Euronav Luxembourg S.A.
Société Anonyme
25, Boulevard Prince Henri

RCS B 51.212

STATUTORY MANAGEMENT REPORT
FROM THE BOARD OF DIRECTORS

Dated 31st of August, 2022

The Board of Directors (the "**Board**") of Euronav Luxembourg S.A. (the **"Company"**) presents to the shareholders its management report together with the half year annual accounts of the Company for the half year ended 30 June 2022 (attached in the Annex to this management report).

Principal Activity

The activity of the Company as stated under Article 3 of its articles of incorporation (the "**Articles**"), is:

(i) the purchase, the sale, the chartering and the nautical management of sea-going vessels.

(ii) performance of any financial or commercial activities related thereto, be it directly or indirectly

Financial Results

The Company presents a loss for the first half financial year 2022 of USD 4 161 460 (loss 2021: USD 15 295 957) mainly due to the vessel NEWTON which operated on the spot market by Time Charter to Tankers International.

The Net Turnover of the first semester 2022 was USD 17 743 464 (2021: USD 35 980 577) mainly generated by the three Time Charter contracts with Euronav NV for the vessels NOBLE, NECTAR and NAUTICA and one Time Charter contract with Tankers International for the vessel NEWTON.

The bareboat hire expenses of the vessels NOBLE, NECTAR, NAUTIC and NEWTON (USD 15 312 600) and the operating expenses in relation to these 4 bareboat vessels (USD 5 223 418) are the main items of the other external expenses for an amount of USD 21 707 624 (2021: USD 42 152 459).

For the first half year 2022 the company paid a total amount of USD 8 381 249 (2021: 15 837 339) as interest in relation to the Nordic bond. USD 2 131 250 interest has been paid for the 7.5% outstanding USD 68 200 000 Nordic Bond which was repaid on 31/05/2022. Interest for an amount of USD 6 250 000 was paid for the new Nordic Bond (9/2021) at a lower interest rate (6.25% instead of previous 7.5%).

As a result of the new issued Nordic Bond, the Company has provided interest bearing loans to Euronav NV for USD 163 500 000 000 and to Euronav Hong Kong Lt for USD 36 500 000. As result of the old, issued Nordic Bond, the Company had, until the 31st of May 2022, outstanding interest bearing loans to Euronav NV for USD 44 850 000 and to Euronav Hong Kong Lt for USD 20 850 000. For granting these loans, the Company received interests in an amount of USD 9 017 576.

(2021: 14 112 459).

Examination of the Development, Position and Performance of the Activities of the Company

The current financial position as presented in the annual accounts (attached in the Annex), which reflects the results, the performance and the position of the Company is considered satisfactory.

Our governance

Approach

The Code of Business Conduct and Ethics (the 'Code') has been adopted by the Supervisory Board (the 'Board') of Euronav NV (together with its subsidiaries, the 'Company') for all of the Company's employees, directors and officers ('Relevant Persons').

The conduct of individuals in these guidelines relate to the relationship with colleagues, customers, suppliers and government agencies with equal importance. As a starting point, Euronav should present itself as a professional and responsible organisation. This Code sets out a set of basic principles to guide Relevant Persons regarding the minimum requirements expected of them.

Third party risk policy and anti-corruption policy

Euronav is committed to conduct all its business operations around the world in an honest, fair, transparent and ethical manner. The Anti-Corruption Policy is applicable to employees and persons who act on behalf of Euronav. Euronav has also become a member of the Maritime Anti-Corruption Network (MACN).

In general, any third parties who intend to trade with Euronav are subject to detailed scrutiny by the Internal Control department. This also considers the appropriateness of the business relationship in view of the Company's Anti-Corruption Policy, in addition to the Third Party Risk Policy. Any concerns in relation to the Anti-Corruption Policy may be raised through the Company's Whistleblower Hotline Platform via https://www.speakupfeedback.eu/web/euronav.

Transparency and accountability

Capital markets have existing structures and controls. These provide a robust and sustainable framework for investors to have confidence that executive management teams and boards conduct themselves and execute strategy correctly and in a measurable way. Several agencies play a role when a company is listed as a publicly traded company. Stock exchanges require high standards of accounting discipline and regulatory compliance. Investors will also demand a consistent application of best practice in terms of presentation and detail of financial performance.

Third party specialist agencies measuring outputs on governance, ethical standards and other non-financial items - such as CDP (the Carbon Disclosure Project) - are becoming increasingly important. The Poseidon Principles is a transparent body that brings together industry participants and practitioners directly, alongside the financiers of shipping, in developing a core code of standards to comply with shipping's decarbonisation. The self-regulatory mechanism behind this collective group provides full transparency for all capital providers to the shipping sector.

Euronav, along with other responsible tanker operators, has an obligation and duty to defend and promote our business model and wider corporate reputation. Euronav believes that by joining bodies such as the Poseidon Principles and the Global Maritime Forum, along with initiatives such as the Getting to Zero Coalition, the Company is contributing actively and positively to improving shipping and crude tanker shipping's reputation by engaging with a diverse base of stakeholders.

