



## **Statutory auditor's report to the general meeting of Euronav NV on the annual accounts as of and for the year ended December 31, 2017**

### **FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH**

In the context of the statutory audit of the annual accounts of Euronav NV ("the Company"), we provide you with our statutory auditor's report. This includes our report on the audit of the annual accounts for the year ended December 31, 2017, as well as our report on other legal, regulatory and professional requirements. These reports are one and indivisible.

We were appointed as statutory auditor by the general meeting of May 11, 2017, in accordance with the proposal of the board of directors issued on the recommendation of the audit and risk committee. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended December 31, 2019. We have performed the statutory audit of the annual accounts of Euronav NV for 14 consecutive financial years.

### **Report on the audit of the annual accounts**

#### ***Unqualified opinion***

We have audited the annual accounts of the Company as of and for the year ended December 31, 2017, prepared in accordance with the financial reporting framework applicable in Belgium. These annual accounts comprise the balance sheet as at December 31, 2017, the income statement for the year then ended and notes. The balance sheet total amounts to USD 2.484.066.145,86 and the income statement shows a loss for the year of USD 25.023.826,30.

In our opinion, the annual accounts give a true and fair view of the Company's equity and financial position as at December 31, 2017 and of its financial performance for the year then ended in accordance with the financial reporting framework applicable in Belgium.

#### ***Basis for our unqualified opinion***

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the annual accounts" section of our report. We have complied with the ethical requirements that are relevant to our audit of the annual accounts in Belgium, including the independence requirements.

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 we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Key audit matter***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### *Valuation of vessels*

We refer to note VOL 6.3.2 of the annual accounts.

##### *— Description*

As at December 31, 2017, the carrying value of the Company's fleet of vessels was USD 1.950.750.133,77.

The Company assessed whether as a result of technical obsolescence or changes in the economic or technological circumstances, the carrying value of the fleet of vessels exceeded its value in use for the Company at December 31, 2017 and consequently, whether additional or non-recurring depreciations on the fleet of vessels were required to be recognized at December 31, 2017.

The Company concluded that the value in use for the Company of the fleet of vessels exceeded fleet's carrying value at December 31, 2017 and consequently, that no additional or non-recurring depreciations on the fleet of vessels were required to be recognized at December 31, 2017.

Determining the value in use for the Company of the fleet of vessels requires the Company to exercise significant judgment and make important assumptions, particularly in relation to the estimation of vessels' remaining useful lives, future freight rates or hire rates, future operating expenses and the applicable discount rates.

We identified the valuation of the fleet of vessels as a key audit matter because the carrying value of these assets is material to the annual accounts and also because of the significant management judgment and estimation required in assessing the value in use for the Company, which could be subject to error or potential management bias.

##### *— Our audit procedures*

Our audit procedures to assess the valuation of the fleet of vessels included the following:

- Assessing the design, implementation and operating effectiveness of the Company's key internal controls over the valuation of the fleet of vessels;
- Assessing the Company's calculations of the value in use for the Company of the fleet of vessels by comparing the assumptions used by the Company with our understanding of the Company's business and the industry in which the Company operates, in particular for the assumptions relating to vessels' remaining useful lives, forecast freight rates and hire rates and forecast vessel operating expenses;

- Challenging the Company's use of 10-year historical average freight rates in its calculations of the value in use for the Company of the fleet of vessels based on our understanding of the Company's business and the industry in which the Company operates, as well as by comparing the Company's assumptions to those used by other companies in the same industry;
- Comparing the forecast freight rates and vessel operating expenses used in the Group's calculations of the value in use for the Company of the fleet of vessels to actual freight rates earned by the Company and actual vessel operating expenses incurred by the Company in recent years;
- With the assistance of our internal valuation specialists, comparing the discount rates applied in the calculations of the value in use for the Company of the fleet of vessels with externally derived data as well as with discount rates adopted by other companies in the same industry; and
- Performing sensitivity analyses on the discount rates applied and the forecast freight rates and hire rates used by the Company to assess what changes thereto would result in a different conclusion being reached, and assessing whether there were any indications of management bias in the selection of these assumptions.

***Board of directors' responsibilities for the preparation of the annual accounts***

The board of directors is responsible for the preparation of these annual accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium, and for such internal control as board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

***Statutory auditor's responsibilities for the audit of the annual accounts***

Our objectives are to obtain reasonable assurance as to whether the annual accounts 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 ISAs 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 the users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:



- Identify and assess the risks of material misstatement of the annual accounts, 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 error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls 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 Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors;
- Conclude on the appropriateness of board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the annual accounts 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

For the matters communicated with the audit and risk committee, we determine those matters that were of most significance in the audit of the annual accounts 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 public disclosure about the matter.



## **Report on the 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 board of directors' annual report on the annual accounts and the documents required to be filed in accordance with the legal and regulatory requirements, for maintaining the Company's accounting records in compliance with the applicable legal and regulatory requirements, as well as for the Company's compliance with the Companies' Code and the Company's articles of association.

### ***Statutory auditor's responsibilities***

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the annual accounts and certain documents to be filed in accordance with legal and regulatory requirements and compliance with certain requirements of the Companies' Code and with the articles of association, and to report on these matters.

### ***Aspects concerning the board of directors' annual report on the annual accounts***

Based on specific work performed on the board of directors' annual report on the annual accounts, we are of the opinion that this report is consistent with the annual accounts for the same period and has been prepared in accordance with articles 95 and 96 of the Companies' Code.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the annual accounts contains material misstatements, or information that is incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you. We do not express any form of assurance on the board of directors' annual report on the annual accounts.

### ***Information regarding the social balance sheet***

The social balance sheet, which is to be filed with the National Bank of Belgium in accordance with article 100 § 1, 6°/2 of the Companies' Code, includes, with respect to form and content, the information required by law and does not present any material inconsistencies with the information available in our mandate.

### ***Information about the independence***

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the annual accounts and our audit firm remained independent of the Company during the term of our mandate.
- The fees for the additional engagements which are compatible with the statutory audit of the annual accounts referred to in article 134 of the



Companies' Code were correctly stated and disclosed in the notes to the annual accounts.

***Other aspects***

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.
- We do not have to inform you of any transactions undertaken or decisions taken in breach of the company's articles of association or the Companies' Code.
- This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.
- During the financial year, an interim dividend was distributed over which we prepared the accompanying report in accordance with the legal requirements.

Zaventem, April 3, 2018

KPMG Bedrijfsrevisoren / Réviseurs d'Entreprises  
Statutory auditor  
represented by

Götwin Jackers  
Réviseur d'Entreprises / Bedrijfsrevisor