for the first time in 2016, up from USD 83 bn in 2008. The largest constituent remains crew wages (USD 43 bn covering 1.4 million crew across the world fleet). By comparison aggregate ship earnings have fallen by over half from USD 291 bn in 2008 to just USD 123 bn in 2016.



Rising operating costs, predicted increases in overall crewing budgets and a burgeoning order book for new-builds all requiring yard supervision, pre-ops, commissioning and delivery are persuasive arguments for out-sourcing.

However it is the emergence of new legislation requiring high levels of in-house expertise that has resulted in ship management appearing as a welcome blip on the radar of owners, especially new ones. The International Maritime Organization's 2020 Global Sulphur Cap and the recently-implemented Ballast Water Management convention continue to place ship owners under increasing economic pressure. The option to outsource management to expert ship managers continues to grow.

HIGHLIGHTS 2017 AND OUTLOOK FOR 2018

During the past year EXMAR Ship Management (ESM) has been actively pursuing external business opportunities. The strategy to further diversify the client portfolio has been successful and ESM has evolved to a service provider for any specialized floating asset. The portfolio of vessels in management increased to 84 vessels for 24 different owners ranging from Floating Storage and Regasification Units (FSRU) for LNG, LPG carriers, floating accommodation barges to specialized juice carriers.

In 2017 EXMAR's Floating Regasification Barge and Floating Liquefaction barge (CFLNG) entered into management. The world's first floating regasification (FSRU) barge is scheduled to commence it's long-term contract in the second half of 2018.

Also in 2017, the "Taking the SAFETY LEAD" programme that was started in 2014 remained well on course and is showing results in all aspects of the operations. The Lost Time Injury Frequency (LTIF) reached an all-time low of 0.53 for the LPG fleet and many other Key Performance Indicators (KPIs) show a positive trend in ESM's HSEQ and sustainability performance.

Mid 2017 ESM and Ahlers combined forces for certain maritime services. This included the maritime training activities performed by Bureau International Maritime (BIM). Combined with the expertise of EXMAR Academy, training services are now available for all maritime and offshore sectors.

In 2018, ESM will continue to operate the LNG, LPG and other specialized assets for its existing clients and will remain the ship manager for the vessel-based FSRUs which are now fully owned by Excelerate Energy. ESM will also assist and supervise the conversion of EXCEL to a Floating Storage Unit (FSU) and will supervise commissioning and delivery of the remaining LPG newbuilds for EXMAR.

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

08/2006
FIRST STS TRANSFER AT SEA
EXCALIBUR to EXCELSIOR
Gulf of Mexico
17,000 M³

02/2007
FIRST COMMERCIAL STS TRANSFER
EXCALIBUR to EXCELSIOR
Scapa Flow,UK
130,000 M³

06/2008
FIRST STS TRANSFER ALONGSIDE
EXCELERATE to EXCELSIOR
Bahia Blanca, Argentina
130,000 M³

06/2008
FIRST STS TRANSFER WITH THIRD PARTY
Castillo de Villalba to EXCELSIOR
Bahia Blanca, Argentina
127,000 M³

09/2013
500TH STS TRANSFER
Gallina to EXPLORER
Mina Al-Ahmadi, Kuwait
131,176 M³

04/2015
FIRST STS TRANSFER WITH 10 INCH STS KIT
Stena Clear Sky to EXPLORER
Dubai, UAE
161,300 M³

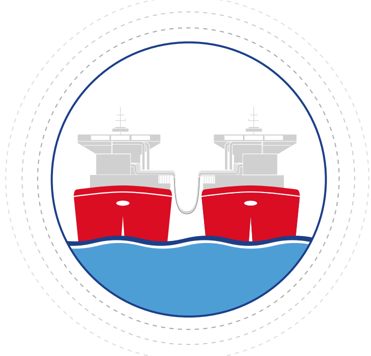
05/2015
FIRST STS WITH QFLEX HOSES,
leading to an eventual world record send out rate of above 1,000 mmscfd and loading at 10,000 m³ per hour
Al Kharsaah to EXPLORER
DUSUP
212,000 M³

08/2016
1,000TH STS TRANSFER
Iberica Knutsen to EXPEDIENT
Escobar, Argentina
86,808 M³

09/2016
FIRST TRANSFER WITH SIMULTANEOUS REGAS OPERATIONS AT THE BUOY,
meaning a reduction in downtime of the FSRU's terminal operation, as the vessel no longer needs to sail out to pick up cargo.
EXPRESS to EXCELLENCE
Hadera, Israel
129,845 M³

LNG SHIP-TO-SHIP TRANSFERS

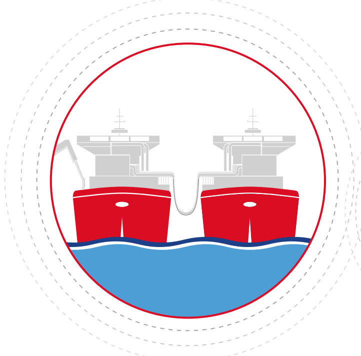
208 TRANSFERS OF 25,109,850 M³ OF LNG IN 2017

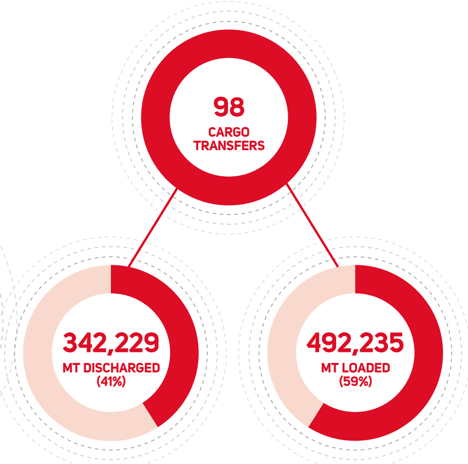


- EXMAR Ship Management accounts for >90% of the world's total volume of LNG ship-to-ship transfers since 2005 and is a first mover in LPG ship-to-ship transfers.
- EXMAR Ship Management and its partners have managed the safe execution of 1,280 ship-to-ship transfers of over 142 million cubic metres (m³) of LNG over an 11 year period since August 2006.
- With the 24/7 management of ten permanent shore-based and offshore FSRUs, EXMAR Ship Management is the world's largest operator of floating regasification units.

LPG SHIP-TO-SHIP TRANSFERS

SUMMARY OF LPG STS OPERATIONS IN 2017





- EXMAR Ship Management has also pioneered the safe ship-to-ship transfer of LPG, Ammonia and other Petrochemicals at sea and alongside.
- Pioneering use of scrubber.
- Energy efficiency with proven hull optimization.
- Ballast water disposal efficiency.

Some cargoes loaded conventionally are discharged by STS transfer, and vice-versa
MT: Metric tonnes

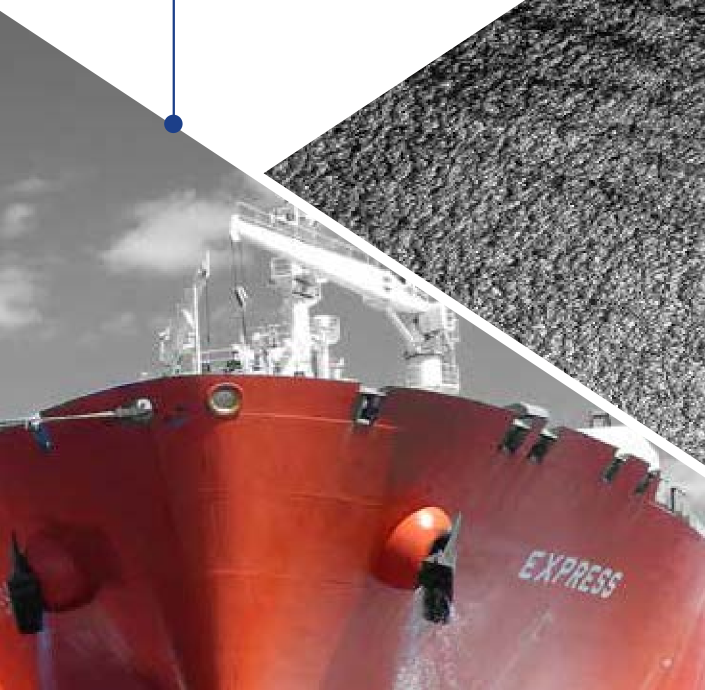
TRAVEL PLUS

Travel PLUS is located in Antwerp, Belgium, and is the country's biggest independent travel agency. Specializing in business and leisure travel, this agency of 24 professionals provides a high level of service towards business and high-end leisure travelers with made-to-measure packages and travel plans with full support and back-up.

An upturn in bookings from both existing and new clients made for an encouraging 2017 result which saw a year-on-year turnover growth of just over 8.5%, with a 70/30 split between business and leisure segments. Travel PLUS retained and grew its customer base thanks to a combination of attracting suitable corporate clients requiring flexibility and excellent service with the use of new applications. One such example was the deployment of the online Cytrix system which allows corporate clients to personalize flight and other booking options according to its own particular travel policy. Further organic growth is targeted for 2018 in direct competition with self-service and commoditized travel services.

LPG SHIP–TO–SHIP TRANSFERS

LNG SHIP–TO–SHIP TRANSFERS



03

CARE FOR TODAY, RESPECT FOR TOMORROW

- BEYOND COMPLIANCE
- PEOPLE - OUR MOST VALUABLE ASSET
- OUR BUSINESS PRINCIPLES

BEYOND COMPLIANCE

The emphasis "care for today, respect for tomorrow" has been at the forefront of EXMAR's approach towards how it conducts business worldwide since its inception back in 2003.

EXMAR goes beyond compliance with legislation, having earned its certification as a floating asset owner-operator according to the ISO14001 standard (obtained in 2011) for its environmental management system as well as ISO50001 (obtained in 2014) for its energy management system.

EXMAR's Ship Management operations also has its quality management system recognized by the industry ISO29001 standard, its occupational health and safety management system is OHSAS 18001 certified and it has worked carefully with the local classification society RINA to ensure its operations off the Italian coast and with Italian partners to meet and exceed local legislation demands.

Anyone who has worked with these rigorous certification processes will be aware that the biggest challenge is not to attain these standards but to retain them by constantly demonstrating continuous improvement through innovation, respect and care. The Group's compliance, HSEEQ, Technical and legal teams work on a daily basis with each other as well as in industry forums to ensure performance is continuously improved.

The Company has now turned its attention to fully applying the Global Reporting Initiative (GRI) Sustainability Reporting Standards, which are designed to be used by organizations to report about their impacts on the economy, the environment, and society.

In terms of reducing vessel emissions, EXMAR has installed both closed and open loop exhaust gas scrubbers in its new midsize LPG fleet, and has also retrofitted its first midsize newbuild WAASMUNSTER with a scrubber. These scrubbers are capable of reducing more than 95% of SOx emissions and 60% of particulate emissions in air.

As a further step beyond compliance, the two EXMAR VLGC newbuilds for delivery in 2020 will be powered by LPG, the first of their kind in the industry. Gas fuel reduces more than 99% of SOx emissions and 80% of particulate emissions. In addition, LPG as a fuel reduces 17% of CO_2 emissions as compared to Heavy Fuel Oil (HFO).

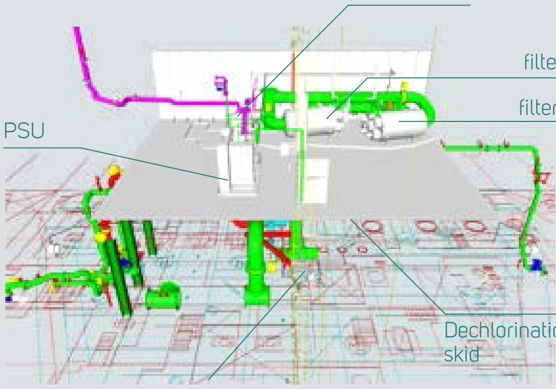
EXCELLING IN TREATING BALLAST WATER

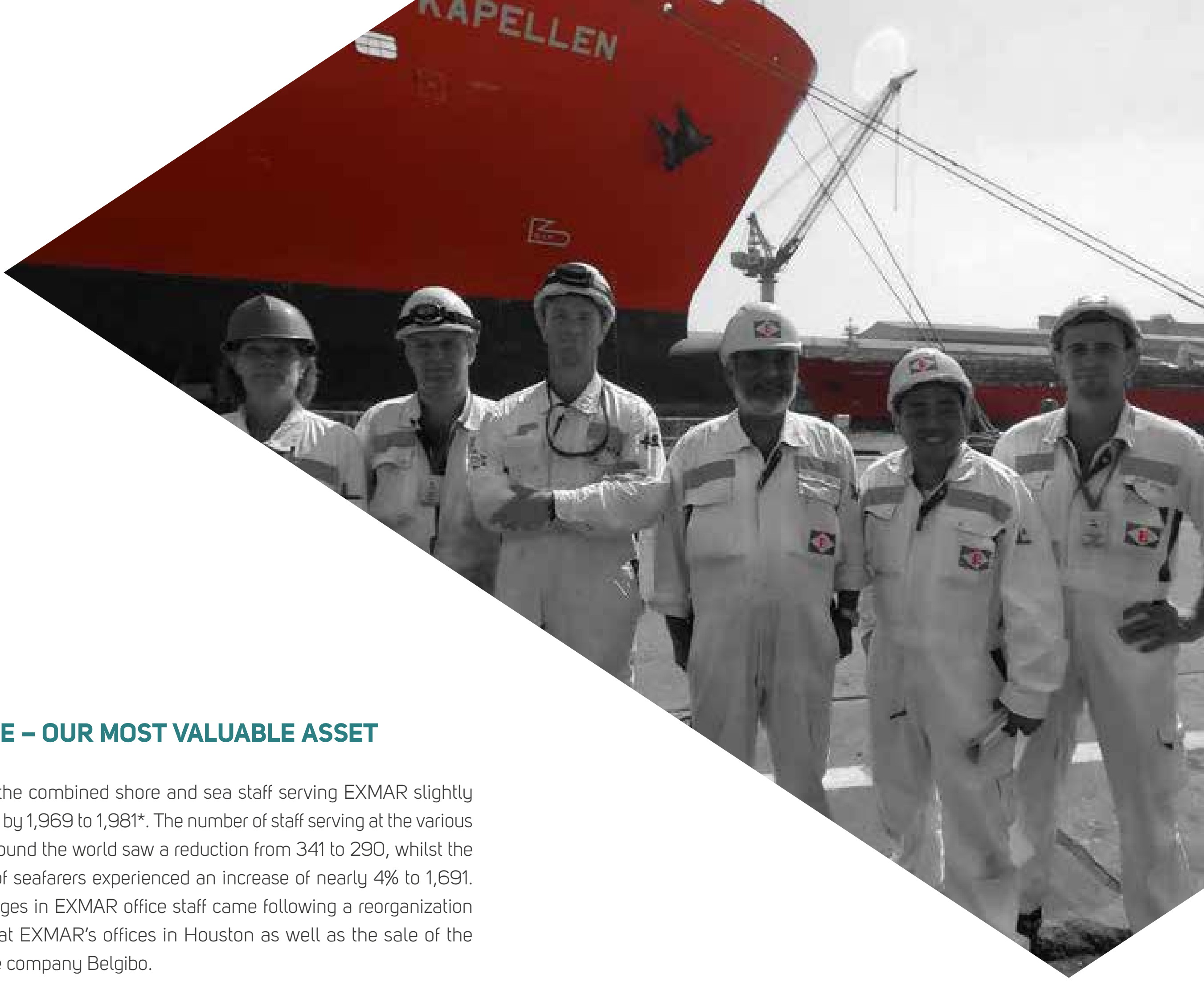
The latest ballast water treatment system (BWTS) installed by EXMAR Ship Management involved the seagoing FSRU EXCELSIOR during its dry dock in the Navantia shipyard in Ferrol, Spain, in December. This is to comply with the latest Ballast Water Management Convention which came into force in September 2017.

All water to be used for ballast passes via two main pipes from below into two large filters for handling. There hypochlorite generated from an on-board electrolysis skid is injected to eliminate any microorganisms before the water enters the hull's ballast tanks. If the water is expulsed less than three days after, it is chemically treated to remove the chlorine. Additionally, to minimize impact of the hydrolysis process, a degas tank is used to mix and breakdown the resultant gases which are then emitted through a vent in the accommodation.

EXMAR's new midsize LPG fleet has also been equipped with new BWTS solutions and further plans are on EXMAR Ship Management's calendar in 2018 to assist its customers to comply with the new convention.

BALLAST WATER TREATMENT SYSTEM INSTALLATION IN ENGINE ROOM





PEOPLE – OUR MOST VALUABLE ASSET

In 2017, the combined shore and sea staff serving EXMAR slightly increased by 1,969 to 1,981*. The number of staff serving at the various offices around the world saw a reduction from 341 to 290, whilst the number of seafarers experienced an increase of nearly 4% to 1,691. The changes in EXMAR office staff came following a reorganization exercise at EXMAR's offices in Houston as well as the sale of the insurance company Belgibo.

With the renewal of the LPG midsize fleet advancing further into 2018 and beyond with the two orders for VLGCs which will require additional staff, the growing number of seafarers is also being boosted by the activities of EXMAR Ship Management and its subsidiaries Seavie and Ahlmar. A further 154 crew members working on conventional bulk vessels are now under employment with additional shore-based superintendents and crew management, adding together with the crews already serving the luxury sailing and motor vessels managed by EXMAR Yachting.

** Note 6, Financial report.*

WELL-BEING FOR STAFF AT SEA: TAKING THE SAFETY LEAD

The taking the SAFETY LEAD (TTSL) programme has focused mainly on our sea staff since its inception in 2014 and focusses on changing our people's mindset on safety. The risk mindset trainings and safety leadership trainings are ongoing, with 947 staff trained so far:

TRAINING
OVERVIEW OF THE TOTAL TRAINED WITHIN THE 'TAKING THE SAFETY LEAD' PROJECT

	total crew	TTSL trained	Percentage
Active Crew that followed TTSL training	2021 **	947	47%
Senior LPG staff (Safety Leadership Course)	262	138	51%
Senior LNG staff (Safety Leadership Course)	173	109	66%
Junior LPG and ratings (Safety Mindset Course)	436	195	46%
Junior LNG and ratings (Safety MIndset Course)	596	178	33%
Junior and ratings without crew pool (Safety MIndset Course)	554	327	63%

*** Includes seastaff in the ESM crew pool. TTSL training up to and including Q1-Q2 2017*

A sign-off-survey has been created and all crew that signs off receives an automatic mail to their personal mail address with an invitation to do the survey. The main goal of the survey is to measure the progress of the Taking the SAFETY LEAD programme and to identify points of improvement. An update of the results of the sign-off survey were shared in the first month of 2018 with all staff and will be followed up with an action plan and training that will now focus on staff in the office. The initiative obtained an industry best practice remark during a recent review by an oil major client.

CRUSH CONFERENCES 2017

19 & 20 APRIL 2017	EXMAR & AVANCE GAS CONFERENCE - Goa, India
17 MAY 2017	EXMAR LNG CONFERENCE - Ghent, Belgium
7 JUNE 2017	EXMAR CONFERENCE - Odessa, Ukraine
5 & 6 OCTOBER 2017	EXMAR CONFERENCE - Antwerp, Belgium
NOVEMBER 2017	EXMAR & PTC CONFERENCE - Philippines
7 DECEMBER 2017	EXMAR CONFERENCE - Split, Croatia

WHERE SHIP MEETS SHORE: CREW CONFERENCES

EXMAR Ship Management organized no less than six conferences across the world in 2017, with a total of 554 attendees from sea staff and shore-based personnel. These conferences have been a part of EXMAR working life since the Company's foundation, with internal specialists as well as external advisors and trainers offering a wealth of useful information on latest trends and technical developments. Key partners such as engine manufacturers, classification societies, cyrogenic hose suppliers, catering consultants and safety consultants are invited to speak and conduct workshops on all aspects of a professional life at sea.

WELL-BEING FOR EXMAR COLLEAGUES ON SHORE

In recent months access to the Company headquarters has been severely hampered by infrastructure and roadworks which will last well into 2019 and beyond. To deal with this major challenge, EXMAR has joined forces with other large Antwerp-based companies and the Antwerp local authorities in a "Smart Ways to Antwerp" campaign to offer staff alternative means via a combination of public transport and freely available city bikes, electric bicycles, folding bicycles, cargo bicycles and bike wagons as well as the popular Velo city bike.

EXMAR has gone beyond this by offering free ferry services with a vessel using a hydrogen-propelled engine for staff located over the river Scheldt and beyond in partnership with its office neighbor CMB. EXMAR has also offered employees an advantageous bike leasing policy as an alternative to car pooling and public transport. EXMAR Ship Management has also opened satellite offices in Zandhoven to the East of the city and in Elversele to the West in Waasland which are fully connected to the enterprise network, allowing staff to also work from home with prior agreement from their Business Unit Directors.

SUPPORTING OUR EMPLOYEES' SOCIAL RESPONSIBILITY INITIATIVES

In 2017, EXMAR has supported its employees' efforts to raise money for good causes, both locally and internationally.

