

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

## Highlights

- The operating result (EBIT) in the third quarter of 2020 was USD 22 million (proportionate consolidation)
- Midsize Gas Carriers continue their solid upward trend while Pressurized spot market is suffering due to low refinery activity
- Settlement Agreement reached with YPF on *TANGO FLNG*
- Update on liquidity position

## Consolidated key figures

CONSOLIDATED KEY FIGURES	International Financial Reporting Standards (IFRS)		Management Reporting based on "Proportionate Consolidation"	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
<b>Consolidated statement of profit or loss (in million USD)</b>				
Turnover	143.4	95.7	217.9	163.2
EBITDA	58.8	27.4	105.6	67.8
Depreciations and impairment losses	-57.0	-21.3	-83.6	-46.0
Operating result (EBIT)	1.8	6.1	22.0	21.8
Net Finance result	-12.5	-16.3	-22.7	-29.6
Share in the result of equity accounted investees (net of income tax)	8.8	2.8	-1.2	0.6
Result before tax	-1.9	-7.4	-1.9	-7.3
Tax	-5.2	-1.9	-5.2	-2.0
Consolidated result after tax	-7.1	-9.3	-7.1	-9.3
of which group share	-7.1	-9.3	-7.1	-9.3
<b>Information per share (in USD per share)</b>				
Weighted average number of shares of the period	57,226,737	57,226,737	57,226,737	57,226,737
EBITDA	1.03	0.48	1.85	1.18
EBIT	0.03	0.11	0.38	0.38
Consolidated result after tax	-0.12	-0.16	-0.12	-0.16
<b>Contribution to the consolidated operating result (EBIT) of the various operating divisions (in million USD)</b>			<b>30/09/2020</b>	<b>30/09/2019</b>
Shipping			14.9	8.4
Infrastructure			2.0	-4.4
Supporting Services and Holding			5.1	17.8
Consolidated operating result			<b>22.0</b>	<b>21.8</b>

**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 2020 is USD 105.6 million (USD 67.8 million for third quarter 2019). EBIT for the third quarter 2020 is USD 2.8 million (USD 5.5 million for third quarter 2019).

This EBIT figure has been negatively affected by the recognition of a provision for uncollected revenues from YPF of USD 34.1 million (USD 17.7 million for the first semester and USD 16.4 million for the third quarter).

In accordance with IFRS 15 the Termination Fee for *TANGO FLNG* (USD 150 million) will be recognized in full in P&L in October 2020.



## Time – Charter Equivalent for the LPG fleet

Time-Charter Equivalent (in USD per day)	YTD September 2020	YTD September 2019
Midsize (38,115 m <sup>3</sup> )	21,412	18,265
VLGC (83,300 m <sup>3</sup> )	30,812	26,836
Pressurized (3,500 m <sup>3</sup> )	5,781	7,511
Pressurized (5,000 m <sup>3</sup> )	8,116	8,889

### Highlights third quarter 2020 and outlook

#### **SHIPPING**

The EBIT for the Business Unit Shipping in the third quarter of 2020 was USD 3.6 million compared to USD 5.4 million in the third quarter of 2019.

Following the impact of COVID-19 on the first half of the year, third quarter saw freight rates improving to sustainable levels after a short summer lull. Apart from the pressurized segment, VLGC and MGC freight markets nearly completely recovered and although the pandemic is a new factor to be taken into account, there is reason to be confident about the gas shipping markets with a mounting focus on sustainability and new transport fuel solutions.

**VLGC:** VLGC freight rates were boosted thanks to strong LPG product demand and long-haul exports out of the US. Helped by strong LPG imports into China as well, freight levels remained stable throughout the third quarter with Time Charter Equivalents of the spot rate averaging USD 1.2 million per month. Spot rates even surpassed USD 1.5 million per month at the end of the quarter.

The construction of EXMAR's two 88,000 m<sup>3</sup> next generation dual fuel vessels is on schedule and proceeding as planned, with the delivery of these vessels under a long-term charter with Equinor expected in the second and third quarter of 2021. The financing of these two vessels is progressing and final commitment is expected before the end of the year.

Including commitments taken on **BW TOKYO**, VLGC coverage for 2021 already stands at 88%.

**Midsize:** Despite a slow start, the third quarter has been marked by steadily improving rates in this segment up to low USD 700,000 per month on a modern 38,000 m<sup>3</sup> for a one-year time charter. The EXMAR fleet is well positioned to continue serving its industrial customers in challenging times where a high level of operational expertise is required. Today, almost the entire fleet is on charter cover for the remainder of 2020 while for 2021 coverage is already standing at about 63% at improved rate.

