

The Executive Committee of EXMAR NV today reports its third quarter results 2019.

## Highlights

- The operating result (EBIT) in the third quarter of 2019 was USD 5.5 million (proportionate consolidation)
- Strong earnings for the Very Large Gas Carriers, and Midsize Gas Carriers continue their solid upward trend
- **TANGO FLNG** has been producing in line with expectations since the commercial start of the 10 year term on 14 September
- **FSRU barge**: GUNVOR has launched arbitration procedure with respect to the execution of the charter party
- Update on liquidity position

## Consolidated key figures

Consolidated statement of profit or loss (in million USD)	International Financial Reporting Standards (IFRS)		Management Reporting based on "Proportionate Consolidation"	
	30/09/2019	Restated 30/09/2018	30/09/2019	Restated 30/09/2018
Turnover	95,7	74,9	163,2	139,9
EBITDA	27,4	21,2	67,8	51,8
Depreciations and impairment losses	-21,3	-17,7	-46,0	-36,4
Operating result (EBIT)	6,1	3,5	21,8	15,4
Net Finance result	-16,3	-19,7	-29,6	-31,2
Share in the result of equity accounted investees (net of income tax)	2,8	0,8	0,5	0,6
Result before tax	-7,4	-15,4	-7,3	-15,2
Tax	-1,9	-1,0	-2,0	-1,2
Consolidated result after tax	-9,3	-16,4	-9,3	-16,4
of which group share	-9,3	-16,4	-9,3	-16,4
Information per share (in USD per share)				
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
Weighted average number of shares of the period	57 226 737	57 024 230	57 226 737	57 024 230
EBITDA	0,48	0,37	1,18	0,91
EBIT	0,11	0,06	0,38	0,27
Consolidated result after tax	-0,16	-0,29	-0,16	-0,29
Contribution to the consolidated operating result (EBIT) of the various operating divisions (in million USD)			30/09/2019	30/09/2018
LPG			8,4	2,9
LNG			-6,2	14,4
Offshore			1,8	-1,8
Supporting Services and Holding			17,8	-0,1
Consolidated operating result			21,8	15,4

**IFRS Figures:** The figures in these columns have been prepared in accordance with International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU and have not been reviewed by the statutory auditor.

**Proportional Consolidated Figures:** The figures in these columns show joint ventures applying the proportionate consolidation method instead of applying the equity method and have not been reviewed by the statutory auditor.

Cash Flow from operations (EBITDA) as per proportionate consolidation method for the third quarter 2019 is USD 19.4 million (USD 8.5 million for third quarter 2018). EBIT for the third quarter 2019 is USD 5.5 million (USD 1.6 million for third quarter 2018).

This EBIT figure includes a capital gain of USD 19.3 million on the sale of EXMAR's 50% shares in RESLEA (real estate) and an impairment of USD 2.2 million. The standby revenues for **TANGO FLNG** since May 2019 will gradually be recognized in P&L as from start of operations from mid-September 2019 (in accordance with IFRS 15).



### Time – Charter Equivalent for the LPG fleet

Time-Charter Equivalent (in USD per day)	YTD September 2019	YTD September 2018
Midsized (38,115 m <sup>3</sup> )	18,265	18,319
VLGC (83,300 m <sup>3</sup> )	26,836	11,192
Pressurized (3,500 m <sup>3</sup> )	7,511	6,893
Pressurized (5,000 m <sup>3</sup> )	8,889	8,761

### Highlights third quarter 2019 and outlook

#### LPG

The EBIT for the LPG Division in the third quarter of 2019 was USD 4.1 million compared to USD 1.0 million in the third quarter of 2018.

The strength to the LPG freight markets has continued through the third quarter with VLGCs leading the way obtaining time charter returns in the spot market in excess of USD 1.8 million per month supported by strong and increasing US exports with long-haul voyages to the Far East. This continues to support the smaller fully refrigerated gas segments including our midsize segment where rates have substantially improved since the beginning of the year. The fundamentals continue to look positive for the coming months.