This includes staff participation in the most recent Warmathon organized by the popular local radio station Studio Brussel in Belgium, where money raised by staff was matched by the Company for two causes, namely the Belgian Royal Society for Rheumatology and FONDS NGANGI, a charity which aims to support the development of the city of Goma in the Democratic Republic of Congo by supporting its youth in terms of further education, employment and startups.

EXMAR is also a patron to VZW ZachteKracht, which is a charity located at the Royal Yacht Club at the Belgian coast town of Nieuwpoort and which offers opportunities to young people with special needs to sail on a yacht at sea for a day. The Company sponsors various sports teams in Belgium, including Gantoise hockey club.

EXMAR Ship Management staff organizes an annual Fairtrade breakfast in recent years which supports the charity OXFAM and EXMAR has offered annual contributions in recent years to BEDNET, a charity which enables sick house-bound children in Belgium access via online computer to their school classrooms.

Teambuildings in 2017 have included an outside exercise weekend in Wallonia with staff from EXMAR's offices around the world as well as a Maori Haka training course for EXMAR Ship Management personnel and visiting sea staff on the banks of the river Scheldt. EXMAR holds an annual global meeting of its management every September and joins this up with an annual staff and family reception which was held this year at the newly-renovated Royal Yacht Club of Antwerp.

OUR BUSINESS PRINCIPLES

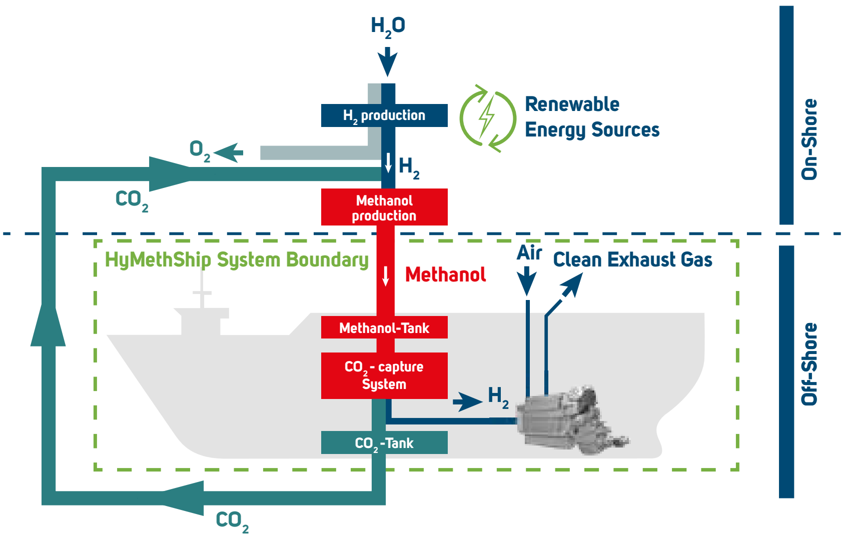
We do business with respect for the world in which we operate and we recognize that our operations impact our colleagues, customers, suppliers, partners and society as a world-class global provider of specialized services to the oil and gas industry.

- 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 minimise 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.

EXMAR TECHNICAL AWARDED FUNDING TO RESEARCH INTO NEW LOW EMISSION PROPULSION SYSTEM

EXMAR Technical is proud to announce that it has been awarded funding by the European Union for the HyMethShip, an innovation project under the HORIZON 2020 programme. HyMethShip stands for Hydrogen Methanol Ship propulsion system using on-board pre-combustion carbon capture. In this project, EXMAR is jointly working with universities, a classification society, a shipyard, and equipment suppliers to develop solutions in order to drastically reduce emissions and improve energy efficiency of the shipping industry.

EXMAR Technical is preparing this project since December 2016. Now is the time to go to the next step by designing and testing a prototype of our idea until end of 2020.



HOW DOES HYMETHSHIP WORK?

HyMethShip bunkers methanol and reforms it onboard by separating the hydrogen molecules from the carbon and oxygen molecules. The hydrogen is then used as fuel while the carbon dioxide (CO_2) is liquefied and stored onboard until next bunkering. When methanol is again bunkered, the carbon dioxide is given back to shore and used for the production of new methanol. This solution has the potential to reduce emissions for more than 97% and will enable EXMAR to gain experience handling different gases such as hydrogen, carbon dioxide and methanol.

DANIELLE LAMMENS NOMINEE AT FIRST FEMALE EDITION OF MAINTENANCE MANAGER OF THE YEAR

For the 20th edition of its Maintenance Manager of the Year Award, BEMAS, the Belgian Maintenance Association, specifically put female maintenance managers in the spotlight. EXMAR Ship Management's Maintenance Excellence Manager Danielle Lammens gladly rose to the occasion as a candidate to talk about her career path and current job in several interviews. She was one out of four nominees for Maintenance Manager of the Year 2017. As runner up to female colleagues from BASF, the company is proud to see her efforts publicly acknowledged. One good reason for the nomination was Danielle's ability to simultaneous develop condition-based maintenance strategies and convince the LPG and LNG Business Units to adopt them in line with their different philosophies. "My main driver to participate was to convince people that women can hold their own in maintenance, which is still a mostly-male environment. I hope it helps to encourage today's young women to enter the challenging world of engineering and technology", she comments.

(L-R) Our Maintenance Excellence Manager Danielle Lammens on stage during the ceremony and with the other nominees: Samira Ben Ali of Stella Lanolines, Maxine Frimpong & Ann Van Look of BASF Antwerp (winning team) and Stéphanie Hammer of Elia.


SMOKING

04

FINANCIAL REPORT

CONTENTS

CORPORATE GOVERNANCE STATEMENT

REFERENCE CODE

This Corporate Governance Statement is covered by the provisions of the Belgian 2009 Corporate Governance Code. The Royal Decree of 6 June 2010 recognized the Code of 2009 as the only applicable Code. This Code is published in the Belgian Official Gazette (Moniteur Belge/Belgisch Staatsblad) on 23 April 2010 (www.staatsblad.be), 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 16 May 2017, published in the appendix to the Belgian Official Gazette of 28 June thereafter, reference 17091725.

1.2 REGISTERED OFFICE

De Gerlachekaai 20, 2000 Antwerp, Belgium.

VAT BE0860.409.202.
Company Registration Antwerp.

1.3 ISSUED CAPITAL

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

No changes in capital occurred during the course of 2017.

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

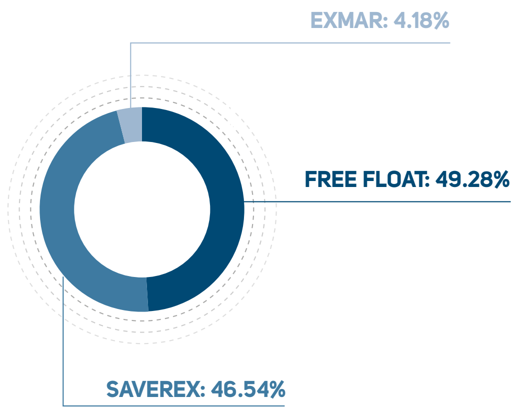
1.6 PURCHASE OF OWN SHARES

On 20 May 2014, the Extraordinary General Meeting of Shareholders authorized the Board of Directors of EXMAR for a period of five years to acquire the Company's own shares within a well-defined price range.

The number of treasury shares as at 31 December 2017 amounted to 4.18%, which represents 2,485,247 shares.

1.7 SHARES AND SHAREHOLDERS

SHAREHOLDING AS PER 31 DECEMBER 2017:



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

During the course of 2017 and till the date of this report, EXMAR NV did not receive any notifications in the context of the Transparency Act of 2 May 2007.

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

- 25 November 2013: EXMAR NV announced that Saverex NV disclosed that the call-options granted to Sofina SA, were ended. The agreement to act in concert as stipulated in article 3§1, 13°C of the law of 2 May 2007 was terminated.

- 3 December 2013: EXMAR NV announced that Saverex NV disclosed that the threshold of 50% was crossed due to the sale of 4,900,000 voting rights.

In accordance with Section 74§6 of the law on public takeover bids of 1 April 2007, Saverex NV notified the FSMA on 15 October 2007, updated on 30 August 2017, 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 11 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 2017:

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-Jun-03	19-May-15	2018	5/6
NICOLAS SAVERYS • Executive director • Chief Executive Officer (CEO)	20-Jun-03	19-May-15	2018	5/6
PATRICK DE BRABANDERE • Executive director • Chief Operating Officer (COO)	20-Jun-03	19-May-15	2018	6/6
HOWARD GUTMAN • Independent director within the meaning of Article 526ter of the Company Code and provision 2.3 of Code 2009	20-May-14	16-May-17	2018	6/6
JENS ISMAR • Independent director 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-10	17-May-16	2019	5/6
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-16		2019	6/6
JALCOS NV REPRESENTED BY LUDWIG CRIEL • Non-executive director • Chairman Audit Committee	16-May-17		2020	5/6
ARIANE SAVERYS • Non-executive director	15-May-12	19-May-15	2018	6/6
PAULINE SAVERYS • Non-executive director	15-May-12	19-May-15	2018	5/6
BARON PHILIPPE VLERICK • Non-executive director • Member Audit Committee	20-Jun-03	16-May-17	2020	5/6
BARBARA SAVERYS • Non-executive director	19-May-15		2018	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 2017 the Board held six meetings; all the meetings were held under the chairmanship of Mr. Bodson, except the meeting of 30 March 2017. Each in the presence of all members, except at the following meetings:

- 23 March 2017, where Ms. Pauline Saverys was represented by proxy;
- 30 March 2017, where Mr. Philippe Bodson, Mr. Jens Ismar, Mr. Nicolas Saverys and Ms. Pauline Saverys were excused;
- 16 May 2017, where Ms. Pauline Saverys was represented by proxy;
- 27 June 2017, where Mr. Philippe Vlerick was excused;
- 8 September 2017, where Jalcos NV, represented by Mr. Ludwig Criel, was 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 Group and its assets and closing the accounts and financial statements of the Group. Other topics were:

- General market developments
- Vopak project
- Finances
- Employment FSRU-platform
- Sale of Belgian insurance broker Belgibo

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.

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 2017, four meetings were held each in the presence of all members, except at the following meetings:

- 27 June 2017, where Mr. Philippe Vlerick was excused;
- 5 December 2017, where Mr. Philippe Bodson was excused.

The Statutory Auditor and the Internal Auditor were both 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
- Compliance and Risks

On Information Management and IT Security, awareness training on cybersecurity and GDPR is done. On Privacy, the assessment regarding implementation of the GDPR is completed.

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

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

The Risk Committee shall at least once per year submit to the Audit Committee 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 was founded by the Board of Directors and 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 2017.

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

With respect to remuneration, the following items were discussed:

- Remuneration package for 2018
- Draft the remuneration report

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

- Composition of the Board of Directors
- Evaluation of the independence criteria of Directors

2.4 EXECUTIVE COMMITTEE – CEO

2.4.1 COMPOSITION

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

- Executive director
- Chief Operating Officer (COO)

MIGUEL dE POTTER

- Chief Financial Officer (CFO)

PIERRE DINCQ

- Managing Director Shipping

BART LAVENT

- 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.

Regarding the gender diversity at the level of the Board of Directors, Section 7 of the Law of 28 July 2011 stipulates that companies with a free float of less than 50% have a period of eight years rather than six years to regularise themselves.

3.2 CURRENT SITUATION

The Board of Directors consists of three female members out of a total of 11 members. The necessary measures will be taken for future appointments to ensure that the required quotas (one third female directors) are reached. EXMAR aims to reach this goal before the imposed term (2019) included in the law.

A 47/53 female to male ratio was recorded for 2017 for the overall total of 193 employees working at Group headquarters (all the companies – see EXMAR in the world section on page 10). The appointment of a total of 15 female officers including two Captains and one Chief Officer serving in the EXMAR fleet has been a consequence of internal training and development combined with practical experience, with this same philosophy being applied on shore to develop female staff (see Care for today – Respect for tomorrow, page 45).

4. PERFORMANCE EVALUATION

In order to assess the effectiveness of the Board and its Committees, the Board introduced an evaluation process in 2011 (renewed in 2014). In the course of 2017, a new Board evaluation plan was set up which will be implemented in 2018 and consists of a questionnaire followed by a conduction of one-to-one interviews, an analysis of results and a formulation of recommendations which will result in an action plan with the necessary follow-up.
The Board holds a closed session after every meeting.

Each Committee reports on its activities to the Board.

During the meeting of the Board of Directors that prepares the Annual General Meeting of Shareholders, the Board of Directors will decide on the discharge to be granted to the members of the Executive Committee.

5. SUPERVISION

5.1 EXTERNAL AUDIT

Deloitte Belgium, represented by Mr. Gert Vanhees: Statutory Auditor. 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 in application of article 16 §2 and §5 of regulation number 537/2014, Deloitte Belgium was appointed as Statutory Auditor of the Company for a period of three years.

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 and the Board of Directors agreed, to the Board to no longer review the half-year results, in line with other listed companies' policies. The auditor however was requested to 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 2019.

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.

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 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.

RISKS

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		
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.

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL
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 programme should limit or avoid certain risks inherent in our business. All our vessels and assets are covered by adequate insurance.
INCREASED OPERATING EXPENSES		
Operating expenses and maintenance expenses can be volatile.	Operating expenses and drydock capital expenditures depend on a variety of factors which are outside our control and affect the entire shipping industry. Drydocking of vessels can also result in loss of income.	Proactive in-house ship management and a continuous in-house and external inspection of our assets. Our maintenance policy is updated and improved on a day-to-day basis with the objective to maintain the highest quality levels.
FLEET AGE PROFILE		
As a ship ages class requirements become more stringent and compared to new modern ships the vessel will be less competitive and more expensive to operate.	We must make substantial capital expenditure to maintain the operational capacity of our fleet. These expenditures could vary significantly and can increase as a result of customer requirements, competitive standards and regulations or organizations standards.	The average age of our fleet is monitored and our strategy includes regular investments in new vessels to keep our fleet competitive. Our in-house ship manager and commercial team has many years of experience to assess the operational and commercial performance. All our vessels are certified as "in class" by a classification society which is also a requirement for insurance coverage. Inspections of our fleet are carried out on a day-to-day basis at sea or in port. Based on these inspections the continual maintenance plan of each vessel is created, updated and implemented.

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL
ASSETS UNDER CONSTRUCTION		
Specific risks apply to our assets under construction and include the solvency of our contractor as well as the delivery of the asset in accordance with all specifications and securing all required permits.	Failure by the shipyard to construct or deliver our assets under construction or bankruptcy by the shipyard would have a substantial impact on our financial position and our results. In the event the shipyard does not perform and we are not able to enforce the refund guarantee we might lose all or part of our investment. Additionally, we might fail to comply with our obligations towards the charterer.	Advance payments are made to the shipyards and these payments are secured by refund guarantees. Progress of the construction and compliance with all technical and regulatory specifications is closely monitored by our technical teams at the shipyards. Solvency of the shipyards is also continuously assessed by the management team.
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 under construction 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 unfavourable.	Our customer base is diversified and consists of major companies active in the oil and gas market. Extensive credit checks are performed for new clients and additional securities or guarantees will be requested if deemed necessary. Charter hire is payable in advance.

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL
FINANCING		
EXMAR is subject to restrictions on credit agreements, such as financial covenants and restrictions for EXMAR and its subsidiaries to take on further debts, distribute dividends, undertake certain investments, sell part of its business without the consent of its lenders.	The existing financing arrangements for our fleet are secured by the vessels and parent company guarantees and contain restrictions and other covenants that may restrict our business and financing activities. Any default could result in the acceleration of the maturity date and lenders could call on the guarantees of these facilities.	Our cash flows and our financial position, including the requirements under the financing agreements, are continuously monitored. Our financing strategy aims for a diversification of financing resources and a spread of maturity dates. A dialogue is maintained with different investors and financial partners in order to build a long-term relationship. As of 31 December 2017, all applicable financial covenants under the financing arrangements are complied with sufficient headroom.
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/NOK 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.
IMPAIRMENT		
Negative variations in the fair market value of our fleet and other floating assets.	A significant decline in the fair value of our fleet could lead to an impairment loss to be recognized and would have a significant impact on our financial position and result. The ratio of the fair value of our fleet compared to the outstanding debt is a financial covenant in our financing arrangements. A significant decline could trigger an event of default under such arrangements. 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. The carrying value of our fleet is supported by long-term cash flow projections. As of 31 December 2017 all financial covenants under our financing arrangements are complied with.

REMUNERATION REPORT

1. GENERAL

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

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

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

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

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

The Nomination and Remuneration Committee is responsible for deciding the procedure for developing a remuneration policy.
The Remuneration Committee checked at the meeting of 6 December 2017 the remuneration amounts for compliance with market practices and no changes were recommended.

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

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

3. REMUNERATION POLICY FOR EXECUTIVE AND NON-EXECUTIVE DIRECTORS

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

3.1 BOARD OF DIRECTORS

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

3.2. AUDIT COMMITTEE

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

3.3 NOMINATION AND REMUNERATION COMMITTEE

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

3.4 EXECUTIVE DIRECTORS

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

OVERVIEW OF THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS FOR 2017
(in euros)

		Fixed remuneration	Audit Commitee remuneration	Remuneration Committee remuneration	Total
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	50,000			50,000
Jens Ismar	non-executive Director	50,000	10,000	10,000	70,000
Baron Philippe Vlerick	non-executive Director	50,000	10,000		60,000
Pauline Saverys	non-executive Director	50,000			50,000
Barbara Saverys	non-executive Director	50,000			50,000
Ariane Saverys	non-executive Director	50,000			50,000
TOTAL		500,000	50,000	30,000	580,000

(*) Represented by Ludwig Criel

4. REMUNERATION 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 three 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

5.1 OVERVIEW

	2017	2016	2017	2016
	CEO: Nicolas Saverys		EXCO: 6	
Basic salary	€ 823,205	€ 823,205	€ 2,377,613	€ 2,377,613
Variable remuneration	€ 900,000	€ 0	€ 700,000	€ 0
Share Options (taxable base)	€ 0	€ 0	€ 0	€ 0
Insurance Package*	€ 214,019	€ 212,475	€ 331,363	€ 325,505
Other benefits**	p.m.	p.m.	€ 0	€ 60,000
TOTAL	€ 1,937,224	€ 1,035,680	€ 3,408,976	€ 2,763,118

(*) individual pension benefit, guaranteed income insurance, accident insurance, hospitalisation insurance, travel insurance
(**)housing, car, cell phone and meal cheques

Per 31/12/2017, a provision of KEUR 320 (2016: KEUR 259) was accounted for 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 2017 was as follows:

CHAIRMAN OF THE EXECUTIVE COMMITTEE (CEO)	
Basic salary	48%
Variable remuneration	52%
OTHER MEMBERS OF THE EXECUTIVE COMMITTEE	
Basic salary	77%
Variable remuneration	23%

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 2017.

	Outstanding as per 31/12/2016	Expired during 2017	Exercised in 2017	Granted in 2017	Outstanding as per 31/12/2017
Nicolas Saverys	405,181	10,847	68,926	-	325,408
Patrick De Brabandere	198,807			-	198,807
Miguel de Potter	93,488		488	-	93,000
Pierre Dincq	119,829			-	119,829
David Lim	146,158		17,231	-	128,927
Marc Nuytemans	148,928		29,464	-	119,464
Bart Lavent	92,975		2,975	-	90,000
	1,205,366	10,847	119,084	-	1,075,435

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 have 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.

Lara Consult BVBA, represented by Mr. Bart Lavent, would be entitled to a compensation equivalent of seven 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 (US) law and has no contractual notice period.

5.5. CHANGES TO REMUNERATION POLICY

No significant changes were made to the remuneration policy in 2017.

5.6. REMUNERATION POLICY 2017-2018

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 2017. 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 2017.

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 past 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 111.1 million (USD -3.6 million in 2016).

Operating expenses increased compared to 2016 with USD 3 million, mainly due to an increase in variable remunerations.

Financial income increased with USD 92 million in comparison with 2016, this is partly due to the sale of subsidiary Belgibo to JLT and the sale of joint-ventures Excelerate NV, Explorer NV and Express NV to Excelerate Energy. Another explanation is the reversal of the value reduction registered in 2016 (USD 24.5 million, see also explanation below under financial expenses).

Financial expenses decreased compared to 2016 with USD 23.9 million: the financial expenses in 2016 included a value reduction on other receivables (USD 24.5 million).

At the end of 2017, the total assets amounted to USD 762.7 million (USD 891.3 million at the end of 2016), including USD 674 million financial fixed assets (USD 680.2 million in 2016).

Shareholder's equity amounted to USD 649.1 million at the end of 2017 (USD 538 million in 2016). The increase of USD 111.1 million is the effect of the profit of the financial year 2017 for the same amount.

Total liabilities at the end of 2017 amounted to USD 111 million (USD 350.6 million at the end of 2016), of which USD 111 million short-term debt (USD 270.2 million debt exceeding one year, USD 79.1 million short-term debt and USD 1.3 million accrued charges and deferred income at the end of 2016). The decrease in the debt exceeding one year can be explained by the repayment of the bank debt as a consequence of the sale of joint-ventures Excelerate NV, Explorer NV and Express NV to Excelerate Energy.