The refinancing of the bank facility led by Nordea has now been fully committed for an amount of USD 310 million. Finalization of the documentation is expected in November.

**Pressurized:** Although the pressurized freight markets West of Suez have been yielding freight levels well below OPEX, EXMAR managed to secure four vessels for period business and moved one vessel East of Suez where markets proved healthier. After a positioning cargo, the vessel immediately entered into a one-year time charter. Short term the market is expected to return from historical lows with improved refinery utilization and longer term the market should improve due to low orderbook. The current charter coverage for 2021 stands at about 35%.

**LNG:** EXMAR has currently only **EXCALIBUR** in its fleet, which is on charter to Excelebrate Energy until end 2021 / beginning 2022 at rewarding levels.



## **INFRASTRUCTURE**

The operating result (EBIT) for the Business Unit Infrastructure in the third quarter of 2020 was USD 4.1 million compared to USD 0.7 million in the third quarter of 2019. The EBIT has been negatively affected by the recognition of a provision of USD 16.4 million on uncollected revenues from YPF on **TANGO FLNG**. In accordance with IFRS 15 the Termination Fee for **TANGO FLNG** (USD 150 million) will be recognized in full in P&L in October 2020.

As announced on 19 October EXMAR has reached a settlement agreement with YPF S.A. over the dispute under the **TANGO FLNG** Agreements. A settlement amount of USD 150 million will be paid by YPF to EXMAR in consideration of the early termination of the agreements and withdrawing the arbitration proceedings. A first payment of USD 22 million has been received. The balance of USD 128 million is payable in 18 monthly instalments backed by a financial security issued by an investment grade counterparty.

The loan agreement with Bank of China and Deutsche Bank with respect to the **TANGO FLNG** foresees a replenishment of the Debt Service Reserve Account for an amount up to USD 40 million, of which USD 22 million have already been replenished. The modalities for the payment of the balance are still under discussions.

The unit is being prepared for demobilization. Commercial leads for new employment are actively pursued.

**FSRU S188** continues serving under the charter party with Gunvor. Arbitration with respect to a dispute under the contract is ongoing without financial impact.

Accommodation barge **NUNCE** contributes as anticipated under its long term charter with Sonangol. For the accommodation barge **WARIBOKO**, the low employment level in 2020 weighs on the joint venture result. EXMAR and Total Exploration & Production Nigeria have agreed revised terms & conditions in principle to start-up in Nigeria by January 2021. Formalization of this agreement is in progress.

EXMAR OFFSHORE (Engineering office in Houston) activity levels and operating result at the end of September confirm the positive outlook for 2020, with engineering and construction of the King's Quay floating production system for Murphy Oil. Several pre-FID engineering studies are underway and will continue through the end of the year including a pre-FEED for the BHP Trion development in deepwater Mexico.

Expected operating result of DV OFFSHORE (engineering office in Paris) remains at breakeven level despite the current business environment.

## **SUPPORTING SERVICES**

The contribution of the Supporting Services to the operating result (EBIT) in the third quarter of 2020 was USD 3.3 million compared to USD -0.6 million in the third quarter of 2019.

From an O&M perspective, the year 2020 remains challenging for EXMAR SHIPMANAGEMENT due to the impact of the COVID-19 pandemic. With the commitment, loyalty and dedication of our crew at sea, the 24/7 support of our shore-based teams and the close collaboration with our long-term partners, all assets under management remain fully operational and available. Continued efforts are being made to normalize the situation as much as possible and at each opportunity. In September a new owner was added to the client portfolio – and thereby entrusting VLGC 'Bashundhara LPG Challenger' to the services of EXMAR SHIPMANAGEMENT.



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### **UPDATE ON COVID-19**

The majority of our ships are currently operating under medium to long-term contracts. The effect of the COVID-19 pandemic is foreseen to be limited for EXMAR's results for the balance of the year but the situation is closely monitored.

### **UPDATE ON LIQUIDITY POSITION**

Taking into account the payment to be received under the Settlement Agreement with YPF, of which part will have to be allocated to the replenishment of the DSRA under the Facility Agreement with Bank of China, the cash position of Exmar will gradually improve overtime.

Discussions are still ongoing with KBC, BNPP Fortis and BELFIUS for the release of the EUR 18 million Revolving Credit Facility which has been suspended following the YPF dispute.

### **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 Small Index.