**VLGC:** The current trading fleet of EXMAR in the VLGC segment is the 83,300 m<sup>3</sup> **BW TOKYO**. During the quarter the vessel has been extended to a first-class counterpart at a profitable rate to EXMAR in line with strong market fundamentals. The two 88,000 m<sup>3</sup> next generation dual fuel newbuildings with a long-term charter to Equinor are progressing according to schedule with expected delivery second and third quarter 2021, respectively.

**Midsized:** EXMAR as pivotal player in the midsize market with a market share close to 20% has increasingly started to benefit from tightening freight markets with every renewal being concluded at higher levels. The market has moved from low USD 500,000 per month at the beginning of the year to in excess of USD 800,000 per month now. With the 2020 IMO rules soon to be implemented the performance difference between our modern fleet and the average midsize carrier is increasing and will enable us to obtain a premium for these vessels. Our coverage for 2020 is now 56%.

**Pressurized:** The fleet remains well-covered with period employment both in Far East and the Western hemisphere. The market has been stable which is also reflected in the time charter renewals done. Our coverage for 2020 is 25%.

#### LNG & LNG Infrastructure

The EBIT for the LNG Division in the third quarter of 2019 was USD 1.2 million compared to USD -9.4 million in the third quarter of 2018.

**LNG Shipping: EXCALIBUR** remains on a long-term time charter contract till March 2022 with Excelebrate Energy.

**Floating Liquefaction:** Following commercial acceptance of **TANGO FLNG** by our customer on 6 June and the commercial start of the 10 year term on 14 September, the unit has been producing in line with expectations.

**Floating Regasification:** In September GUNVOR has given notice of a dispute with respect to the execution of the Charter for the **FSRU barge** and has now started arbitration. EXMAR is confident about the outcome. Meanwhile the charter remains in full force and effect.



## **OFFSHORE**

The EBIT for the Offshore Division in the third quarter of 2019 was USD 0.8 million compared to USD 0.3 million in the third quarter of 2018.

**NUNCE** remains under contract to SONANGOL P&P, offshore Angola since July 2009.

**WARIBOKO** was redelivered from Total E&P in Nigeria in July 2019. The barge will perform an interim employment in Congo for about two months. Discussions for re-employment as from mid-2020 are progressing well.

EXMAR's office in Houston, Texas, US has registered high engineering utilization levels since the beginning of the year, dedicated to detailed engineering work and site supervision on the construction of the King's Quay production semisubmersible which is the third OPTI®-hull design for the Gulf of Mexico.

## **SUPPORTING SERVICES**

The contribution of the Supporting activities to the operating result (EBIT) for the third quarter 2019 was USD -0.6 million (USD 2.0 million for the third quarter 2018).

EXMAR Ship Management and Anglo-Eastern Univan Group have formed of a joint venture (AEX), dedicated to the newbuilding supervision and vessel management of LNG carriers for third-party owners.

## **UPDATE ON LIQUIDITY POSITION**

**Tango FLNG:** We have received verbal confirmation from SINOSURE that the release of USD 40 million restricted cash should be done before the end of the year. In parallel, in order to further increase potential leverage on **TANGO FLNG**, we are confident that a refinancing can be achieved in the first months of 2020, which would generate approximately USD 60 million additional free cash.

**FSRU Barge:** As previously communicated, CSSC has committed the FSRU financing but in view of the development outlined above we have been so far unable to provide CSSC with the security documents requiring the signature of Charterer and hence drawdown under the CSSC financing. In the meantime we have obtained extension of the validity period of the financing until end of October and discussions are ongoing for further extension.

**Bridge Loans:** Under these circumstances, EXMAR has obtained from its close lending banks an agreement in principle for further extension of the USD 30 million bridge loans until end of November and discussions for further extension are ongoing.

The Management is confident that the required extensions will be obtained as this safeguards sufficient liquidity until the restricted cash under the **Tango FLNG** financing is released.

## **EXMAR**

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.

EXMAR is listed on Euronext Brussels (EXM) and is part of the BEL Mid Index.