The 2017 statutory annual accounts show a profit of USD 111.1 million. Including the results carried forward from the previous financial years, an amount of USD 260.3 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 146,750,420.81
Profit of the period:	USD 111,055,820.81
Transfer from the reserves not available for distribution:	USD 2,529,401.55
Result to be carried forward:	USD 260,335,643.17

Following this appropriation, the shareholders' equity of USD 649,049,811.77 will be composed as follows:

Capital:	USD 88,811,667.00
Issue premium:	USD 209,901,923.77
Reserves:	USD 90,000,577.83
Retained earnings:	USD 260,335,643.17

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 2017, EXMAR Group achieved a consolidated result of USD 28 million (USD 40.4 million in 2016).

Revenue decreased in comparison with 2016 (USD -2.6 million). This decrease can be partially explained by the WARIBOKO transaction (Offshore segment). At the end of May 2016, EXMAR sold part of its ownership (60%) in the WARIBOKO to its Nigerian partner Springview. Another explanation for this decrease in the Offshore segment is the barge KISSAMA. The KISSAMA reached the end of her last time charter in the fourth quarter of 2016 and was sold during April 2017 to a Southwest Asian buyer. The decrease in the Offshore segment is partially offset by an increase of revenue in the LPG segment as a consequence of the acquisition of the remaining 50% of the pressurized fleet held by Wah Kwong end of June 2016.

The capital gain on the sales of assets amounted to USD 98.4 million and mainly relates to the sale of subsidiary Belgibo to JLT and the sale of joint-ventures Excelerate NV, Explorer NV and Express NV to Excelerate Energy.

The other operating income decreased compared to 2016 with USD 24.2 million. In 2016, the acquisition of the remaining 50% of the pressurized fleet from Wah Kwong resulted in a badwill of USD 14.3 million which was recognized in other operating income. Another element of the other operating income in 2016 was the termination fee of USD 9 million paid by Pacific Exploration & Production (PEP) as a consequence of the termination of the tolling agreement for the CARIBBEAN FLNG. Both elements are non-recurring elements and explain major part of the decrease in other operating income.

Operating expenses increased compared to 2016 with USD 20.9 million, mainly as a consequence of the fees paid to Wison in respect of the CARIBBEAN FLNG.

The net finance result for 2017 amounted to USD -40 million (2016: USD 4.3 million). The decrease can be mainly explained by the impairment loss registered on the shareholders' loan to Monteriggioni. Part of the shareholder 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 and resulted in the registration of an impairment loss. In the result from equity accounted investees, the income part of this waiver has been registered. Consequently, the waiver of the loan has no impact on the net result of the Group.

The share of result of equity accounted investees amounted to USD 18.7 million (USD 34.6 million in 2016). The lower midsize gas carriers rates compared to 2016 explain an important part of this decrease. The vessels amounted to USD 563 million and comprise the LPG pressurized fleet, the CFLNG and the FSRU. The CFLNG and FSRU have been delivered during 2017, both platforms have been transferred from under construction to vessels.

The investment in equity accounted investees amounted to USD 104.4 million (2016: USD 147.6 million) and consists of our share in the different joint ventures and associates. The decrease compared to 2016 can be mainly explained by the sale of the LNG companies to Excelerate Energy and the classification as held for sale of the company Excelsior. On 31 January 2018, EXMAR has sold its 50% shares in Excelsior BVBA to Excelerate Energy for an amount of USD 81 million. EXMAR will record a capital gain of approximately USD 31 million on this sale in the first quarter of 2018.

Borrowings to equity accounted investees amounted to USD 58.9 million (2016: USD 343.9 million) and comprise the shareholder loans granted to our LPG, LNG and offshore equity accounted investees. The decrease compared to 2016 is mainly caused by the repayment of the shareholder loans as a consequence of sale of Excelerate NV, Explorer NV and Express NV to Excelerate Energy.

The net cash position (cash and cash equivalents reduced by overdrafts at financial institutions) on 31 December 2017 amounted to USD 41.8 million (USD 121.1 million in 2016). The restricted cash relates to credit facilities and financial instruments agreements, they amounted to USD 67.4 million per 31 December 2017 (USD 34.9 million in 2016).

Total equity amounted to USD 477.6 million on 31 December 2017 (2016: USD 441.9 million). This increase in 2017 is mainly caused by the profit of 2017.

The financial debt amounted to USD 372.7 million on 31 December 2017 and decreased by USD 97 million compared to 2016. The financial debt primarily decreased as a consequence of the sale of the LNG companies Excelerate NV, Explorer NV and Express NV to Excelerate Energy. This decrease is partially offset by the new loan of USD 200 million for the financing of the CFLNG with the Bank of China.

The derivative financial instruments liabilities amounted to USD 0 per 31 December 2017 (2016: USD 36.2 million). In 2014 and 2015 EXMAR entered into two cross currency interest rate swaps (CCIRS) to cover its exposure on the issued bond in NOK. The term of the NOK bond has been extended until July 2019. The CCIRS-contracts have not been extended as a consequence of the extension of the term of the bond and have ended in July 2017.

3. RISK FACTORS

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

4. NON-FINANCIAL INFORMATION

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

EXMAR's Code of Business Ethics sets out the way in which our Company works, bringing together the values and setting out the rules and guiding principles.

The Code of Business Ethics describes rules and responsibilities of individuals and employees collectively when acting on behalf of EXMAR, as well as EXMAR's responsibilities towards employees, customers, shareholders and other stakeholders, to ensure that each and every one of our colleagues understands what is expected from them and allowed when acting on behalf of EXMAR.

Compliance belongs to the overall business strategy and operations of the whole organization.
To ensure even better compliance with rules and laws, and to reduce the risks of infringements and the adverse consequences for EXMAR and all the stakeholders, the Board of Directors implemented a Compliance Programme for EXMAR.

In order to comply with the EU Regulation (596/2014) on Market Abuse of 16 April 2014 effective in Belgium on 3 July 2016 a revised Dealing Code was and is included in the Corporate Governance Charter as Appendix 3. This Code summarizes the rules that must be observed in case of dealing in the Company's financial instruments.
Directive 2014/95/EU of the European Parliament obliges certain large companies to disclose non-financial information. EXMAR is subject to this Directive and relies on some of the frameworks named in the directive to disclose following info in the annual report.

DESCRIPTION OF THE ACTIVITIES	POLICY	ACTIONS TAKEN	RISKS AND MITIGATION
Human Rights (see Business Principles)	The EXMAR code of Business Ethics specifically refers to respect for all national and international laws and regulations that govern Human Rights, Forced labour, Child Labour and discrimination of all kinds both in letter and in spirit of the law. This code is translated into practice through several policies such as through sustainable procurement and procedures and processes for the Fleet Personnel management in line with and beyond Maritime Labour Convention. Control on the application of these policies and procedures is realised through careful selection of our key suppliers and internal and external verifications. Audits have also been conducted on key suppliers.	As a result of the policy, internal investigations have been conducted in cases where a risk for violation had been identified. Although none of the investigations were conclusive, procedures and processes were reviewed and internal communication was enhanced to ensure a more effective prevention of potential violations.	The main risks for violations related to Human Rights must be sought within subcontractors of our suppliers. Therefore, suppliers' contracts contain the necessary clauses and in addition, a Sustainable Procurement Policy is being developed and is now being actively communicated to our business partners.
Anti-Corruption (see Business Principles)	The EXMAR code of Business Ethics contains a clear policy on business gifts, bribes and facilitation payments. This is supported by a procedure on Bribery and Facilitation payments for the use on board of the fleet and onshore. Control on the application is ensured through compliance officers, the Risk Committee and ultimately the Audit Committee.	All possible cases of facilitation payments are reported through the management system, which allows adequate follow up and response. In addition, internal communications via specific campaigns have been communicated on board.	The most frequent risks for violations against anti-corruption laws find themselves on board of vessels calling ports where corruption among civil servants is prevalent and systemic.

DESCRIPTION OF THE ACTIVITIES	POLICY	ACTIONS TAKEN	RISKS AND MITIGATION
Environment (see Care for today , Respect for tomorrow)	Within the framework of its ISO 14001 and ISO 50001 certification, EXMAR Ship Management has developed an Environmental and Energy management manual which includes policies, procedures and records to support the mission of EXMAR Ship Management to contribute to a cleaner and more efficient energy supply for the world, as a world-class global provider of specialized services to the oil and gas industry. These include procedures to ensure compliance of the operations with the international conventions and national legislations and a continuous improvement approach.	A younger fleet with more efficient propulsion and machinery, a more effective hull form and the retrofitting of exhaust gas treatment systems guarantee a continuous improvement on the emissions of our fleet. In line with the European Monitoring, Reduction and Verification legislation, a detailed measuring plan was developed which over the next years will allow us to analyse and to take focused measures to further reduce the impact of our operations on the environment. This includes implementing the IMO global limit for sulphur in fuel oil used on board ships set for January 2020. A fully developed Ballast Water Management plan is in force which includes the roll out of Ballast Water Treatment Systems including retrospective installations on board. The reduction of our energy footprint is taken care of by optimizing the entire operation and management of the ships for Energy Cost Efficiency by measuring and improving on our Nautical Mile per Fuel ratio and increasing the efficiency of the cargo handling and conditioning processes. The adoption of both closed and open circuit scrubbers on board a number of the EXMAR LPG newbuilds to comply with the IMO 2020 global sulfur cap has yielded positive results. EXMAR has also retrofitted one of its newbuilds with a scrubber and plans further energy-saving innovations with its two VLGC newbuilds For a recent recycling of a midsize LPG vessel, EXMAR has undertaken a careful and thorough due diligence and has selected a recycling yard that implements measures and policies in line with the Hong Kong Convention as adopted by the UN in 2009. EXMAR will further perform audits during the recycling to ensure that the agreed policies and standards are being respected. The VLGC newbuild programme EXMAR charter agreement foresees the use of LPG as fuel.	Whereas Ballast Water Treatment systems are being retrofitted throughout the fleet; the different regional legislations and the application of new and unproven technologies are a concern. In order to ensure correct implementation of the environmental and energy management system, environmental awareness trainings are being provided to all relevant staff members, weather routing is applied and ship performance enhancement tools are in use on board, the effective use of which is monitored by dedicated shore office staff grouped in the Energy Efficiency Team. Finally, while accidental pollution cannot be ruled out, EXMAR has all the necessary systems in place to ensure a rapid and adequate emergency response to rapidly control any potential spill and effectively reduce its impact on the marine life.

DESCRIPTION OF THE ACTIVITIES	POLICY	ACTIONS TAKEN	RISKS AND MITIGATION
Social & Personnel (see Care for today , Respect for tomorrow)	A safe environment for our personnel to work in, is our top priority. With a diverse workforce of over 15 nationalities both on board and ashore, effective leadership is considered the key to operating to the highest safety standards. To this extent, a safety vision was developed which was translated into the Company's HSEQ policy, an extensive HSEQ manual and a training programme. "Taking the SAFETY LEAD" is our roadmap to a strong and resilient safety culture, empowering every individual to take up his or her responsibility to make safety a natural part of their life, to stop unsafe acts or conditions and to be a role model to their colleagues and beyond.	Taking the SAFETY LEAD programme was launched several years ago with the first steps into creating the safety vision, the training programme and the development of a shared model. Now, four years later, Taking the SAFETY LEAD is a mature concept adopted by our seafaring and office staff, demonstrated by leading and lagging indicators, ranging from reporting and understanding of the concept to the factual accident statistics. The initiative will be further promoted using training and seminars at the various EXMAR offices around the world with a focus on how Taking the SAFETY LEAD can be further adopted in daily working life on shore.	The overall success of any safety programme is dependent of the implementation by individuals and individual senior staff members in particular. The recently enhanced evaluation process of our fleet personnel and shore staff is the core of the Leadership development. Some recent navigational incidents, often involving port services such as pilots or Vessel Traffic Control Centres, cause a concern in the way bridge teams interact during the final stretches of their voyage towards port. To mitigate this risk, navigational procedures, training on board and control over their application is improved.

5. 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 2017, EXMAR employed 1,981 people worldwide, including 1,691 seagoing staff (2016: 1,969 of which 1,628 are seagoing personnel).
Almost all seagoing personnel are employed on the assets held by our equity accounted investees. As a consequence, the related expenses are not included in the personnel expenses of the consolidated financial statements.

ACQUISITION OF OWN SHARES

The authorization to acquire shares was granted to the Board of Directors by decision of the Extraordinary Shareholders' Meeting held on 20 May 2014, renewing the authorization of the Board of Directors , on 19 May 2015, 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 above-mentioned Extraordinary General Meeting.
On 31 December 2017, EXMAR held 2,485,247 own shares, representing 4.18% of the total number of issued shares.

STOCK OPTION PLAN

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

Plan 1, 5 and 6 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.

Date of offer	Number of outstanding options	Exercise period	Exercise price in euros
PLAN 2 - 09.12.2005	309,089	Between 01.04.2009 and 15.10.2018 (*)	10.73 (°)
PLAN 3 - 15.12.2006	396,855	Between 01.01.2010 and 15.10.2019 (*)	15.96(°)
PLAN 4 - 04.12.2007	224,529	Between 01.01.2011 and 15.10.2020 (*)	14.64(°)
PLAN 7 - 09.12.2010	216,005	Between 01.01.2014 and 28.12.2018	4.71
PLAN 8 - 03.12.2013	503,600	Between 01.01.2017 and 02.12.2021	10.54
PLAN 9 - 02.12.2014	420,350	Between 01.01.2018 and 02.12.2022	10.54
PLAN 10 - 04.12.2015	415,250	Between 01.01.2019 and 03.12.2023	9.62

(*) The Board of Directors meeting of 23 March 2009 decided to extend the original exercise period for the first four option plans by five years, by virtue of the decision by the Belgian Government to extend the Act of 26 March 1999, in particular regarding stock option plans.
(°) As a result of the capital increase of November 2009, the dilution protection and extra dividend of May 2012 and September 2013, the number and exercise price of the stock options was modified.

JUSTIFICATION OF THE ACCOUNTING PRINCIPLES

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

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

EVENTS AFTER BALANCE SHEET DATE

The significant events occurred after the closing of the financial year 2017 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 and Livorno.

EXMAR has branches in Shanghai 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.

EXMAR successfully closed a NOK 700 million senior unsecured bond issue in 2014 and issued an additional NOK 300 million in 2015. In 2014 and 2015 EXMAR entered into two cross currency interest rate swaps (CCIRS) to cover its exposure on the issued bond in NOK. The term of the NOK bond has been extended until July 2019. The CCIRS-contracts have not been extended as a consequence of the extension of the term of the bond and have ended in July 2017. As per 31 December 2017, a forward exchange contract was outstanding to cover the NOK/USD exposure. The FV of this contract per 31 December 2017 has been registered in the consolidated profit or loss (USD 1.1 million).

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 meeting of the Board of Directors held on 6 December 2017, the directors had the item "Report of the Meeting of the Remuneration Committee" on the agenda.

Extract from the minutes:

"Prior to discussion of this agenda item and in compliance with Article 523 of the Code of Companies, CEO Nicolas Saverys and COO Patrick De Brabandere inform the other Board members that, as members of the Executive Committee and as beneficiaries of the proposed remuneration, they have a pecuniary interest that conflicts with that of the Company.

Nicolas Saverys and Patrick De Brabandere will not participate in the discussion or voting on the recommendations of the Remuneration Committee with respect to the remuneration of the Executive Committee.

Both gentlemen will inform the auditors in writing in compliance with Art 523 of the Code of Companies."

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

OUTLOOK 2018

Exports of LPG are expected to further increase in the US and Middle East, with stronger demand in the Far East and India. Due to EXMARs limited exposure in the VLGC segment in 2018, the impact on its earnings will be limited.
EXMAR continues to secure employment but at lower rates than 2017. Presently its MGC fleet cover for 2018 is 71% and 86% of EXMAR's pressurized fleet is covered for 2018.

EXMAR will start to benefit from the contribution of the FSRU contract in the second half 2018.

EXMAR Offshore Company (EOC) has been preselected for a FPSO (Floating Production Storage and Offloading) project in Brazil. Confirmation of selection of the contenders is expected in the second semester of 2018. Furthermore, the Company continues to make progress on several OPTI®-designed semisubmersible prospects.

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'.

6. APPROVAL OF FINANCIAL STATEMENTS

We request the General Meeting of Shareholders to approve the financial statements for the year ended 31 December 2017 in their entirety, and to appropriate the result as provided in this report.

7. DISCHARGE

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.

Pursuant to the law and the Articles of Association, the shareholders will be requested on the Annual General Meeting of Shareholders on 15 May 2018 to grant discharge to the directors and the Statutory Auditor for the execution of their mandates during the past financial year.

The Board of Directors
29 March 2018

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in thousands of USD)

	Note	31/12/2017	31/12/2016 Restated (*)	01/01/2016 Restated (*)
ASSETS				
NON-CURRENT ASSETS		729,266	785,773	689,329
Vessels		563,021	287,533	173,633
Vessels	11	563,021	115,471	17,194
Vessels under construction - advance payments	11	0	172,062 (*)	156,439 (*)
Other property, plant and equipment	12	2,323	3,079	4,104
Intangible assets	13	612	3,651	2,368
Investments in equity accounted investees	14	104,416	147,598	132,816
Borrowings to equity accounted investees	16	58,894	343,912	376,408
CURRENT ASSETS		189,329	223,425	241,425
Equity accounted investee held for sale	17	23,004	0	0
Available-for-sale financial assets	18	4,577	3,608	3,487
Trade and other receivables	19	50,772	62,723	64,669
Current tax assets		653	1,107	968
Derivative financial instruments	29	1,065	0	0
Restricted cash	21	67,434	34,891	42,332
Cash and cash equivalents	21	41,824	121,096	129,969
TOTAL ASSETS		918,595	1,009,198	930,754
EQUITY AND LIABILITIES				
TOTAL EQUITY		477,542	441,918	409,446
Equity attributable to owners of the Company		477,407	441,703	409,256
Share capital	22	88,812	88,812	88,812
Share premium	22	209,902	209,902	209,902
Reserves	22	150,662	102,611 (*)	95,293 (*)
Result for the period	22	28,031	40,378 (*)	15,249 (*)
Non-controlling interest		135	215	190
NON-CURRENT LIABILITIES		350,757	337,269	445,621
Borrowings	24	343,571	329,590	397,425
Employee benefits	26	4,826	4,267	4,445
Provisions	27	2,360	2,434	2,522
Derivative financial instruments	29	0	0	41,229
Deferred tax liability	20	0	978	0
CURRENT LIABILITIES		90,296	230,011	75,687
Borrowings	24	29,136	140,147	15,161
Trade and other payables	28	60,001	51,244	55,815
Current tax liability		1,159	2,438	4,711
Derivative financial instruments	29	0	36,182	0
TOTAL EQUITY AND LIABILITIES		918,595	1,009,198	930,754

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

(*) IAS 23 requires that borrowing costs which are attributable to the construction of vessels are to be capitalized as part of the asset. As a consequence of the non-application of IAS 23 in prior periods, the prior period financial statements have been restated. The affected captions in the consolidated statement of financial position have been marked with (*). We refer to note 11 for more information in this respect.

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

	Note	01/01/2017 - 31/12/2017	01/01/2016 - 31/12/2016 Restated (*)
STATEMENT OF PROFIT OR LOSS			
Revenue	4	93,409	96,026
Gain on disposal	4	98,382	1,026
Other operating income	4	1,894	26,106
OPERATING INCOME		193,685	123,159
Goods and services	5	-90,325	-66,490
Personnel expenses	6	-43,903	-47,004
Depreciations, amortisations & impairment losses	11/12/13	-8,004	-6,784
Provisions	27	0	88
Loss on disposal		-27	0
Other operating expenses	7	-811	-1,979
RESULT FROM OPERATING ACTIVITIES		50,615	989
Interest income	8	24,096	24,861
Interest expenses	8	-20,469	-11,315 (*)
Other finance income	8	1,766	1,478
Other finance expenses	8	-10,394	-10,741
Impairment loss loan to equity accounted investee	8	-35,026	0
NET FINANCE RESULT		-40,027	4,283
RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEES		10,588	5,272
Share of result of equity accounted investees (net of income tax)	14	18,717	34,572
RESULT BEFORE INCOME TAX		29,305	39,844
Income tax expense / income	9	-1,353	566
RESULT FOR THE PERIOD		27,952	40,410
ATTRIBUTABLE TO:			
Non-controlling interest		-79	32
Owners of the Company		28,031	40,378
RESULT FOR THE PERIOD		27,952	40,410
BASIC EARNINGS PER SHARE (IN USD)	23	0.49	0.71 (*)
DILUTED EARNINGS PER SHARE (IN USD)	23	0.49	0.71 (*)
STATEMENT OF COMPREHENSIVE INCOME			
RESULT FOR THE PERIOD		27,952	40,410
ITEMS THAT ARE OR MAY BE RECLASSIFIED TO PROFIT OR LOSS			
Equity accounted investees - share in other comprehensive income	8	2,964	3,304
Foreign currency translation differences	8	3,034	-550
Net change in fair value of cash flow hedges - hedge accounting	8	191	2,408
Available-for-sale financial assets - reclassified to profit or loss	8	0	3,973
		6,189	9,135
ITEMS THAT WILL NEVER BE RECLASSIFIED TO PROFIT OR LOSS			
Employee benefits - remeasurements of defined benefit liability/asset	26	-535	-15
OTHER COMPREHENSIVE INCOME FOR THE PERIOD (NET OF INCOME TAX)		5,654	9,120
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		33,606	49,530
ATTRIBUTABLE TO:			
Non-controlling interest		-80	25
Owners of the Company		33,686	49,505
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		33,606	49,530

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

(*) IAS 23 requires that borrowing costs which are attributable to the construction of vessels are to be capitalized as part of the asset. As a consequence of the non-application of IAS 23 in prior periods, the prior period financial statements have been restated. The affected captions in the consolidated statement of profit or loss have been marked with (*). We refer to note 11 for more information in this respect.

CONSOLIDATED STATEMENT OF CASH FLOWS (in thousands of USD)

	Note	01/01/2017 - 31/12/2017	01/01/2016 - 31/12/2016 Restated (*)
OPERATING ACTIVITIES			
Result for the period		27,952	40,410 (*)
Share of result of equity accounted investees (net of income tax)	14	-18,717	-34,572
Depreciations, amortisations and impairment loss	11/12/13	8,004	6,784
Impairment loss/ reversal impairment loss available-for-sale financial assets	8	-705	3,844
Impairment loss loan to equity accounted investee	8/16	35,026	0
Badwill pressurized fleet transaction		0	-14,343
Remeasurement non-controlling interest CMC Belgibo		0	-800
Recycling deferred financing costs ICBC to profit or loss		0	4,465
Net interest expenses / (income)	8	-3,627	-13,546 (*)
Income tax expense / (income)	9	1,353	-566
Net gain on sale of assets		-98,355	-1,026
Dividend income	8	-107	-127
Unrealised exchange difference	8	3,751	-296
Equity settled share-based payment expenses (option plan)	25	920	1,557
GROSS CASH FLOW FROM OPERATING ACTIVITIES		-44,505	-8,216
(Increase) / decrease of trade and other receivables		-11,657	1,552
Increase / (decrease) of trade and other payables		29,737	-7,567
Increase / (decrease) in provisions and employee benefits		-55	-144
CASH GENERATED FROM OPERATING ACTIVITIES		-26,480	-14,375
Interest paid		-13,393	-14,038
Interest received		22,577	22,898
Income taxes paid		-2,572	-361
NET CASH FROM OPERATING ACTIVITIES		-19,868	-5,876
INVESTING ACTIVITIES			
Acquisition of vessels and vessels under construction	11	-281,500	-11,031
Acquisition of other property, plant and equipment	12	-250	-284
Acquisition of intangible assets	13	-254	-213
Proceeds from the sale of vessels and other property, plant and equipment (incl held for sale)		1,754	156
Acquisition of subsidiaries, equity accounted investees and other investments (**)		-788	-5,185
Change in consolidation scope (***)		0	-677
Disposal of subsidiary and equity accounted investees, net of cash disposed of	10	61,437	0
Dividends from equity accounted investees	14	4,942	34,067
Borrowings to equity accounted investees	16	0	-5,239
Repayments from equity accounted investees	16	328,227	18,774
NET CASH FROM INVESTING ACTIVITIES		113,568	30,368
FINANCING ACTIVITIES			
Dividends paid	22	0	-19,259
Dividends received	8	107	127
Proceeds from treasury shares and share options exercised		1,098	585
Proceeds from new borrowings	24	200,019	100
Repayment of borrowings	24	-294,409	-21,716
Payment for banking fees/ debt transaction costs	24	-15,868	0
Payment CCIRS	24	-32,867	0
Increase in restricted cash	21	-67,434	0
Decrease in restricted cash	21	34,891	7,441
NET CASH FROM FINANCING ACTIVITIES		-174,463	-32,722
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		-80,763	-8,230
RECONCILIATION OF NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Net cash and cash equivalents at 1 January		121,096	129,969
Net increase (decrease) in cash and cash equivalents		-80,763	-8,230
Exchange rate fluctuations on cash and cash equivalents		1,491	-643
NET CASH AND CASH EQUIVALENTS AT 31 DECEMBER	21	41,824	121,096

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

(*) IAS 23 requires that borrowing costs which are attributable to the construction of vessels are to be capitalized as part of the asset. As a consequence of the non-application of IAS 23 in prior periods, the prior period financial statements have been restated. The affected captions in the consolidated statement of cash flows have been marked with (*). We refer to note 11 for more information in this respect.

(**) 2016: USD -3.5 million relates to the LPG pressurized fleet transaction and USD -1.7 million relates to the CMC Belgibo transaction. 2017: USD -0.8 million relates to the AHLMAR / BIM acquisition.

(***) 2016: USD -7.4 million relates to the WARIBOKO transaction, USD +5.5 million relates to the LPG pressurized fleet transaction and USD +1.2 million relates to the CMC Belgibo transaction.

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 2016			
OPENING EQUITY AS PREVIOUSLY REPORTED PER 1 JANUARY 2016 (*)		88,812	209,902
CORRECTION OF THE NON-APPLICATION OF IAS 23 IN PRIOR PERIODS (*)			
OPENING EQUITY RESTATED PER 1 JANUARY 2016 (*)		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		
Net change in fair value of available-for-sale financial assets	8		
Net change in fair value of available-for-sale financial assets transferred to profit or loss	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 purchased			
Share based payments transactions			
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY		0	0
31 DECEMBER 2016		88,812	209,902

	Note	Share capital	Share premium
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS PER 31 DECEMBER 2017			
OPENING EQUITY AS PREVIOUSLY REPORTED PER 1 JANUARY 2017 (*)		88,812	209,902
CORRECTION OF THE NON-APPLICATION OF IAS 23 IN PRIOR PERIODS (*)			
OPENING EQUITY RESTATED 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 purchased			
Share based payments transactions			
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY		0	0
31 DECEMBER 2017		88,812	209,902

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

(*) IAS 23 requires that borrowing costs which are attributable to the construction of vessels are to be capitalized as part of the asset. As a consequence of the non-application of IAS 23 in prior periods, the prior period financial statements have been restated. We refer to note 11 for more information in this respect.

Retained earnings (*)	Reserve for treasury shares	Translation reserve	Fair value reserve	Hedging reserve	Share-based payments reserve	Total	Non-controlling interest	Total equity
167,916	-54,123	-10,301	-3,973	-3,823	10,204	404,614	190	404,804
4,642						4,642		4,642
172,558	-54,123	-10,301	-3,973	-3,823	10,204	409,256	190	409,446
40,378						40,378	32	40,410
		-543				-543	-7	-550
		1,067				1,067		1,067
				2,408		2,408		2,408
				2,237		2,237		2,237
						0		0
			3,973			3,973		3,973
-15						-15		-15
-15	0	524	3,973	4,645	0	9,127	-7	9,120
40,363	0	524	3,973	4,645	0	49,505	25	49,530
-19,259						-19,259		-19,259
-993	1,887				-250	644		644
						0		0
					1,557	1,557		1,557
-20,252	1,887	0	0	0	1,307	-17,058	0	-17,058
192,669	-52,236	-9,777	0	822	11,511	441,703	215	441,918

Retained earnings (*)	Reserve for treasury shares	Translation reserve	Fair value reserve	Hedging reserve	Share-based payments reserve	Total	Non-controlling interest	Total equity
183,435	-52,236	-9,777	0	822	11,511	432,469	215	432,684
9,234						9,234		9,234
192,669	-52,236	-9,777	0	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	0	2,079	0	5,655	-1	5,654
27,496	0	4,111	0	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	0	60	2,018	0	2,018
218,373	-48,486	-5,666	0	2,901	11,571	477,407	135	477,542

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 31/12/2017.

The group has adopted the following new standards, amendments to standards, including any consequential amendments to other standards, and new interpretations with a date of initial application of 1 January 2017. These new standards and amendments did not have a material impact on our financial statements.

- Amendments to IAS 7 (disclosure initiative).
- Recognition of Deferred Tax Asset for Unrealized Losses (Amendments to IAS 12).
- Amendments to IFRS 12 included in the 2014-2016 Annual Improvements Cycle.

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2017, and have not been applied in preparing these consolidated financial statements:

IFRS 9 Financial Instruments published in July 2014 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial 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. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. This new standard has been endorsed by the EU. The Group does not plan to early adopt the Standard.

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.

Based on its assessment, the Group does not believe that the new classification and measurement requirements for financial assets will have a material impact on its consolidated financial statements. At 31 December 2017, the Group had equity investments classified as available-for-sales with a fair value of USD 4.6 million. Under IAS 39 the fair value reserve in respect of these shares has been recycled to the statement of profit or loss in 2016 as a result of a significant and prolonged decline in the fair value of these shares. The current year's change in fair value has also been registered in the statement of profit or loss. This will also be the case for future changes in fair value. Consequently, under IFRS 9, the Group has designated these investments as measured at FVTPL.

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 not designated any financial liability at FVTPL and it has no current intention to do so. The Group's assessment did not indicate any material impact regarding the classification and measurement of financial liabilities per 1 January 2018.

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.

Based on its assessment, the Group does not believe that the new impairment model will have a significant 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. More disclosure requirements about an entity's risk management activities have been introduced.

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.

Based on its assessment, the Group does not anticipate that the application of IFRS 9 hedge accounting will have a material 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. IFRS 15 is effective for the annual reports beginning on or after 1 January 2018, with early adoption permitted. This new standard and Clarifications to IFRS 15 Revenue from contracts with customers (issued on 12 April 2016) have been endorsed by the EU. The Group does not plan to early adopt the Standard.

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 below).
- Service revenue: the Group is involved in performing specialized supporting services to the oil and gas industry:
  - 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.

Apart from providing more extensive disclosure's on the Group's revenue transactions, the Group does not anticipate that the application of IFRS 15 will have a significant impact on the consolidated financial statements of the Group.

The Group plans to adapt IFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognized at the date of initial application (i.e. 1 January 2018). As a result, the Group will not apply the requirements of IFRS 15 to the comparative period presented.

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. Lease payments that are paid over time should be presented as a financial liability. In the statement of profit or loss, the depreciation charge of the lease asset will be presented separately from the interest expense on the lease liability. IFRS 16 does not change substantially lease accounting for lessors. A lessor will continue to classify leases as either operational or finance lease and account for those two types of leases differently. The group is currently investigating the impact that the application of the new standard will have on the consolidated financial statements. As the Group is mainly lessor in respect of time or bareboat charter revenue, the Group does not expect that IFRS 16 will have a significant impact on the consolidated financial statements.

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

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

- Classification and measurement of Share-based Payment Transactions (Amendments to IFRS 2).
- Annual improvements to IFRS's 2014-2016 Cycle – amendments to IFRS 1 and IAS 28.
- Transfer of investment property (Amendments to IAS 40).
- Foreign currency transactions and Advance consideration (IFRIC 22).
- 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

The consolidated financial statements were approved and were authorised for issue by the Board of Directors on March 29, 2018.

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, available-for-sale financial assets and the net defined benefit liability. Assets held for sale are stated at the lower of carrying amount and fair value less cost to sell.

D. USE OF JUDGEMENTS AND ESTIMATES

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

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

Preparing the consolidated financial statements, the Group has made judgements, estimates and assumptions regarding the fair value for the share options, the employee benefit plans, provisions and contingencies and the classification of new lease commitments and time charter agreements.On a yearly basis the residual value and the useful life of the vessels is reviewed. The carrying values of the vessels may not represent the fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of new buildings. Historically, both charter rates and vessel values tend to be cyclical. The carrying amounts of each specific fleet are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a specific fleet may not be fully recoverable. The recoverable amount is the highest of the fair value less cost to sell and the value in use. The fair value less cost to sell is determined based upon independent valuation reports. The value in use is based upon future cash flows discounted to their present value. In developing estimates of future cash flows, we must make assumptions about future charter rates, ship operating expenses, the estimated remaining useful lives of the fleet and the WACC. These assumptions are based on historical trends as well as future expectations. Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions are highly subjective. The vessels are mainly registered within our equity accounted investees.

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

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

E. CHANGES IN ACCOUNTING POLICIES

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

F. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

Business combinations

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

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

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

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

Subsidiaries

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

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

Loss of control

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, and non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit and loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date the control is lost.

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 he 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

Non-derivative financial assets

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

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

Financial assets at fair value through profit and loss

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

Held-to maturity financial assets/other investments

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

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value (normally equals transaction price) plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost, using the effective interest method, less any impairment losses. Cash and cash equivalents comprise cash balances and demand deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of the cash flows.

Available-for-sale financial assets

Available-for-sale financial assets include equity securities, which are not classified as held for trading, designated at fair value through profit and loss or held to maturity. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Available-for-sale financial assets are, subsequent to initial recognition, measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented within the fair value reserve. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to the profit or loss statement. Once an investment in equity instruments has been impaired, all subsequent results are recognized in profit or loss until the asset is derecognized.

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially at trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts and trade and other payables. Such financial liabilities are recognised initially at fair value (normally equals the transaction price for trade and other payables) plus any directly attributable transaction costs for loans and borrowings. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Share Capital

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

Derivative financial instruments & hedge accounting

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

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

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

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

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

d) Goodwill

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

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

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

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

e) Intangible assets

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred. Development activities involve a plan or design for the production of new or substantially new improved products and processes.

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

Other intangible assets

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

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

Subsequent expenditure

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

f) Property, plant and equipment

Owned assets

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

Subsequent expenses associated with items of property, plant and equipment are capitalised only if a future economic advantage will result from this expenditure and its cost can be measured reliably. If a part of an item of property, plant and equipment is replaced, the replacement cost is capitalised and the carrying amount of the replaced part is derecognized. The costs of the day-today 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
Accommodation platform, second hand:	10-12 years
Accommodation platform, newbuild; - Hull, machinery & deck outfitting - Accommodation	 20 years 10 years

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

Other property, plant and equipment are depreciated over their estimated useful life using the straight-line depreciation method. Land is not depreciated. The estimated depreciation percentages of the various types of assets are as follows:

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

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

Leased assets

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

g) Investment property

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

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

h) Impairment of assets

Financial assets

Financial assets measured at cost

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

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

Available for sale financial assets

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

Equity accounted investees

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

Non-financial assets

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

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

The recoverable amount of an asset or cash-generating unit (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.

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

Revenue from services rendered is recognised in the profit or loss statement in proportion to the stage of completion of the transaction at the balance sheet date.

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

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

Rental income from investment property is recognised in the profit or loss statement on a straightline 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 availablefor-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss and exchange rate gains. Interest income is recognised in the profit or loss statement as it accrues, taking into account the effective yield on the asset. Dividend income is recognised in the profit or loss statement on the date that the dividend is declared.

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

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

p) Taxes

Income tax expense consists of current and deferred taxes. Current and deferred tax is recognized in the profit or loss statement, except to the extent it relates to a business combination, or when they relate to items that are recognised directly in equity or in other comprehensive income.

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

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

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

Deferred tax assets are reduced when it is no longer probable that the related tax benefits will be realized. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that 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 includes 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 navigates between geographical segments. The intra-segment revenue mainly relates to management and crew services provided.

Major LNG client Excelerate Energy Llc represents 98% (89% in 2016) of the revenue of the LNG segment revenue and 29% (29% in 2016) of the EXMAR Group revenue in 2017. Major LPG client Statoil represents 24% (22% in 2016) of the revenue of the LPG segment and 10% (9% in 2016) of the EXMAR Group revenue in 2017.

SEGMENT REPORTING 2017

	LPG	LNG	Offshore	Supporting services	Eliminations	Total
CONSOLIDATED STATEMENT OF PROFIT OR LOSS						
Revenue third party	95,742	68,008	32,354	30,391	0	226,495
Revenue intra-segment	1,245	0	828	15,857	-17,930	0
Total revenue	96,987	68,008	33,182	46,248	-17,930	226,495
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**	**34,803**	**75,459**	**-18,539**	**328,676**
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/expenses (net)	-18,490	-19,616	-139	7,863		-30,382
Other finance income/expenses (net)	-1,390	-2,936	-403	-5,458		-10,187
Share of result 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**

	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 available-for-sale financial assets						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 LIABLITIES						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

SEGMENT REPORTING 2016 - RESTATED (*)

	LPG	LNG	Offshore	Supporting Services	Eliminations	Total
CONSOLIDATED STATEMENT OF PROFIT OR LOSS						
Revenue third party	106,459	91,508	51,133	28,411	0	277,511
Revenue intra-segment	2,926	0	1,279	16,773	-20,978	0
Total revenue	109,385	91,508	52,412	45,184	-20,978	277,511
Revenue on property rental third party	0	0	0	949	0	949
Revenue on property rental intra-segment	0	0	0	147	-147	0
Total revenue on property rental	0	0	0	1,096	-147	949
Gain on disposal	8	0	942	76	0	1,026
Other operating income	15,203	9,000	230	1,962	0	26,395
Other operating income intra-segment	0	22	0	373	-395	0
Total other operating income	15,203	9,022	230	2,335	-395	26,395
OPERATING INCOME	124,596	100,530	53,584	48,691	-21,520	305,881
OPERATING RESULT BEFORE DEPRECIATION AND AMORTISATION CHARGES (EBITDA)	55,993	59,418	-844	1,914		116,481
Depreciations, amortisations and impairment loss	-21,837	-18,382	-2,808	-3,088		-46,115
OPERATING RESULT (EBIT)	34,156	41,036	-3,652	-1,174	0	70,366
Interest income/expenses (net)	-10,625	-19,024	-608	9,239		-21,018
Other finance income/expenses (net)(*)	-424	-4,347	85	-5,534		-10,220
Share of profit (loss) of equity accounted investees (net of income tax)	0	0	1,183	-413		770
Income tax expense/income	-5	12	1,497	-991		513
SEGMENT RESULT FOR THE PERIOD	23,102	17,676	-1,495	1,127	0	40,410
RESULT FOR THE PERIOD						40,410
Non-controlling interest						32
ATTRIBUTABLE TO OWNERS OF THE COMPANY						40,378

	LPG	LNG	Offshore	Supporting services	Eliminations	Total
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Vessels (*)	410,903	580,679	12,450	0		1,004,032
Other property, plant and equipment	430	6	658	1,503		2,597
Intangible assets	0	0	922	3,586		4,508
Investment property	0	0	0	8,807		8,807
Equity accounted investees	0	0	5,251	0		5,251
Borrowings to equity accounted investees	0	0	12,345	0		12,345
Derivative financial instruments	870	235	0	0		1,105
Assets held for sale	8,861	0	0	0		8,861
Restricted cash	0	12,689	1,922	23,860		38,471
Cash and cash equivalents	30,208	41,618	10,416	17,650		99,892
TOTAL SEGMENT ASSETS	451,272	635,227	43,964	55,406	0	1,185,869
Unallocated other property plant and equipment						523
Unallocated equity accounted investees						3,723
Unallocated available-for-sale financial assets						3,608
Unallocated trade and other receivables						57,677
Unallocated cash						82,647
Other unallocated assets						1,127
TOTAL ASSETS						1,335,174
LIABILITIES						
Non-current borrowings	237,448	353,900	3,000	9,647		603,995
Current borrowings	37,921	19,524	2,000	116,643		176,088
Non current derivative financial instruments	0	0	92	0		92
Current derivative financial instruments	0	0	0	36,182		36,182
Deferred tax liability	0	0	0	978		978
TOTAL SEGMENT LIABILITIES	275,369	373,424	5,092	163,450	0	817,335
Unallocated equity (*)						441,918
Unallocated trade and other payables						66,722
Unallocated other liabilities						9,199
TOTAL EQUITY AND LIABLITIES						1,335,174
CASH FLOW STATEMENT						
Cash from operating activities	22,429	41,367	-102	106		63,800
Cash from investing activities	-70,812	-11,950	4,094	-4,616		-83,284
Cash from financing activities	28,484	-13,011	-4,031	3,729		15,171
Unallocated cash flow						-2,940
Dividends paid/received						-19,259
Exchange rate fluctuations						-643
TOTAL CASH FLOW	-19,899	16,406	-39	-781	0	-27,155
ADDITIONAL INFORMATION						
Capital expenditures	-70,127	-11,950	-21	-220		-82,318
Proceeds from disposals			17	164		181

(*) IAS 23 requires that borrowing costs which are attributable to the construction of vessels are to be capitalized as part of the asset. As a consequence of the non-application of IAS 23 in prior periods, the prior period financial statements have been restated. The affected captions in the consolidated statement of financial position and the consolidated statement of profit or loss have been marked with (*). We refer to note 11 for more information in this respect.

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 2017 financial information as reported in the consolidated statement of financial position and the consolidated statement of profit or loss (using the equity consolidation method as required under IFRS 11) with the financial information disclosed in note 2 'Segment reporting' (using the proportionate consolidation method).

	Proportionate Consolidation	Difference	Equity Consolidation
RECONCILIATION CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND PROPORTIONATE CONSOLIDATION (SEGMENT REPORTING)			
31 DECEMBER 2017			
Vessels	933,098	-370,077	563,021
Other property, plant and equipment	2,536	-213	2,323
Intangible assets	941	-329	612
Investment property	9,353	-9,353	0
Investments in equity accounted investees	8,818	95,598	104,416
Borrowings to equity accounted investees	8,625	50,269	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
Available-for-sale financial assets	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			
Revenue	227,620	-134,211	93,409
Gain on disposal	99,032	-650	98,382
Other operating income	2,024	-130	1,894
Goods and services	-141,746	51,421	-90,325
Personnel expenses	-43,930	27	-43,903
Depreciations, amortisations & impairment losses	-71,353	63,349	-8,004
Provisions	0	0	0
Loss on disposal	-27	0	-27
Other operating expenses	-1,578	767	-811
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

	Proportionate Consolidation	Difference	Equity Consolidation
RECONCILIATION CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND PROPORTIONATE CONSOLIDATION (SEGMENT REPORTING)			
31 DECEMBER 2016 - RESTATED (*)			
Vessels (*)	1,004,032	-716,499	287,533
Other property, plant and equipment	3,120	-41	3,079
Intangible assets	4,508	-857	3,651
Investment property	8,807	-8,807	0
Investments in equity accounted investees	8,974	138,624	147,598
Borrowings to equity accounted investees	12,345	331,567	343,912
Derivative financial instruments	1,105	-1,105	0
NON-CURRENT ASSETS	**1,042,891**	**-257,118**	**785,773**
Assets held for sale	8,861	-8,861	0
Available-for-sale financial assets	3,608	0	3,608
Trade and other receivables	57,677	5,046	62,723
Current tax assets	1,127	-20	1,107
Restricted cash	38,471	-3,580	34,891
Cash and cash equivalents	182,539	-61,443	121,096
CURRENT ASSETS	**292,283**	**-68,856**	**223,425**
TOTAL ASSETS	1,335,174	-325,976	1,009,198
EQUITY (*)	**441,918**	**0**	**441,918**
Borrowings	603,995	-274,405	329,590
Employee benefits	4,267	0	4,267
Provisions	2,474	-40	2,434
Derivative financial instruments	92	-92	0
Deferred tax liability	978	0	978
NON-CURRENT LIABILITIES	**611,806**	**-274,537**	**337,269**
Borrowings	176,088	-35,941	140,147
Trade and other payables	66,722	-15,478	51,244
Current tax liability	2,458	-20	2,438
Derivative financial instruments	36,182	0	36,182
CURRENT LIABILITIES	**281,450**	**-51,439**	**230,011**
TOTAL EQUITY AND LIABILITIES	1,335,174	-325,976	1,009,198
RECONCILIATION CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND PROPORTIONATE CONSOLIDATION (SEGMENT REPORTING)			
FOR THE YEAR ENDED 31 DECEMBER 2016 - RESTATED (*)			
Revenue	278,460	-182,434	96,026
Gain on disposal	1,026	0	1,026
Other operating income	26,395	-289	26,106
Goods and services	-139,581	73,091	-66,490
Personnel expenses	-46,991	-13	-47,004
Depreciations, amortisations & impairment losses	-46,115	39,331	-6,784
Provisions	88	0	88
Loss on disposal	0	0	0
Other operating expenses	-2,916	937	-1,979
RESULT FROM OPERATING ACTIVITIES	**70,366**	**-69,377**	**989**
Interest income	1,912	22,949	24,861
Interest expenses (*)	-22,930	11,615	-11,315
Other finance income	1,737	-259	1,478
Other finance expenses	-11,958	1,217	-10,741
RESULT BEFORE INCOME TAX AND SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEES	**39,127**	**-33,855**	**5,272**
Share of result of equity accounted investees (net of income tax)	770	33,802	34,572
Income tax income	513	53	566
RESULT FOR THE PERIOD	40,410	0	40,410

(*) IAS 23 requires that borrowing costs which are attributable to the construction of vessels are to be capitalized as part of the asset. As a consequence of the non-application of IAS 23 in prior periods, the prior period financial statements have been restated. The affected captions in the consolidated statement of financial position and the consolidated statement of profit or loss have been marked with (*). We refer to note 11 for more information in this respect.

4. OPERATING INCOME (in thousands of USD)

	2017	2016
REVENUE PER SEGMENT		
LPG Segment	29,879	17,067
LNG Segment	0	483
Offshore Segment	29,552	46,385
Services Segment	33,978	32,091
	93,409	96,026

The increase in revenue in the LPG segment is mainly due to the acquisition of the remaining 50% of the pressurized fleet held by Wah Kwong end of June 2016. The decrease in the Offshore segment can be partly explained by the WARIBOKO transaction. End of May 2016, EXMAR sold part of its ownership in the WARIBOKO to its logistical partner Springview. As a consequence of this sale, the remainig investment is consolidated using the equity consolidation method. Another explanation for the decrease in revenue in the Offshore segment is the barge KISSAMA. The KISSAMA reached the end of her last time charter in the fourth quarter of 2016 and was sold during April 2017 to a Southwest Asian buyer.

	2017	2016
GAIN ON DISPOSAL		
BELGIBO group sale	26,651	0
Disposal equity accounted investees LNG	70,021	0
KISSAMA sale	1,572	0
WARIBOKO transaction	0	942
Other	138	84
	98,382	1,026

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. We refer to note 10 for more information regarding the Belgibo and LNG sale. During April 2017, EXMAR has sold the platform KISSAMA, the gain realized on this sale amounts to USD 1.6 million.
End of May 2016, EXMAR has sold part of its ownership (60%) in the WARIBOKO barge to its logistical partner Springview.

	2017	2016
OTHER OPERATING INCOME		
Tariff fee OPTI-EX®	0	209
Badwill pressurized fleet transaction	0	14,343
Revaluation to fair value existing investment CMC Belgibo	0	800
Termination fee PEP	0	9,000
Other	1,894	1,755
	1,894	26,106

The badwill pressurized fleet transaction relates to the acquisition at the end of June 2016 of the remaining 50% of the pressurized fleet held by Wah Kwong (LPG segment). The revaluation to fair value of the existing investment in CMC Belgibo relates to the acquisition at the end of December 2016 of the remaining 50.10% in CMC Belgibo. The termination fee of USD 9 million paid by Pacific Exploration and Production ("PEP") in 2016 relates to the termination of the tolling agreement for the Caribbean FLNG.

5. GOODS AND SERVICES (in thousands of USD)

	2017	2016
GOODS ANS SERVICES		
Vessel operating expenses	-32,875	-26,389
Non-vessel operating expenses	-57,450	-40,101
	-90,325	-66,490

Vessel operating expenses are expenses made to operate a vessel. The increase in the vessel operating expenses compared to 2016 is mainly due to the acquisition of the remaining 50% of the pressurized fleet held by Wah Kwong end of June 2016. Non-vessel operating expenses increase compared to 2016, this is mainly caused by the fees paid to Wison Shipyard in respect of the CARIBBEAN FLNG.

6. PERSONNEL EXPENSES (in thousands of USD)

	2017	2016
PERSONNEL EXPENSES		
Salaries and wages	-35,752	-37,968
Social security charges	-5,957	-6,062
Employee benefit, defined benefit and defined contribution plan	-1,274	-1,417
Share option plan	-920	-1,557
	-43,903	-47,004
NUMBER OF PERSONNEL MEMBERS		
Seagoing	1,691	1,628
Staff	290	341
	1,981	1,969

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 operating expenses in EXMAR's equity accounted investees.

Personnel expenses decrease in comparison with 2016, mainly as a consequence the decreased number of staff personnel. This decrease is mainly situated in the services segment (as a consequence of the sale of the Belgibo group, see also note 10 in this respect) and in Exmar Offshore Company (Houston).

7. OTHER OPERATING EXPENSES (in thousands of USD)

	2017	2016
OTHER OPERATING EXPENSES		
Non-income based taxes	-777	-1,769
Other	-34	-210
	-811	-1,979

Non-income based taxes mainly comprise a variety of different non-income based taxes. The majority of these taxes in the past was paid for the accomodation barge WARIBOKO in Nigeria, for which the 2017 amount totaled USD 0 (2016: USD 1 million). The decrease of these taxes can be explained by the partial sale of the WARIBOKO during 2016. As a consequence of this sale, the remainig investment is consolidated using the equity consolidation method.

8. FINANCE INCOME / EXPENSES (in thousands of USD)

	2017	2016
INTEREST INCOME AND EXPENSES		
INTEREST INCOME		
Interest income on borrowings to equity accounted investees	23,703	24,305
Interest income on cash and cash equivalents	393	556
	24,096	24,861
INTEREST EXPENSES		
Interest expenses on borrowings	-19,396	-9,312 (*)
Interest expenses on financial instruments	-1,073	-2,003
	-20,469	-11,315

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

Interest expenses increase compared to 2016, mainly as a consequence of increased interest expenses on the NOK bond. We also refer to note 24 in this respect.

(*) IAS 23 requires that borrowing costs which are attributable to the construction of vessels are to be capitalized as part of the asset. As a consequence of the non-application of IAS 23 in prior periods, the prior period financial statements have been restated. The affected captions have been marked with (*). We refer to note 11 for more information in this respect.

	2017	2016
OTHER FINANCE INCOME AND EXPENSES		
OTHER FINANCE INCOME		
Realised exchange gains	180	691
Unrealised exchange gains	469	556
Dividend income from non-consolidated companies	107	127
Reversal impairment loss available-for-sale financial assets	850	0
Other	160	105
	1,766	1,478
OTHER FINANCE EXPENSES		
Realised exchange losses	-1,632	-889
Unrealised exchange losses	-4,220	-260
Banking fees	-3,678	-5,591
Impairment loss available-for-sale financial assets	-145	-3,844
Other	-719	-157
	-10,394	-10,741

The unrealized exchange losses mainly relate to the revaluation of the NOK bond and to the revaluation of EURO cash pool accounts in EXMAR NV towards other group companies. The banking fees for 2016 mainly consist of financing costs relating to the cancelled ICBC financing for the CFLNG. The banking fees in 2017 mainly consist of financing costs for the NOK bond and for the Bank of China financing for the CFLNG.
The impairment loss on available-for-sales financial assets in 2016 is a result of a significant and prolonged decline in the fair value of the Teekay and Sibelco shares, the fair value reserve in respect of these shares has been reclassified to the statement of profit or loss. The current year's change in fair value has also been registered in the statement of profit or loss.

	2017	2016
IMPAIRMENT LOSS LOAN TO EQUITY ACCOUNTED INVESTEE		
IMPAIRMENT LOSS LOAN MONTERIGGIONI	-35,026	0

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 (see also note 16). In the result from equity accounted investees, the income part of this waiver has been registered. Consequently, the waiver of the loan has no impact on the net result of the Group.

	2017	2016
FINANCE INCOME/EXPENSE RECOGNISED DIRECTLY IN EQUITY		
Equity accounted investees - share of other comprehensive income	2,964	3,304
Foreign currency translation differences	3,034	-550
Net change in fair value of cash flow hedges - hedge accounting	191	2,408
Available-for-sale financial assets - reclassified to profit or loss	0	3,973
	6,189	9,135
Recognised in:		
Fair value reserve	0	3,973
Translation reserve	4,111	524
Hedging reserve	2,079	4,645
Non-controlling interest	-1	-7
	6,189	9,135

9. INCOME TAXES (in thousands of USD)

	2017	2016
INCOME TAXES		
Taxes current period	-1,535	-1,029
Prior year adjustments	1	1,595
INCOME TAXES	-1,534	566
DEFERRED INCOME TAXES	181	0
	-1,353	566

RECONCILIATION OF THE EFFECTIVE TAX RATE				
RESULT BEFORE INCOME TAX		29,305		39,844 (*)
TAX AT DOMESTIC TAX RATE	-33.99%	-9,961	-33.99%	-13,543
Share of profit of equity accounted investees net of tax		6,362		11,751
Increase/decrease resulting from:				
Effects of tax rates in foreign jurisdictions		-27,347		2,723 (*)
Non-deductible expenses		-464		-612
Other income taxes		0		177
Current year tax losses/ credits for which no deferred tax asset has been recognised		-4,299		-6,055 (*)
Use of tax credits, tax losses carried forward and other tax benefits		38,955		5,105
Tax exempt income		-4,781		-575
Adjustments in respect of prior years		1		1,595
Deferred income taxes		181		
	-4.62%	-1,353	1.42%	566 (*)

(*) IAS 23 requires that borrowing costs which are attributable to the construction of vessels are to be capitalized as part of the asset. As a consequence of the non-application of IAS 23 in prior periods, the prior period financial statements have been restated. The affected captions have been marked with (*). We refer to note 11 for more information in this respect.

10. DISPOSAL OF A SUBSIDIARY/ EQUITY ACCOUNTED INVESTEE (in thousands of USD)

DISPOSAL OF A SUBSIDIARY

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 taks liability	-797
	-1,029

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

	Year ended 31/12/2017
D. NET CASH INFLOW ON DISPOSAL OF A SUBSIDIARY	
Consideration received in cash and cash equivalents (base purchase price)	23,946
Less: cash and cash equivalent balances disposed of	-13,455
	10,491

DISPOSAL OF AN EQUITY ACCOUNTED INVESTEE

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 regassification vessel. These vessels were financed via shareholder's loans from EXMAR NV and Excelerate Energy. EXMAR NV financed these shareholder's loans with bank loans.

	Year ended 31/12/2017
A. CONSIDERATION RECEIVED	
Consideration received in cash and cash equivalents	328,313
Presentation in the consolidated Statement of Cash flows:	
* Disposal of subsidiary and equity accounted investees, net of cash disposed of:	50,946
* Repayments from equity accounted investees:	277,367
	328,313

The consideration received amounts to EUR 328.3 million and includes the repayment of the shareholder's loans for an amount of USD 277.4 million. The outstanding bank loans for the vessels within EXMAR NV have been repaid with these proceeds. This repayment of USD 270.2 million is included in the cash flow statement under repayment of borrowings. The repayments from equity accounted investees and repayment of borrowings does not tie in with the amount mentioned in the cash flow statement as other repayments from equity accounted investees and other repayment of borrowings are included in the amounts in the cash flow statement.

	Year ended 31/12/2017
B. GAIN ON DISPOSAL OF AN EQUITY ACCOUNTED INVESTEE	
Total consideration	328,313
Repayments from equity accounted investees	-277,367
Participation	-150
Net assets disposed of	19,225
	70,021

11. VESSELS (in thousands of USD)

	LPG	LNG	Offshore	Under construction - advance payments (*)	Total
COST 2016					
BALANCE AS PER 1 JANUARY 2016	0	0	59,159	156,439 (**)	215,598
Changes during the financial year					
Acquisitions	0		0	11,031	11,031
Borrowing costs (**)	0		0	4,592	4,592
Disposals	0		0	0	0
Conversion differences	0		0	0	0
Change in consolidation scope (***)	118,500		-18,700	0	99,800
BALANCE AS PER 31 DECEMBER 2016	118,500	0	40,459	172,062	331,021
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
DEPRECIATIONS AND IMPAIRMENT LOSSES 2016					
BALANCE AS PER 1 JANUARY 2016	0	0	41,965	0	41,965
Changes during the financial year					
Depreciations	3,029		736		3,765
Disposals	0		0		0
Conversion differences	0		0		0
Change in consolidation scope (***)	0		-2,242	0	-2,242
BALANCE AS PER 31 DECEMBER 2016	3,029	0	40,459	0	43,488
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
NET BOOK VALUE					
NET BOOK VALUE AS PER 31 DECEMBER 2016	115,471	0	0	172,062	287,533
NET BOOK VALUE AS PER 31 DECEMBER 2017	**109,459**	**453,562**	**0**	**0**	**563,021**

(*) 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.

(**) IAS 23 requires that borrowing costs which are attributable to the construction of vessels are to be capitalized as part of the asset. As a consequence of the non-application of IAS 23 in prior periods, the opening balances of vessels under construction, the interest cost of the prior period as well as the equity have been restated. The table below summarizes the impact on the Group's consolidated financial statements.

IMPACT ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As previously reported	Adjustments	As restated
1 JANUARY 2016			
Vessels	168,991	4,642	173,633
Other non-current assets	515,696	0	515,696
TOTAL NON-CURRENT ASSETS	684,687	4,642	689,329
TOTAL CURRENT ASSETS	241,425	0	241,425
TOTAL LIABILITIES	-521,308	0	-521,308
Retained earnings	-105,900	-4,642	-110,542
Others	-298,904	0	-298,904
TOTAL EQUITY	-404,804	-4,642	-409,446

	As previously reported	Adjustments	As restated
31 DECEMBER 2016			
Vessels	278,299	9,234	287,533
Other non-current assets	498,240	0	498,240
TOTAL NON-CURRENT ASSETS	776,539	9,234	785,773
TOTAL CURRENT ASSETS	223,425	0	223,425
TOTAL LIABILITIES	-567,280	0	-567,280
Retained earnings	-133,755	-9,234	-142,989
Others	-298,929	0	-298,929
TOTAL EQUITY	-432,684	-9,234	-441,918

IMPACT ON THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	As previously reported	Adjustments	As restated
FOR THE PERIOD ENDED 31 DECEMBER 2016			
Interest expenses	-15,907	4,592	-11,315
Others	51,725	0	51,725
RESULT FOR THE PERIOD	35,818	4,592	40,410
BASIC EARNINGS PER SHARE (IN USD)	0.63	0.08	0.71
DILUTED EARNINGS PER SHARE (IN USD)	0.63	0.08	0.71

(***) The change in consolidation scope for the LPG segment relates to the acquisition at the end of June 2016 of the remaining 50% of the pressurized fleet held by Wah Kwong. The change in consolidation scope for the offshore segment relates to the partial sale (60%) at the end of May 2016 of the WARIBOKO barge to Springview.
(****) The barge KISSAMA has been sold during April 2017. The gain realized on this sale amounts to USD 1.6 million.
(*****) The CARIBBEAN FLNG has been delivered on 27 July 2017. Discussions on future employment with different parties are still ongoing. However, no revenues are expected in 2018. The barge is layed-up at the shipyard until the unit will be towed to its place of employment. The FSRU has been delivered end of December 2017. The unit was able to obtain a long-term contract and its employment is expected to commence mid 2018. Both platforms have been transferred from under construction to vessels.

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 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 6.05%.

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

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. As a consequence of this analysis, an impairment loss has been registered for the vessels "EXCEL" (USD 22.5 million) and "TEMSE" (USD 2.6 million). The impairment loss for the EXCEL was already registered in the accounts per June 30, 2017, the vessel was sold in the second semester of 2017. For the LPG MGC fleet, a value in use calculation has been performed. As the value in use exceeds the carrying value, no impairment has been registered in this respect.

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

	Land and buildings	Machinery and equipment	Furniture and movables	Total
COST 2016				
BALANCE AS PER 1 JANUARY 2016	3,828	906	7,199	11,933
Changes during the financial year				
Acquisitions	0	100	184	284
Disposals	0	-14	-548	-562
Translation differences	-122	-6	-110	-238
Change in consolidation scope	0	2	1	3
BALANCE AS PER 31 DECEMBER 2016	3,706	988	6,726	11,420
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
DEPRECIATIONS AND IMPAIRMENT LOSSES 2016				
BALANCE AS PER 1 JANUARY 2016	3,029	421	4,379	7,829
Changes during the financial year				
Depreciations	30	253	923	1,206
Disposals	0	-12	-483	-495
Translation differences	-99	-6	-94	-199
BALANCE AS PER 31 DECEMBER 2016	2,960	656	4,725	8,341
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
NET BOOK VALUE				
NET BOOK VALUE AS PER 31 DECEMBER 2016	746	332	2,001	3,079
NET BOOK VALUE AS PER 31 DECEMBER 2017	**816**	**235**	**1,272**	**2,323**

(*) The change in consolidation scope relates mainly to the sale of Belgibo, we refer to note 10 for more information in this respect.

13. INTANGIBLE ASSETS (in thousands of USD)

	Concessions, patents, licences	Client portfolio	Total
COST 2016			
BALANCE AS PER 1 JANUARY 2016	2,619	8,292	10,911
Changes during the financial year			
Acquisitions	213	0	213
Disposals	-6	0	-6
Translation differences	-58	0	-58
Change in consolidation scope (*)	18	2,877	2,895
BALANCE AS PER 31 DECEMBER 2016	2,786	11,169	13,955

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
AMORTISATIONS AND IMPAIRMENTS LOSSES 2016			
BALANCE AS PER 1 JANUARY 2016	1,541	7,002	8,543
Changes during the financial year			
Depreciations	523	1,290	1,813
Disposals	-1	0	-1
Translation differences	-51	0	-51
BALANCE AS PER 31 DECEMBER 2016	2,012	8,292	10,304
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
NET BOOK VALUE			
NET BOOK VALUE AS PER 31 DECEMBER 2016	774	2,877	3,651
NET BOOK VALUE AS PER 31 DECEMBER 2017	612	0	612

(*) The change in consolidation scope in 2016 relates to the 100% acquisition of CMC Belgibo. At the end of August 2017, EXMAR reached an agreement to sell Belgibo (including CMC Belgibo) to Jardine Lloyd Thomson Group plc. We refer to note 10 for more information in this respect.

14. EQUITY ACCOUNTED INVESTEES (in thousands of USD)

	2017	2016
EQUITY ACCOUNTED INVESTEES		
BALANCE AS PER 1 JANUARY	147,598	132,816
Changes during the financial year		
Share in the profit/loss(-)	18,717	34,572
Dividends paid	-4,942	-34,067
Changes in consolidation scope (*)	18,921	11,681
Allocation of negative net assets (**)	-54,440	408
Conversion differences	1,076	1,067
Changes in other comprehensive income equity accounted investees	1,888	2,237
Other	-1,398	-1,116
Reclassification to equity accounted investee held for sale (***)	-23,004	0
BALANCE AS PER 31 DECEMBER	104,416	147,598

(*) The change in consolidation scope in 2016 related to the CMC Belgibo transaction for an amount of USD -0.6 million and the WARIBOKO transaction for an amount of USD 12.3 million.
The change in consolidation scope in 2017 relates to the AHLMAR/BIM acquisition and to the disposal of the LNG companies. We refer to note 10 for further information in respect of the LNG sale.

(**) 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 relates to the LNG company Excelsior. We refer to note 17 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, 2017, an amount of USD 641 million (2016: USD 602 million) was outstanding under such loan agreements, of which EXMAR has guaranteed USD 320.5 million (2016: USD 301 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. As a consequence of this analysis, an impairment loss has been registered for the vessels "EXCEL" (USD 22.5 million) and "TEMSE" (USD 2.6 million). The impairment loss for the EXCEL was already registered in the accounts per June 30, 2017, the vessel was sold in the second semester of 2017. For the LPG MGC fleet, a value in use calculation has been performed. As the value in use exceeds the carrying value, no impairment has been registered in this respect.

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

	2017	2016
ASSETS		
Interest in joint ventures	97,035	140,364
Interest in associates	7,381	7,234
Borrowings to equity accounted investees	63,244	371,505
	167,660	519,103
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
Excelsior BVBA	LNG	TEEKAY	Owner of the LNGRV EXCELSIOR
Exmar Gas Shipping Ltd	LPG	TEEKAY	Owner of the midsize vessel TOURAINE and 1 midsize vessel under construction
Exmar LPG BVBA	LPG	TEEKAY	Holding company for Exmar-Teekay LPG activities
Exmar Shipping BVBA	LPG	TEEKAY	Owner of 19 midsize carriers of which 2 under construction, 3 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 has been sold during 2017
Reslea NV	Services	CMB	Owner of investment property
Solaia Shipping Llc	LNG	TEEKAY	Owner of the LNG carrier EXCALIBUR

The companies Excelerate NV, Explorer NV and Express NV are no longer recognized as joint ventures due to the sale of the shares of these companies per December 2017. 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 accomodation barge WARIBOKO
Springmarine Nigeria Ltd	Offshore	Time-charter agreement for the accommodation barge WARIBOKO

The companies Bureau Internationale Maritime NV, Bureau International Maritime Congo and Compagnie Parisienne Formation et Logistique are newly included companies under associates as of 2017 (AHLMAR / BIM acquisition).

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	WAH KWONG	TEEKAY	EELP	MOL	TEEKAY
SEGMENT	LPG	LPG	LNG	LNG	LNG
PERCENTAGE OWNERSHIP INTEREST		50%	50% (*)	50%	50%
31 DECEMBER 2017					
Non-current assets		640,711	0	0	82,567
Current assets		61,253	0	4,724	14,912
Of which Cash and cash equivalents		*38,371*	*0*	*4,490*	*13,989*
Non-current liabilities		520,066	0	0	60,000
Of which Bank Borrowings		*304,939*	*0*	*0*	*60,000*
Of which finance leases		*110,596*	*0*	*0*	*0*
Of which Other Borrowings		*104,531*	*0*	*0*	*0*
Current liabilities		58,622	0	138	11,419
Of which Bank Borrowings		*41,761*	*0*	*0*	*3,750*
Of which finance leases		*7,072*	*0*	*0*	*0*
Of which Other Borrowings		*0*	*0*	*0*	*0*
Revenue		128,230	78,531	3,071	47,994
Depreciations, amortizations & impairment losses		41,985	19,731	47,410	12,858
Interest income		1,719	45	21	0
Interest expense		20,831	33,290	2,057	6,518
Income tax expense		2	1	0	0
RESULT FOR THE PERIOD		-5,982	7,108	18,479	16,696
Other comprehensive result for the period		2,724	0	0	910
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD		-3,258	7,108	18,479	17,606
NET ASSETS (100%)		123,276	0	4,586	26,060
EXMAR'S SHARE OF NET ASSETS		61,638	0	2,293	13,030
SHARE IN THE NET ASSETS OF EQUITY ACCOUNTED INVESTEES AT 1 JANUARY 2017		59,166	-21,334	-6,946	34,731
Share in total comprehensive income		-1,629	3,554	9,239	8,803
Dividends paid/received		5,500	0	0	-7,500
Other		-1,399	17,780	0	-23,004
SHARE IN THE NET ASSETS OF EQUITY ACCOUNTED INVESTEES AT 31 DECEMBER 2017		61,638	0	2,293	13,030
NETTING NEGATIVE EQUITY		1,997	0	0	0
SHARE IN THE NET ASSETS OF EQUITY ACCOUNTED INVESTEES AT 31 DECEMBER 2017 AFTER NETTING		63,635	0	2,293	13,030

(*) 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.

ASS	CMB	ASSOCIATES						TOTAL
Offshore	Services	Services Bexco	Services CMC Belgibo	Services Marpos	Offshore WARIBOKO companies	Services BIM companies		
50%	50%	45%		45%	40%	40%		
22,945	18,822	9,058		105	14,399	581		**789,188**
7,739	14,246	8,333		1,091	15,175	4,503		**131,976**
7,266	*289*	*549*		*811*	*3,997*	*473*		***70,235***
2,042	20,234	5,350		0	10,058	0		**617,750**
2,000	*20,172*	*4,842*		*0*	*0*	*0*		***391,953***
0	*0*	*0*		*0*	*0*	*0*		***110,596***
0	*4*	*0*		*0*	*10,058*	*0*		***114,593***
5,000	3,200	4,242		539	14,136	2,046		**99,342**
4,000	*1,727*	*922*		*0*	*0*	*0*		***52,160***
0	*0*	*0*		*0*	*0*	*0*		***7,072***
0	*0*	*0*		*0*	*4,350*	*0*		***4,350***
11,461	2,167	16,010		1,865	28,329	4,121		321,779
2,969	1,040	1,053		58	1,892	225		129,221
50	0	6		0	0	22		1,863
337	391	146		0	1,768	5		65,343
0	483	3		0	293	35		817
472	**507**	**-1,098**		**182**	**1,376**	**-156**		**37,584**
142	0	0		0		0		**3,776**
614	**507**	**-1,098**		**182**	**1,376**	**-156**		**41,360**
23,642	**9,634**	**7,799**		**657**	**5,380**	**3,038**		
11,821	**4,817**	**3,503**		**296**	**2,152**	**1,215**		
12,764	**4,108**	**3,541**		**183**	**3,513**	**0**		**89,724**
307	254	-493		82	551	-63		20,605
-1,250	0	0		0	-1,692	0		-4,942
0	456	455		31	-2	1,278		-4,405
11,821	4,818	3,503		296	2,370	1,215		100,982
0	0	0		0	1,437	0		3,434
11,821	4,818	3,503		296	3,807	1,215		104,416

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

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

(**) At the end of 2016, Exmar acquired the remaining 50.10% in CMC Belgibo. As a result of this transaction, CMC Belgibo is fully consolidated in the balance sheet instead of presented as an equity accounted investee.

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

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

ASS	CMB	ASSOCIATES				OTHER	ALLOCATION NEGATIVE NET ASSETS	TOTAL
Offshore	Services	Services Bexco	Services CMC Belgibo	Services Marpos	Offshore WARIBOKO companies			
50%	50%	45%	49.90% (**)	45%	40% (***)	50%		
26,614	17,739	8,744		129	16,291			1,479,825
9,673	12,532	7,467		726	17,973			215,638
7,791	*323*	*258*		*381*	*5,736*			*121,700*
6,184	19,312	5,327		0	14,081			1,346,057
6,000	*19,248*	*4,852*		*0*	*0*			*525,550*
0	*0*	*0*		*0*	*14,081*			*810,309*
4,576	2,743	3,000		449	14,486			170,443
4,000	*1,476*	*998*		*0*	*0*			*70,760*
0	*0*	*0*		*0*	*4,593*			*48,036*
15,251	1,926	22,070		1,731	47,862			421,131
2,969	1,044	1,466		61	1,847			78,065
24	1	0		0	0			1,324
508	353	177		3	1,643			64,097
0	105	1		0	0			107
3,981	967	-610		112	8,071			76,826
213	0	0		0	0			4,474
4,194	967	-610		112	8,071			81,300
25,527	8,216	7,884		406	5,696			
12,764	4,108	3,541		183	2,278			
10,667	3,736	3,931	1,103	139	0	66	69,925 (****)	132,816
2,097	484	-274	-464	51	1,458	0		36,809
0	0	0	0	0	-11,567	0		-34,067
0	-112	-116	-639	-7	13,622	-66		11,632
12,764	4,108	3,541	0	183	3,513	0		77,266
0	0	0	0	0	1,741	0		70,332
12,764	4,108	3,541	0	183	5,254	0		147,598

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

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

	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
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

(*) 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 change in consolidation scope in 2016 for the LPG segment relates to the acquisition at the end of June 2016 of the remaining 50% of the pressurized fleet held by Wah Kwong. The change in consolidation scope in 2016 for the offshore segment relates to the partial sale (60%) at the end of May 2016 of the WARIBOKO barge to Springview.

(***) See explanation under Monteriggioni Inc below.

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.

EXCELERATE NV (LNG SEGMENT) - USD 0 MILLION (2016: USD 41.7 MILLION)

In 2004, Excelerate NV issued 258 subordinated bonds each to EXMAR and Taurus Charitable Income Trust, an affiliated company of Excelerate Energy. The bonds bear a fixed interest rate of 5.25%. Each bond represents an amount of USD 398,400. The bonds mature in 2018. The bonds include mandatory repayment clauses upon the occurrence of certain contingent events, as well as voluntary repayment options. Both shareholders of Excelerate NV have also extended a credit facility up to USD 8 million to finance Excelerate NV's working capital. The applicable interest rate on this working capital facility amounts to LIBOR USD 3 months + 0.60%. The bonds and the working capital facility have been repaid end of December 2017 as a consequence of the sale of the shares of the company Excelerate. We refer to note 10 for more information in respect of this sale.

EXPLORER NV (LNG SEGMENT) - USD 0 MILLION (2016: USD 99.3 MILLION) & EXPRESS NV (LNG SEGMENT) - USD 0 MILLION (2016: USD 103.6 MILLION)

EXMAR granted two shareholder loans to Explorer NV and Express NV, respectively in 2008 and 2009. The shareholder loans are split into a variable interest rate bearing loan (three-month LIBOR plus 0.9%) and a fixed interest rate bearing loan (15%). These loans are repaid over a period of 25 years in quarterly installments. The shareholder loans include mandatory repayment clauses based on the occurrence of certain contingent events, including the sale or total loss of the vessels. EXMAR NV and Excelerate Energy LP also agreed a facility up to USD 15 million to finance the working capital of Explorer NV. This working capital facility bears interest at a rate of three-month LIBOR plus 0.6%. The shareholder loans and the working capital facility have been repaid end of December 2017 as a consequence of the sale of the shares of the companies Explorer and Express. We refer to note 10 for more information in respect of this sale.

EXMAR LPG (LPG SEGMENT) - USD 50.3 MILLION (2016: USD 56.1 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%.

MONTERIGGIONI INC (LNG SEGMENT) - USD 0 MILLION (2016: USD 53.8 MILLION)

Both shareholders have granted shareholder loans to Monteriggioni Inc in 2001. Repayment occurs based on availability of cash. These shareholders loans bear interest at a rate of six-month LIBOR plus 1%. 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 note 8 in this respect.

ELECTRA OFFSHORE LTD (OFFSHORE SEGMENT) - USD 13 MILLION (2016: USD 16.9 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

	2017	2016
EQUITY ACCOUNTED INVESTEE HELD FOR SALE		
EXCELSIOR	23,004	0

On January 31, 2018 EXMAR has sold its 50% share in Excelsior BVBA to Excelerate Energy for an amount of USD 81 million. EXMAR will record a capital gain of approximately USD 31 million on this sale in Q1/2018.

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2017	2016
SHARES AVAILABLE-FOR-SALE		
Unquoted shares (*)	1,573	1,454
Quoted shares (**)	3,004	2,154
	4,577	3,608

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

(**) The quoted shares include the 149,089 shares of Teekay (ISIN code MHY8564M1057) quoted at USD 20.15.
As a result of a significant and prolonged decline in the fair value of the Teekay and Sibelco shares, the fair value reserve in respect of these shares has been reclassified to the statement of profit or loss in 2016. The current year's change in fair value has also been registered in the statement of profit or loss.

19. TRADE AND OTHER RECEIVABLES (in thousands of USD)

	2017	2016
TRADE AND OTHER RECEIVABLES		
Trade receivables	30,158	23,548
Cash guarantees	234	323
Borrowings to equity accounted investees less than 1 year	4,350	27,593
Other receivables	10,697	5,230
Deferred charges (*)	3,323	5,076
Accrued income (*)	2,010	953
	50,772	62,723
OF WHICH FINANCIAL ASSETS (NOTE 29)	41,919	54,152

(*) '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.

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

	Assets	Liabilities	Assets	Liabilities
	31 December 2017		31 December 2016	
DEFERRED TAX ASSETS AND LIABILITIES IN DETAIL				
Provisions	793	0	618	0
Employee benefits	5,131	0	5,151	0
Client portfolio (*)	0	0	0	978
Vessels	0	2,504	0	0
DEFERRED TAX ASSETS / LIABILITIES	**5,924**	**2,504**	**5,769**	**978**
Set off of tax assets / liabilities	-2,504		0	0
Tax assets not recognised (**)	-3,420		-5,769	0
	0	0	0	978

DEFERRED TAX ASSETS / LIABILITIES NOT RECOGNISED (**)				
Deductible temporary differences (33.99%)	3,420		5,769	
Unused tax losses and investment tax credits (***)	67,657		58,391	
	71,077	0	64,160	0

(*) A deferred tax liability has been booked on the registered client portfolio as a consequence of the CMC Belgibo transaction in 2016. At the end of August 2017, EXMAR reached an agreement to sell Belgibo (including CMC Belgibo) to Jardine Lloyd Thomson Group plc. We refer to note 10 for more information in this respect.

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

21. RESTRICTED CASH AND CASH AND CASH EQUIVALENTS (in thousands of USD)

	2017	2016
RESTRICTED CASH AND CASH AND CASH EQUIVALENTS		
RESTRICTED CASH	67,434	34,891
Bank	31,459	105,385
Cash in hand	141	168
Short-term deposits	10,223	15,543
NET CASH AND CASH EQUIVALENTS	41,824	121,096

The restricted cash in 2017 relates mainly to the credit facility with the Bank of China for the CFLNG (see also note 24). In 2016 the restricted cash related to the Explorer/ Express credit facility and to financial instruments agreements regarding to the NOK bond (see also note 24 and 29).

22. SHARE CAPITAL AND RESERVES (in thousands of USD)

SHARE CAPITAL AND SHARE PREMIUM

	2017	2016
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 2017.

	2017	2016
DIVIDEND PAID		
Gross interim dividend/share (in EUR)		0.10
Rate used:		1.1132
Interim dividend payment (in thousands of USD)	0	6,317
Dividend payment (in thousands of USD)	0	12,942
TOTAL DISTRIBUTION TO OWNERS OF THE COMPANY (IN THOUSANDS OF USD)	0	19,259

	2017	2016
PROPOSED DIVIDEND		
Gross dividend/share (in EUR)	0.00	0.00
Rate used:	1.1993	1.0541
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.

	2017	2016
TREASURY SHARES		
Number of treasury shares held as of 31 December (*)	2,485,247	2,677,433
Bookvalue of treasury shares held (in thousands USD)	48,486	52,236
Average cost price per share (in EUR) - historical value	14.1507	14.1507

(*) 192,186 treasury shares have been sold during 2017 for the share options exercised during the year.

TRANSLATION RESERVE

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

FAIR VALUE RESERVE

The fair value reserve includes the cumulative net change in the fair value of available-for-sale financial assets until derecognition.
As a result of a significant and prolonged decline in the fair value of the Teekay shares and the Sibelco shares, the fair value reserve in respect of these shares has been reclassified to the statement of profit or loss in 2016. The current year's change in fair value has also been registered in the statement of profit or loss. As a consequence, the fair value reserve amounts to USD 0 at year-end.

HEDGING RESERVE

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to the hedged transactions that have not yet occurred.
In 2014 and 2015 EXMAR entered into two cross currency interest rate swaps (CCIRS) to cover its exposure on the issued bond in NOK. These CCIRS-contracts have ended in July 2017 (see also note 24 and 29 in this respect).
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

		2017	2016
BASIC EARNINGS PER SHARE IN USD			
Result for the period (in USD)		28,030,885	40,377,757 (*)
Issued ordinary shares as per 31 December		59,500,000	59,500,000
Effect of treasury shares		-2,667,442	-2,748,708
Weighted average number of ordinary shares as per 31 December		56,832,558	56,751,292
		0.49	0.71 (*)
DILUTED EARNINGS PER SHARE IN USD			
Result for the period (in USD)		28,030,885	40,377,757 (*)
Weighted average number of ordinary shares as per 31 December		56,832,558	56,751,292
Average closing rate of one ordinary share during the year (in EUR)	(a)	5.75	7.19
Average exercise price for shares under option during the year (in EUR)	(b)	4.71	4.96
• Option plan 7: EUR 4.71 for 216.005 shares under option			
Number of shares under option	(c)	216,005	478,995
Number of shares that would have been issued at average market price: (c*b) / a		-176,936	-330,433
Weighted average number of ordinary shares during the year including options (**)		56,871,627	56,899,854
		0.49 (**)	0.71 (*)

(*) IAS 23 requires that borrowing costs which are attributable to the construction of vessels are to be capitalized as part of the asset. As a consequence of the non-application of IAS 23 in prior periods, the prior period financial statements have been restated. We refer to note 11 for more information in this respect.

(**) As option plan 2, 3, 4, 8, 9 and 10 are anti-dilutive as per 31 December 2017, 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 2016			
AS OF 1 JANUARY 2016	300,871	111,715	412,586
New loans	100	0	100
Scheduled repayments	-19,716	-2,000	-21,716
Amortized transaction costs	0	1,096	1,096
Translation differences	-8	2,639	2,631
Change in consolidation scope (*)	73,040	2,000	75,040
AS OF 31 DECEMBER 2016	354,287	115,450	469,737
More than 1 year	329,590	0	329,590
Less than 1 year	24,697	115,450	140,147
AS OF 31 DECEMBER 2016	354,287	115,450	469,737
LPG	68,493	0	68,493
LNG	285,316	0	285,316
Offshore	0	0	0
Services	478	115,450	115,928
AS OF 31 DECEMBER 2016	354,287	115,450	469,737

	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

	2017	2016
UNUSED CREDIT FACILITIES		
Unused credit facilities	13,492	22,400
	13,492	22,400

(*) The change in consolidation scope for the bank loans in 2016 relates to the acquisition at the end of June 2016 of the remaining 50% of the pressurized fleet held by Wah Kwong. For the other loans, this movement in 2016 relates to an intercompany loan which is no longer eliminated in consolidation as a consequence of a change is consolidation scope (WARIBOKO transaction). This loan has been repaid in the second half of 2016. The change in consolidation scope in 2017 relates to the sale of BELGIBO. We refer to note 10 for more information in respect of this sale.

BANK LOANS

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

EXCELERATE FACILITY - USD 0 MILLION (2016: USD 55.2 MILLION)

In 2005, EXMAR entered into a secured loan facility (the "Excelerate Facility") for the acquisition of certain bonds issued or to be issued by Excelerate NV to assist in financing the construction and acquisition of the vessel EXCELERATE. The Excelerate Facility consists of three tranches. A first tranche of up to USD 85 million that bears interest at an annual fixed rate of 5.515%. The principal amount is repayable in 24 consecutive equal semi-annual installments of approximately USD 3.5 million, ending on October 20, 2018. The other two tranches of respectively USD 22 million and USD 19 million which are referred to collectively as the "commercial loans", bear interest at an annual rate of three-month LIBOR plus 1% at all times when the EXCELERATE is under an acceptable charter and an annual rate of three-month LIBOR plus 1.1% at all other times. The principal amount of the commercial loans is repayable in full at maturity on October 20, 2018. EXMAR may prepay principal amounts owed pursuant to the Excelerate Facility at any time, with 30 days' written notice, without any penalty or premium. The Excelerate Facility includes mandatory repayment clauses based on the occurrence of certain contingent events, including the sale or total loss of the EXCELERATE. The loan has been repaid in December 2017 as a consequence of the sale of the shares of the company Excelerate. We refer to note 10 for more information in respect of this sale.

EXPLORER & EXPRESS FACILITY - USD 0 MILLION (2016: USD 230.1 MILLION)

In May 2006, EXMAR entered into a secured loan facility totaling USD 280 million, consisting of two tranches of USD 140 million each, for the financing of the EXPLORER and the EXPRESS (the "Explorer & Express Facility"). The facility bears interest at an annual floating rate of three-month LIBOR plus 0.9%. The principal amount of the Explorer & Express Facility is repayable in 48 quarterly installments ranging from approximately USD 0.62 million to USD 1.2 million for each tranche with a balloon payment of USD 98.7 for each tranche at the maturity date of the loan. The maturity dates of the facility are April 2020 and April 2021 for EXPLORER and EXPRESS respectively. EXMAR may prepay principal amounts owed pursuant to the Explorer & Express Facility at any time, with 14 days' written notice, without any penalty or premium. The Explorer and Express Facility include mandatory repayment clauses based on the occurrence of certain contingent events, including the sale or total loss of the vessels. The loans have been repaid in December 2017 as a consequence of the sale of the shares of the companies Explorer and Express. We refer to note 10 for more information in respect of this sale.

LPG PRESSURIZED FACILITIES - USD 59.4 MILLION (2016: USD 68.5 MILLION)

In October 2008, EXMAR closed a senior secured loan facility of USD 29.6 million for the financing of 2 pressurized LPG vessels. The loan in repayable in quartely tranches and the applicable interest percentage amounts to three-month LIBOR plus 1%. The last repayment is foreseen end of March 2019.

In December 2008, EXMAR closed 2 other senior secured loan facilities of respectively USD 67.2 million and USD 42.8 million for the financing of 8 pressurized LPG vessels. The loans are repayable in quartely tranches and the applicable interest percentage amounts to three-month LIBOR plus 3%. The last repayment is foreseen at the latest in December 2020.

All obligations of the borrower are guaranteed by EXMAR NV ("guarantor").

CARIBBEAN FLNG FACILITY - USD 200 MILLION (2016: USD 0)

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 CARIBBEAN FLNG. This loan has been drawn on 27 July 2017 at the time of the delivery of the CARIBBEAN 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 26.5 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. This requirement will be reduced to 6 months principal plus interest when acceptable long-term employment is secured. 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 extended until July 2019. As a consequence, the bond has been classified as a long 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. Restrictions exist in respect of dividend distributions.
In 2014 and 2015 EXMAR entered into two cross currency interest rate swaps (CCIRS) to cover its exposure on the issued bond in NOK. 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. We also refer to note 29 in this respect.

EXMAR's barge based FSRU is delivered end of December 2017. The unit was able to obtain a long-term contract and its employment is expected to commence mid 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, see note 10 for more information in this respect). EXMAR is currently negotiating with different parties for the financing of the FSRU. The unit is undergoing site specific modifications before the start of its operations in the second half of 2018.

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 may exist. 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 and financial instruments 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, 2017 EXMAR was compliant with all covenants with sufficient headroom. EXMAR is continuously monitoring compliance with all applicable covenants.

RATIO	LPG facilities	CFLNG facility	Bond	Other
APPLICABLE COVENANTS				
Book equity ratio	NA	≥ USD 300 million	≥ USD 300 million	≥ USD 300 million + 50% of net income
Free liquid assets	NA	≥ USD 25 million	≥ USD 25 million	≥ USD 30 million
Cash in hand	NA	NA	NA	≥ USD 25 million
Equity ratio	NA	≥ 25%	Maximum 2.75	NA
Interest Coverage ratio	NA	min 2:1	min 2:1	NA
Working capital ratio	NA	min positive	min positive	min positive
Minimum security coverage ratio of	110% for facility regarding 2 LPG vessels 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 7	Plan 4	Plan 3	Plan 2
GRANT DATE FAIR VALUE OF SHARE OPTIONS AND ASSUMPTIONS AT INCEPTION							
Number of options outstanding at year-end (*)	412,750	420,350	503,600	216,005	224,529	396,855	309,089
Fair value at grant date (in EUR)	3.21	2.32	3.36	1.35	5.64	7.38	5.25
Share price at grant date (in EUR)	9.62	10.00	11.33	5.28	16.80	23.84	18.47
Exercise price at inception (in EUR) (*)	9.62	10.54	10.54	4.71	14.64	15.96	10.73
Expected volatility (**)	40.70%	30.60%	31.40%	39.70%	25.78%	31.10%	24.50%
Option life at inception (***)	8 years	8 years	8 years	8 years	8 years	8 years	8 years
Maturity date	2023	2022	2021	2018	2020	2019	2018
Expected dividends	0.3 eur/y	0.3 eur/y	0.4 eur/y	0.4 eur/y	0.50 eur/y	0.66 eur/y	0.66 eur/y
Risk-free interest rate	0.53%	0.62%	1.87%	3.61%	4.29%	3.85%	3.90%

(*) 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, 5 and 6 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. In respect of plan 1, 7,786 options have been exercised during 2017 and 57,592 options have forfeited as a consequence of the maturity of the plan. In respect of plan 6, 175,060 options have been exercised during 2017 and 13,212 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
	2017		2016	
RECONCILIATION OF OUTSTANDING SHARE OPTIONS				
OUTSTANDING AT 1 JANUARY	2,766,284	10.58	2,897,469	10.39
New options granted	0	0.00	0	0.00
Changes during the year				
Options exercised	-192,186	4.89	-92,577	5.75
Options forfeited	-90,920	6.90	-38,608	8.12
OUTSTANDING AT 31 DECEMBER	2,483,178	11.14	2,766,284	10.58
EXERCISABLE AT 31 DECEMBER	2,070,428	11.44	1,963,184	10.77

The weighted average remaining contractual life of the outstanding options at the end of December 2017, amounts to 3.5 years.

		2017	2016
SHARE OPTIONS			
Total number of share options outstanding		2,483,178	2,766,284
Included in personnel expenses	option plan 8	0	677
	option plan 9	412	389
	option plan 10	508	491
		920	1,557

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 115 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 0.7 million (2016: USD 0.8 million).

EMPLOYEE BENEFITS

	2017	2016	2015	2014	2013
EMPLOYEE BENEFITS - DEFINED BENEFIT PLAN					
Present value of funded obligations	-12,072	-11,297	-11,662	-14,063	-12,919
Fair value of the defined plan assets	7,361	7,098	7,217	7,852	8,519
PRESENT VALUE OF NET OBLIGATIONS	-4,711	-4,198	-4,445	-6,211	-4,400

	2017	2016	2015	2014	2013
EMPLOYEE BENEFITS - DEFINED CONTRIBUTION PLAN					
Present value of funded obligations	-3,313	-3,845			
Fair value of the defined plan assets	3,198	3,777			
PRESENT VALUE OF NET OBLIGATIONS	-115	-69	0	0	0
TOTAL EMPLOYEE BENEFITS	-4,826	-4,267	-4,445	-6,211	-4,400

DEFINED BENEFIT PLAN

	2017	2016
CHANGES IN LIABILITY DURING THE PERIOD		
LIABILITY AS PER 1 JANUARY	11,297	11,662
Distributions	-792	-778
Actual employee's contributions	80	92
Interest cost	87	173
Current service cost	512	549
Actual taxes on contributions paid (excluding interest)	-79	-87
Actuarial gains/losses	776	59
Disposal of a subsidiary	-1,315	0
Translation differences	1,507	-372
LIABILITY AS PER 31 DECEMBER	12,072	11,297
CHANGES OF FAIR VALUE OF PLAN ASSETS		
PLAN ASSETS AS PER 1 JANUARY	7,098	7,217
Contributions	722	809
Distributions	-792	-778
Return on plan assets	56	112
Actuarial gain/loss	241	113
Actual taxes on contributions paid (excluding interest)	-79	-87
Actual administration costs	-45	-51
Disposal of a subsidiary	-774	0
Translation differences	933	-237
PLAN ASSETS AS PER 31 DECEMBER (*)	7,361	7,098
EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS		
Current service expenses	-512	-549
Interest expense	-87	-173
Expected return on plan assets	56	112
Administration cost	-45	-51
TOTAL PENSION COST RECOGNISED IN THE INCOME STATEMENT (SEE NOTE 6)	-587	-660
EXPENSE RECOGNISED IN OTHER COMPREHENSIVE INCOME		
Recognition of actuarial gains and losses	535	54
TOTAL PENSION COST RECOGNISED IN OTHER COMPREHENSIVE INCOME	535	54
MOST SIGNIFICANT ASSUMPTIONS, EXPRESSED IN WEIGHTED AVERAGES		
Discount rate at 31 December	0.85%	0.75%
Expected return on assets at 31 December	0.85%	0.75%
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	747	836
DETAIL PLAN ASSETS INVESTMENTS		
Shares	3%	5%
Bonds & loans	87%	86%
Property investments	7%	6%
Cash	3%	3%

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

27. PROVISIONS (in thousands of USD)

	2017	2016
PROVISIONS		
Long-term provisions (*)	2,434	2,522
Short-term provisions	0	0
AS PER 1 JANUARY	2,434	2,522
New provisions	0	0
Reversal of unused provisions	0	-88
Change in consolidation scope (**)	-74	0
AS PER 31 DECEMBER	2,360	2,434
Long-term provisions (*)	2,360	2,434
Short-term provisions	0	0
AS PER 31 DECEMBER	2,360	2,434

(*) Following the partial demerger from CMB, EXMAR provided for 39% of the estimated exposure relating to the PSA claim against CMB. The amount and timing of possible outflows related to this provision are uncertain. In 2017 the updated risk assessment did not result in an adjustment of the provision.

(**) The change in consolidation scope relates to the sale of Belgibo, we refer to note 10 for more information in this respect.

28. TRADE AND OTHER PAYABLES (in thousands of USD)

	2017	2016
TRADE AND OTHER PAYABLES		
Trade payables	28,787	30,519
Other payables	24,645	12,870
Accrued expenses and deferred income(*)	6,569	7,855
	60,001	51,244
OF WHICH FINANCIAL LIABILITIES (NOTE 29)	53,330	43,275

(*) 'Accrued expenses' comprise expenses not invoiced yet, but to be allocated to the current accounting year, e.g. commissions, port expenses, interests,...
'Deferred income' comprises already invoiced revenue, related to the next accounting year, e.g. freight, hire,...

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

	2017	2016
ASSETS		
FX Forward	1,065	0
TOTAL ASSETS	1,065	0
NON-CURRENT LIABILITIES		
Interest rate swaps	0	0
Cross currency interest rate swap	0	0
CURRENT LIABILITIES		
Interest rate swaps	0	0
Cross currency interest rate swap	0	36,182
TOTAL LIABILITIES	0	36,182

FAIR VALUE HIERARCHY

	Level 1	Level 2	Level 3	Total
31 DECEMBER 2017				
Equity securities - available-for-sale	3,004	1,573		4,577
FX Forward	0	1,065		1,065
TOTAL FINANCIAL ASSETS CARRIED AT FAIR VALUE	3,004	2,638	0	5,642
Cross currency interest rate swap used for hedging				0
TOTAL FINANCIAL LIABILITIES CARRIED AT FAIR VALUE	0	0	0	0

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

As a result of a significant and prolonged decline in the fair value of the Teekay shares (which are presented as available-for-sale financial assets in the accounts and detailed in above overview under level 1) and the Sibelco shares (which are presented as available-for-sale financial assets in the accounts and detailed in above overview under level 2), the fair value reserve in respect of these shares has been reclassified to the statement of profit or loss in 2016. The current year's change in fair value has also been registered in the statement of profit or loss. As a consequence, the fair value reserve amounts to USD 0 at year-end.

EXMAR actively manages its interest exposure by means of various instruments to cover rising interest rates for a part of its debt portfolio. In certain of our equity accounted investees, interest rate swaps (IRS) contracts have been closed to cover exposure on variable interest rates.
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. The fixed USD equivalent of the first CCIRS amounted to USD 114 million and the applicable fixed interest rate percentage was 5.72%. For the second CCIRS, the fixed USD equivalent amounted to USD 38 million and the applicable interest rate percentage was three-month LIBOR (USD) plus 4.8%. The interest percentage applicable on the NOK bonds equaled to three-month NIBOR plus 4.5%.
The term of the NOK bond has been extended until July 2019 (see also note 24 in this respect). The CCIRS-contracts have not been extended as a consequence of the extension of the term of the bond and have ended in July 2017. The current interest percentage on the NOK bond is detailed in note 24. As per 31 December 2017, a forward exchange contract was outstanding to cover the NOK/USD exposure. The positive FV of this contract per 31 December 2017 has been registered in profit or loss (USD 1.1 million).

CREDIT RISK

CREDIT RISK POLICY

Credit risk is monitored closely on an ongoing basis by the Group and creditworthiness controls are carried out if deemed necessary. At year-end no significant creditworthiness problems were noted. A considerable part of the income of our LNG joint ventures is dependent on the performance of one important client, Excelerate Energy. No creditworthiness issues have been identified in this context. The borrowings to equity accounted investees consist of shareholder loans to our joint ventures that own or operate an LPG vessel, LNG vessel or Offshore platform. As all vessels are operational and generate income, we do not anticipate any recoverability issues for the outstanding borrowings to equity accounted investees. The equity accounted investees for whom the share in the net assets is negative, are allocated to other components of the investor's interest in the equity accounted investee and if the negative net asset exceeds the investor's interest, a corresponding liability is recognized. The term of the shareholder loans are discussed in note 16 of this annual report. 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, this amount in mentioned separately in the statement of profit or loss under Impairment loss loan to equity accounted investee (see also note 8 in this respect). In the result from equity accounted investees, the income part of this waiver has been registered. Consequently, the waiver of the loan has no impact on the net result of the Group.

EXPOSURE TO RISK

CARRYING AMOUNTS OF FINANCIAL ASSETS	2017	2016
Borrowings to equity accounted investees	63,244	371,505
Available-for-sale financial assets	4,577	3,608
Trade and other receivables	37,569	26,559
Derivative financial instruments	1,065	0
Restricted cash	67,434	34,891
Cash and cash equivalents	41,824	121,096
	215,712	557,660

The carrying amounts of the financial assets represent the maximum credit exposure.

IMPAIRMENT LOSSES

As past due outstanding receivable balances are immaterial, no ageing analysis is disclosed. No important impairment losses have occurred and at reporting date, no significant allowances for impairment have been recorded.

INTEREST RISK

INTEREST RISK POLICY

The interest-bearing loans are mainly negotiated with variable interest rates. In order to monitor this interest risk, the Group makes use of interest hedging instruments available on the market (mainly IRS contracts situated in 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.

INTEREST RATE SWAPS	2017	2016
Nominal amount of interest rate swaps and cross currency interest rate swaps	0	152,000
Net fair value of interest rate swaps and cross currency interest rate swaps	0	-36,182
Maximum maturity date	NA	2017

In 2014, a cross currency interest rate swap ("CCIRS") was entered into in order to hedge the currency and floating interest exposure on the issued NOK 700 million senior unsecured bonds. In July 2015, a new CCIRS was closed on the additional amount of NOK 300 million that has been issued in 2015. These CCIRS-contracts have ended in July 2017 (we also refer to annex 24 in this respect).

EXPOSURE TO RISK

EXPOSURE TO INTEREST RATE RISK	2017	2016
Total borrowings	372,707	469,737
with fixed interest rate	0	-14,167
with variable interest rate: gross exposure	372,707	455,570
Interest rate financial instruments (nominal amount) (*)	0	-114,000
NET EXPOSURE	372,707	341,570

(*) The second CCIRS which was closed in respect of the bond only hedges the currency risk and not the interest risk. Hence, the second CCIRS has not been taken into account in 2016 in the determination of the amount mentioned under "Interest rate financial instruments (nominal amount)".

SENSITIVITY ANALYSIS

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

	2017		2016	
	+ 50 bp	- 50 bp	+ 50 bp	- 50 bp
SENSITIVITY ANALYSIS				
Interest-bearing loans (variable interest rate)	-1,864	1,864	-2,278	2,278
Interest rate swaps and cross currency rate swaps	0	0	570	-570
SENSITIVITY (NET)	-1,864	1,864	-1,708	1,708
Impact in profit or loss	-1,864	1,864	-1,708	1,708
Impact in equity	0	0	380	-380
TOTAL IMPACT	-1,864	1,864	-1,328	1,328

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 2017 and 2016, 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. The positive FV of this contract per 31 December 2017 has been registered in profit or loss (USD 1.1 million).

EXPOSURE TO RISK

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

	2017			2016		
	EUR	NOK	SGD	EUR	NOK	SGD
Receivables	22,499	0	4	12,116	29	1,898
Payables	-19,653	-573	-7,205	-25,731	-66	-2,291
Interest-bearing loans	-254	-912,450	0	-522	-1,000,000	0
Balance sheet exposure	2,592	-913,023	-7,201	-14,137	-1,000,037	-393
IN THOUSANDS OF USD	3,109	-111,298	-5,389	-14,902	-116,004	-272

SENSITIVITY ANALYSIS

As per 31 December 2017 an increase in the year-end EUR/USD rate of 10% would affect the statement of profit or loss with USD 0.3 million (2016: USD -1.5 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. An increase in the year-end NOK/USD rate of 10% would affect the statement of profit or loss with 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, 2017 EXMAR was compliant with all covenants with sufficient headroom. We also refer in this respect to note 24 regarding borrowings and to note 31 regarding capital commitments.

Maturity analysis of financial liabilities, borrowings to equity accounted investees and financial guarantees

Our current financial liabilities such as trade and other payables are expected to be paid within the next twelve months and are therefore not included in below tables. The contractual maturities of our financial liabilities and our borrowings to equity accounted investees, including estimated interest payments, are detailed in the tables below. The contractual maturities of our financial liabilities are based on the contractual amortization tables of the facilities. The 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 in 2016 also for the Excelerate/Explorer/Express loans) and on the cash flow projections for future years for the Emar LPG shareholder's loan (and in 2016 also for the Monteriggioni facility).
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 months	1-2 years	2-5 years	> 5 years
AS PER 31 DECEMBER 2016									
NON-DERIVATIVE FINANCIAL LIABILITIES:									
Bank loans	USD	libor + 1%	2018	-41,000	-42,751	-861	-41,890	0	0
Bank loans	USD	5.515%	2018	-14,167	-15,157	-7,776	-7,381	0	0
Bank loans	USD	libor + 0.9%	2020-2021	-230,149	-248,600	-12,752	-13,332	-222,516	0
Bank loans	USD	libor + 3%	2019-2020	-57,163	-63,086	-9,479	-9,261	-44,346	0
Bank loans	USD	libor + 1%	2018-2019	-11,330	-11,786	-2,112	-5,440	-4,234	0
Bond	NOK	Nibor + 4.5%	2017	-115,450	-120,911	-120,911	0	0	0
Other bank loans	EUR			-478	-485	-485	0	0	0
				-469,737	-502,776	-154,376	-77,304	-271,096	0
DERIVATIVE FINANCIAL INSTRUMENTS (NET):									
Cross currency interest rate swap	USD			-36,182	-36,182	-36,182	0	0	0
				-36,182	-36,182	-36,182	0	0	0
BORROWINGS TO EQUITY ACCOUNTED INVESTEES	USD			371,505	595,576	54,956	97,079	145,753	297,788
FINANCIAL GUARANTEES	USD			0	-300,987	-35,941	-28,162	-236,884	0

	Currency	Interest rates	Maturity	Carrying amount	Contractual cash flows				
					Total	0-12 months	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

FAIR VALUES

CARRYING AMOUNTS VERSUS FAIR VALUES

	Fair value hierarchy (*)	2017		2016	
		Carrying amount	Fair value	Carrying amount	Fair value
CARRYING AMOUNTS VERSUS FAIR VALUES					
Borrowings to equity accounted investees	2	63,244	60,875	371,505	453,386
Available-for-sale financial assets	1/2	4,577	4,577	3,608	3,608
Derivative financial instruments assets	2	1,065	1,065	0	0
Interest-bearing loans	1/2	-372,707	-398,112	-469,737	-459,462
Derivative financial instruments liabilities	2	0	0	-36,182	-36,182
		-303,821	-331,595	-130,806	-38,650

(*) The financial assets and liabilities carried at fair value are analysed and a hierarchy in valuation method has been defined: level 1 being quoted bid prices in active markets for identical assets or liabilities, level 2 being inputs in other than quoted prices included in level 1 that are observable for the related assets and liabilities, either directly (as prices) or indirectly (derived from prices), level 3 being inputs for the asset or liability that are not based on observable market data. The breakdown between level 1 and 2 of the available-for-sales financial assets is shown in the beginning of this note. In respect of the interest-bearing loans, the fair value of the bond is based on a level 1 valuation. The carrying amount of the bond amounts to USD 125.7 million, whereas the fair value amounts to USD 126.2 million. The other interest-bearing loans are based on a level 2 valuation.

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

For certain financial assets and liabilities (trade and other receivables, cash and cash equivalents and trade and other payables) not carried at fair value, no fair value is disclosed because the carrying amounts are a reasonable approximation of the fair values.

CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base as to maintain investor, creditor and market confidence and to sustain future development of the business. The balance between a higher return that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position is monitored on a continuing basis. The Board monitors the return on capital and the level of dividends to ordinary shareholders.

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 2017 relating to the operating lease agreements amounts to USD 11.0 million (2016: USD 11.0 million) of which USD 8.9 million is born by our equity accounted investees (2016: 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:

	Subsidiaries	Equity accounted investees	Subsidiaries	Equity accounted investees
	2017		2016	
OPERATING LEASE OBLIGATIONS (LEASES AS LESSEE)				
Less than 1 year	1,667	8,572	1,667	8,859
Between 1 and 5 years	4,168	21,636	5,835	24,799
More than 5 years	0	7,212	0	12,621
	5,835	37,420	7,502	46,279

The amounts disclosed for the equity accounted investees represent our share in the lease obligations. The average duration of the lease agreements amount to 3.6 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 2017 relating to operating leases amounts to USD 157.6 million (2016: USD 197.4 million) of which USD 134 million is earned by our equity accounted investees (2016: USD 174.4 million). The future minimum rental receipts are as follows:

	Subsidiaries	Equity accounted investees	Subsidiaries	Equity accounted investees
	2017		2016	
OPERATING LEASE RIGHTS (LEASES AS LESSOR)				
Less than 1 year	24,057	65,955	20,992	130,855
Between 1 and 5 years	714	136,220	3,201	382,337
More than 5 years	0	48,265	0	516,394
	24,771	250,440	24,193	1,029,586

The amounts disclosed for the equity accounted investees represent our share in the lease rights. The average duration of the lease agreements amounts to 1.95 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 decrease of the lease rights in our equity accounted investees can be mainly explained by the sale of the LNG companies Excelerate NV, Explorer NV and Express NV (we refer in this respect also to note 10 of this report).

FINANCE LEASES

EXMAR leases 3 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 2017 relating to the finance lease agreements amount to USD 5.1 million (2016: USD 1.2 million), all born by our equity accounted investees.

31. CAPITAL COMMITMENTS (in thousands of USD)

As per December 31, 2017 the capital commitments are as follows:

	Subsidiaries	Equity accounted investees
LPG segment	0	51,539
	0	51,539

The amount disclosed for the equity accounted investees represents our share in the capital commitments of these equity accounted investees. The capital commitments relate to the midsize carriers under construction (LPG segment). The payments of these commitments will be spread over the coming year. In respect of these commitments, the necessary financing agreements are in place, except for the last ordered LPG vessel under construction (USD 33.3 million) which is expected to be delivered in July 2018.

On February 7, 2018 EXMAR has contracted 2 VLGC newbuilding's, to serve long-term commitments with Statoil ASA of Norway for worldwide LPG transportation. Both vessels will be constructed by Hanjin Heavy Industries & Construction at Subic Bay (Philippines) for delivery within the third quarter of 2020. The expected capital commitments amount to USD 140.1 million. These commitments have not been included in above overview as they originated after December 31, 2017.

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.

A vessel held by one of our joint ventures was party to a lease arrangement whereby the lessor could claim tax depreciation on the capital expenditures it incurred to acquire these vessels. As is typical in these leasing arrangements, tax and change of law risks are assumed by the lessee. Our joint venture terminated this lease arrangement in 2013. However, in case of a successful challenge by the UK tax authority ("HMRC") of the tax treatment of the lease by the UK lessor, we can be required to compensate the lessor for any tax amounts to be paid. At this point in time, the Board of Directors is not able to calculate the possible outflow as a consequence of this matter.

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 305 to the Group (2016: KEUR 480) for services provided during 2017. The outstanding amount at year end in respect of these services amounts to KEUR 113 (2016: KEUR 138). This amount has been fully paid by EXMAR in 2018.

EXMAR Shipmanagement charged KEUR 438 to Saverex for shipmanagement services in respect of the yacht "Douce France". The outstanding amount at year end in respect of these services has been fully repaid early 2018.

Per 31/12/2017, a provision of KEUR 320 (2016: KEUR 259) 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 31/12/2016	Payables per 31/12/2016	Services provided (P&L 2016)	Services received (P&L 2016)
Shipmanagement services	5,603	1,503	20,514	0
General, accounting and corporate services	227	5,194	727	0
Site supervision & plan approval services	683	0	2,367	0
Rental services	0	0	0	1,401

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

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)	2017	2016
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 2017. Per 31/12/2017, a provision of KEUR 320 (2016: KEUR 259) was accounted for towards Mr Nicolas Saverys as a consequence of private expenses to be recharged.

AUDIT COMMITTEE

AUDIT COMMITTEE (IN THOUSANDS OF EUR)	2017	2016
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)	2017	2016
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 2017 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, Lara Consult BVBA (represented by Bart Lavent) would be entitled to a compensation equivalent of seven 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 (IN THOUSANDS OF EUR)	2017	2016
TOTAL FIXED REMUNERATION	2,709	2,763
of which for insurance and pension plan	331	326
of which value of share options	0	0
TOTAL VARIABLE REMUNERATION	700	0

CEO (IN THOUSANDS OF EUR)	2017	2016
TOTAL FIXED REMUNERATION	1,037	1,036
of which for insurance and pension plan	214	212
of which value of share options	0	0
TOTAL VARIABLE REMUNERATION	900	0

No loans were granted to the members of the executive committee in 2017. Per 31/12/2017, a provision of KEUR 320 (2016: KEUR 259) 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 7 share option plans approved by the board of directors. The accumulated number of options (plan 2 to 4 and plan 7 to 10) allocated to the members of the executive committee are as follows:

NUMBER OF SHARES ALLOCATED	2017	2016
Nicolas Saverys	325,408	405,181
Patrick De Brabandere	198,807	198,807
Pierre Dincq	119,829	119,829
Marc Nuytemans	119,464	148,928
Bart Lavent	90,000	92,975
Miguel de Potter	93,000	93,488
David Lim	128,927	146,158
	1,075,435	1,205,366

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.

32. GROUP ENTITIES

	Country of incorporation	Company id	Consolidation method	Ownership	
				2017	2016
CONSOLIDATED COMPANIES					
JOINT VENTURES					
Estrela Ltd	Hong Kong		Equity	50.00%	50.00%
Excelerate NV (*)	Belgium	0870.910.441	Equity	0.00%	50.00%
Excelsior BVBA	Belgium	0866.482.687	Equity	50.00%	50.00%
Exmar Gas Shipping Ltd	Hong Kong		Equity	50.00%	50.00%
Exmar LPG BVBA	Belgium	0501.532.758	Equity	50.00%	50.00%
Exmar Shipping BVBA	Belgium	0860.978.334	Equity	50.00%	50.00%
Explorer NV (*)	Belgium	0896.311.177	Equity	0.00%	50.00%
Express NV (*)	Belgium	0878.453.279	Equity	0.00%	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%	0.00%
Bureau International Maritime Congo	Congo		Equity	40.00%	0.00%
Compagnie Parisienne Formation et Logistique	France		Equity	40.00%	0.00%
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%	0.00%
Ahlmar SA	Luxembourg		Full	60.00%	0.00%
Ahlmar Ship Management NV	Belgium	0676.847.588	Full	60.00%	0.00%
Belgibo NV (*)	Belgium	0416.986.865	Full	0.00%	100.00%
Best Progress International Ltd	Hong Kong		Full	100.00%	100.00%
CMC Belgibo BVBA (*)	Belgium	0456.815.263	Full	0.00%	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%

	Country of incorporation	Company id	Consolidation method	Ownership	
				2017	2016
CONSOLIDATED COMPANIES					
SUBSIDIARIES CONTINUED					
Exmar Energy Hong Kong Ltd	Hong Kong		Full	100.00%	100.00%
Exmar Energy Netherlands BV	Netherlands		Full	100.00%	100.00%
Exmar General Partner Ltd (**)	Hong Kong		Full	0.00%	100.00%
Exmar Holdings Ltd	Liberia		Full	100.00%	100.00%
Exmar Hong Kong Ltd	Hong Kong		Full	100.00%	100.00%
Exmar LNG Holding NV	Belgium	0891.233.327	Full	100.00%	100.00%
Exmar LNG Infrastructure NV	Belgium	0555.660.441	Full	100.00%	100.00%
Exmar LNG Investments Ltd	Liberia		Full	100.00%	100.00%
Exmar Lux SA	Luxembourg		Full	100.00%	100.00%
Exmar Marine NV	Belgium	0424.355.501	Full	100.00%	100.00%
Exmar Netherlands BV	Netherlands		Full	100.00%	100.00%
Exmar NV	Belgium	0860.409.202	Full	100.00%	100.00%
Exmar Offshore Company	USA		Full	100.00%	100.00%
Exmar Offshore Ltd	Bermuda		Full	100.00%	100.00%
Exmar Offshore Services SA	Luxembourg		Full	100.00%	100.00%
Exmar Offshore NV	Belgium	0882.213.020	Full	100.00%	100.00%
Exmar Opti Ltd (**)	Hong Kong		Full	0.00%	100.00%
Exmar Singapore Pte Ltd	Singapore		Full	100.00%	100.00%
Exmar Shipmanagement NV	Belgium	0442.176.676	Full	100.00%	100.00%
Exmar Shipmanagement India Private Ltd	India		Full	100.00%	100.00%
Exmar Shipping USA Inc	USA		Full	100.00%	100.00%
Exmar (UK) Shipping Company Ltd	Great-Britain		Full	100.00%	100.00%
Exmar Yachting NV	Belgium	0546.818.692	Full	100.00%	100.00%
Expedita Ltd	Hong Kong		Full	100.00%	0.00%
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	100.00%	100.00%
Laurels Carriers Inc	Liberia		Full	100.00%	100.00%
Seavie Private Ltd	India		Full	100.00%	0.00%
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%

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

(**) These companies have been liquidated during the accouting year.

35. MAJOR EXCHANGE RATES USED

	Closing rates		Average rates	
	2017	2016	2017	2016
EXCHANGE RATES				
EUR	0.8338	0.8890	0.9487	0.9041
GBP	0.7398	0.7762	0.8123	0.7346
HKD	7.8146	7.7906	7.7555	7.7611
NOK	8.2050	8.2753	8.6199	8.4131

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:

	2017	2016
FEES STATUTORY AUDITOR		
Audit services	367	432
Audit related services	0	35
Tax services	83	101
	450	568

For 2017 and 2016, the non-audit fees do not exceed the audit fees. The statutory auditor of EXMAR changed from KPMG Bedrijfsrevisoren to Deloitte Bedrijfsrevisoren from 2017 onwards.

37. SUBSEQUENT EVENTS

On January 30, 2018 the vessel COURCHEVILLE (50% owned by EXMAR and 50% owned by Teekay) has been sold for recycling towards counterparty Best Oasis Ltd. This sale has generated a profit of USD 2.2 million that will be recorded in Q1/2018, EXMAR's share in this profit amounts to USD 1.1 million.

On Janaury 31, 2018 EXMAR has sold its 50% share in Excelsior BVBA to Excelerate Energy for an amount of USD 81 million. EXMAR will record a capital gain of approximately USD 31 million on this sale in Q1/2018. We refer to the statement of financial position and to note 17 of this annual report, where Excelsior has been presented as equity accounted investee held for sale.

On February 7, 2018 EXMAR has contracted 2 VLGC newbuilding's, to serve long-term commitments with Statoil ASA of Norway for worldwide LPG transportation. Both vessels will be constructed by Hanjin Heavy Industries & Construction at Subic Bay (Philippines) for delivery within the third quarter of 2020. The expected capital commitments amount to USD 140.1 million. We also refer to note 31 in this respect.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

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

GOING CONCERN

The consolidated financial statements have been prepared on a going concern basis. In making this assessment, the Board of Directors has made the following assumption:
* Successful long term financing for the FSRU: 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, see note 10 for more information in this respect). EXMAR is currently in negotiations with different parties for the financing of the FSRU. Management is confident that it will be able to successfully secure a long-term financing for the FSRU.

STATEMENT ON THE TRUE AND FAIR VIEW

OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE FAIR OVERVIEW OF THE MANAGEMENT REPORT

The Board of Directors, represented by Nicolas Saverys and Patrick De Brabandere, and the Executive Committee, represented by Nicolas Saverys and Miguel de Potter, hereby certifies on behalf and for the account of the company, that to their knowledge,

- the consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the equity, financial position and financial performance of the company, and the entities included in the consolidation as a whole,
-the annual report on the consolidated financial statements includes a fair overview of the development and performance of the business and the position of the company, and the entities included in the consolidation, together with a description of the principal risks and uncertainties which they are exposed to.

REPORT OF THE STATUTORY AUDITOR

STATUTORY AUDITOR'S REPORT TO THE SHAREHOLDERS' MEETING FOR THE YEAR ENDED 31 DECEMBER 2017

In the context of the statutory audit of the consolidated financial statements of EXMAR NV/SA ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report to you. This report includes our report on the consolidated financial statements together with our report on other legal, regulatory and professional requirements. These reports are one and indivisible. We were appointed in our capacity as statutory auditor by the shareholders' meeting of 16 May 2017, in accordance with the proposal of the board of directors issued upon recommendation of the audit committee. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2019. We have audited the consolidated financial statements of EXMAR NV/SA for the first time during the financial year referred to in this report.

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 2017, the consolidated statement of profit or loss and consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow 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 918 595 (000) USD and the consolidated statement of profit or loss shows a consolidated net profit for the year then ended of 27 952 (000) USD. In our opinion, the consolidated financial statements of EXMAR NV/SA give a true and fair view of the group's net equity and financial position as of 31 December 2017 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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.

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 563 021 (000) USD represent 61% of the consolidated balance sheet total as at 31 December 2017. 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 due to the current low spot and charter rates. • We refer to the consolidated financial statements, including notes to the consolidated financial statements: Note 11 Vessels	• We considered the process and the internal control implemented by management and we carried out testing relating to the design and implementation of management's controls to assess impairment indicators. • We obtained external broker reports via management to evaluate the fair value less cost to sell, where applicable, 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 calculations and we assessed the historical accuracy of management's estimates, where applicable. In challenging these assumptions, we took into account actual results, negotiated contract terms, external data, independent market reports and market conditions. • We involved our valuation experts to assist us in the evaluation of the discount rates used by the Group, performed sensitivity analysis where considered necessary and assessed the consistency of valuation methodologies applied and assumptions used throughout the Group. • Furthermore, we evaluated the adequacy of the Group's disclosures regarding the impairments of property, plant and equipment.

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTERS
GOING CONCERN	
• The directors of the Group are required to make a rigorous assessment of whether the Group will remain a going concern for a period of at least twelve months from the date of approval of the financial statements and assess whether there are any material uncertainties in relation to the going concern basis of preparation. • The Group's liquidity and headroom on its financial covenants are closely linked to changes in spot and charter rates, occupation of the vessels and ongoing investment and divestment programs. • Significant management judgement and estimate is required to forecast future cash flows and conclude on whether the Group will have sufficient liquidity and will be able to comply with its financial covenants for the period of at least 12 months from the date of authorizing the financial statements. • We refer to the consolidated financial statements, including notes to the consolidated financial statements: Significant judgements and estimates.	• We have assessed the design and implementation of controls related to the assessment of going concern. • We challenged the appropriateness and consistency of the assumptions used in the going concern model, in particular the spot and charter rates, the occupation ratio of vessels which are not employed under a time charter, the cash flows from investing and divesting transactions. In challenging these assumptions we took into account actual results, negotiated contract terms, external data, independent market reports and market conditions. • We have tested the arithmetic integrity of the calculations including those related to management's sensitivities. We also performed our own sensitivity calculations to test the adequacy of the available headroom and we considered the mitigating actions available to management under these scenarios. • We have tested the quality of management forecasting by comparing EBITDA forecasts for prior periods to actual outcomes. • We have discussed and reviewed the financial covenants and recomputed the available headroom. • We evaluated the adequacy of the Group's disclosures regarding the going concern assumption.

Other matters

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

Responsibilities of the board of directors for the 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements. 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 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 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 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 auditor's report unless law or regulation precludes any public disclosure about the matter.

REPORT ON OTHER LEGAL, REGULATORY AND PROFESSIONAL REQUIREMENTS

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the 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), 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 the period ended 31 December 2017 and it 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. We do not express any kind of assurance on the directors' report on the consolidated financial statements. 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 recognized framework. We do however not express any opinion on the question whether this non-financial information has been established, in all material respects, in accordance with this internationally recognized framework. Furthermore, we do not express any form of assurance conclusion on individual elements that have been disclosed in this non-financial information.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the company during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit of the consolidated financial statements, 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 ofRegulation (EU) No 537/2014.

Zaventem, April, 2018
The statutory auditor

DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Gert Vanhees

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

	31/12/17	31/12/16
ASSETS		
FIXED ASSETS	674,579	681,164
(In-)tangible assets	568	987
Financial assets	674,011	680,177
CURRENT ASSETS	88,097	210,106
Amounts receivable after one year	0	28,548
Amounts receivable within one year	36,848	61,688
Investments	33,827	51,396
Cash and cash equivalents	17,092	67,648
Accrued income and deferred charges	330	826
TOTAL ASSETS	762,676	891,270
EQUITY AND LIABILITIES		
EQUITY	649,050	537,994
Capital	88,812	88,812
Share premium	209,902	209,902
Reserves	90,001	92,530
Accumulated profits	260,335	146,750
PROVISIONS AND DEFERRED TAXES	2,697	2,697
Provisions and deferred taxes	2,697	2,697
LIABILITIES	110,929	350,579
Amounts payable after one year	0	270,167
Amounts payable within one year	110,929	79,093
Accrued charges and deferred income	0	1,319
TOTAL EQUITY AND LIABILITIES	762,676	891,270

STATEMENT OF PROFIT OR LOSS

	01/01/2017 - 31/12/2017	01/01/2016 - 31/12/2016
STATEMENT OF PROFIT OR LOSS		
Operating income	5,668	3,606
Operating expenses	-10,834	-7,801
OPERATING RESULT	-5,166	-4,195
Financial income	133,306	41,319
Financial expenses	-16,772	-40,707
RESULT FOR THE YEAR BEFORE TAX	111,368	-3,583
Income tax	-312	2
RESULT FOR THE YEAR	111,056	-3,581
APPROPRIATION OF RESULT		
Result to be appropriated	257,806	145,046
Transfer from/(to) capital and reserves	2,529	8,327
Result to be carried forward	-260,335	-146,750
Distribution of result	0	-6,623

COLOPHON

BOARD OF DIRECTORS

Baron Philippe Bodson – Chairman
Nicolas Saverys – CEO
Jalcos NV – represented by Ludwig Criel
Patrick De Brabandere – COO
Michel Delbaere
Howard Gutman
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
Bart Lavent – Managing Director LNG Infrastructure
David Lim – Managing Director Offshore
Marc Nuytemans – CEO Exmar Shipmanagement

AUDITOR

Deloitte Auditors
Represented by
Mr. Gert Vanhees

EXMAR NV

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

MIX
Paper from responsible sources
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GLOSSARY

Bbl	Barrel
BEMAS	Belgian Maintenance Association
BFI	Baltic Freight Index
BIC	Belgibo Industry Cargo
BIM	Bureau International Maritime
Bn	Billion
BPD	Barrels per day
BTX	Mixture of benzene, toluene and xylenes
BWTS	Ballast water treatment system
C4	Crude betadine
CAPEX	Capital Expenditure
cbm	Cubic meters (m^3)
CCIRS	Cross Currency Interest Rate Swaps
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFLNG	Caribbean FLNG
CO_2	Carbon dioxide
COO	Chief Operating Officer
DPC	Data Protection Committee
DUC	Drilled and Uncompleted wells
DVO	DV Offshore
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EE	Excelerate Energy
EOC	EXMAR Offshore Company
ESM	EXMAR Ship Management
FID	Final Investment Decision
FLNG	Floating Liquefaction of Natural Gas
FPS	Floating Production System
FPSO	Floating Production Storage and Offloading-unit
FSU	Floating Storage Unit
FSPO	Floating Storage Production and Offloading
FSRU	Floating Storage and Regasification Unit
FV	Fair value

GDPR	General Data Protection Regulation
GRI	Global Reporting Initiative
HFO	Heavy Fuel Oil
HHIC	Hanjin Heavy Industries and Construction
HSEQ	Health, Safety, Environment and Quality
HSEEQ	Health, Safety, Environmental Energy and Quality
HyMethShip	Hydrogen Methanol Ship
IAS	International Accounting Standards
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
IMO	International Maritime Organization
IPP	Independent power production
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	20,000 m^3 to 40,000 m^3
Mio	Million
MMSCFD	Million standard cubic feet per day
MT	Metric tons
MTPA	Million tons per annum
NH_3	Ammonia
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
PEP	Pacific Exploration & Production
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
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