Providing a leadership role and undertaking (voluntarily) features such as the special report in our annual report are examples of how we, as a specific industry sector, can improve the transparency in the organisation of the industry.

Internal Control & Risk Management

Internal control can be defined as a system developed and implemented by management that contributes to the oversight of the activities of the Company, its efficiency and use of resources in a manner that is, appropriate to the objectives, size and complexity of its activities.

Risk management can be defined as a structured, consistent and continuous process aimed at identifying, assessing, deciding on responses to, and reporting on the opportunities and threats that may affect the achievement of the Company's objectives.

A Risk Management Charter has been created and approved by the Supervisory Board in furtherance of the Company's commitment to building a strong risk management culture. Clear roles and responsibilities have been drafted as well as risk management procedures.

The risk register identifies an individual risk owner for each risk. Risk owners review and certify their risks on a quarterly basis. The results of this quarterly certification are being reported to the Audit and Risk Committee by the Chief Risk Officer who is responsible for the effective operation of the risk management framework.

Euronav has also developed a 'Health, Safety, Quality and Environmental (HSQE) Management System' which integrates HSQE management into a system that fully complies with the ISM Code for the 'Safe Operation of Ships and Pollution Prevention'.

To support the financial reporting, Euronav has a system of internal control over financial reporting including policies and procedures to accurately reflect the transactions and dispositions of assets of the Company. The goal is to provide reasonable assurance that transactions are recorded in accordance with generally accepted accounting principles and that unauthorised acquisition or use or disposition of the Company's assets are timely detected. Compliance is monitored by means of annual assessments performed by the internal audit function. Their outcome is reported to the corporate finance function, which presents a consolidated report to the Audit and Risk Committee.

More details on the exact role and responsibilities of the Audit and Risk Committee in relation to the internal control and risk management systems can be found in the section on its powers.

Euronav has established an internal audit function for the purpose of reviewing and analysing strategic, operational, financial and IT risks, to conduct specific assignment in accordance with the annual internal audit plan, to conduct investigations as needed and to report and discuss the findings with the Audit and Risk Committee. The scope of the internal audit is both on operations and on internal control over financial reporting. The Internal Audit Department is staffed with designated resources, resources from other departments and external service providers for competencies that are not available within the Company. Part of the internal audit work on internal control over financial reporting is outsourced to a qualified service provider (EY). The Internal Audit Manager reports both to the CEO and to the Audit and Risk Committee.

Euronav has appointed KPMG as its external auditor to verify its financial results and compliance with Belgian legislation. The external auditor issues a report at least twice a year which they present to the Audit and Risk Committee. The Audit and Risk Committee has regular interactions with KPMG, including closed sessions without management present. The external auditor is also invited to attend the AGM to present their report.

Risk factors

Risks relating to the industry and our business
In addition to important factors and matters discussed elsewhere in this report, and in the documents incorporated by reference herein, important factors that, in our view, could cause our actual results and developments to differ materially from those discussed in the forward-looking statements include:

- The strength of world economies and currencies;
- General market conditions, including the market for crude oil and for our vessels, fluctuations in charter rates and vessel values;
- The availability of financing and refinancing, as well as the Company's ability to obtain such financing or refinancing in the future at acceptable rates as well as to comply with the restrictive and other covenants in our financing arrangements;
- Our ability to secure available and future grants and subsidies;
- Our business strategy and other plans and objectives for growth and future operations, including planned and unplanned capital expenditures;
- Possible acquisitions, business strategy and expected capital spending or operating expenses, including drydocking's, surveys, upgrades and insurance costs;
- Potential liability from pending or future litigations;
- Fluctuations in currencies, interest rates and foreign exchange rates and the impact of the discontinuance of the London Interbank Offered Rate, or LIBOR, after June 30, 2023 on any of our debt that reference LIBOR;
- General domestic and international political conditions, including trade wars and disagreements between oil producing countries, including illicit crude oil trades;
- Potential disruption of shipping routes due to accidents, environmental factors, political events, public health threats, international hostilities including the ongoing developments in the Ukraine region, acts by terrorists or acts of piracy on ocean-going vessels;
- The length and severity of the ongoing coronavirus ("COVID-19") outbreak and governmental response thereto, including its impacts across our business on demand for our vessels, our global operations, counterparty risk, as well as its disruption to the global economy;
- Vessel breakdowns and instances of off-hire;

- The supply of and demand for vessels comparable to ours, including against the background of possibly accelerated climate change transition worldwide which would have an accelerated negative effect on the demand for oil and thus transportation;
- Our ability to generate cash to meet our debt service obligations;
- Our levels of operating and maintenance costs, including bunker prices, dry dockings and insurance costs;
- Reputational risks, including those related to climate change;
- Availability of skilled workers and the related labour costs;
- Compliance with governmental, tax (including carbon related), environmental and safety regulations and related costs;
- Environmental, Social and Governance (ESG) expectations of investors, banks and other stakeholders and related costs related to compliance with ESG measures;
- Potential liability from future litigations related to claims raised by public-interest organisations or activism with regard to failure to adapt to or mitigate climate impact;
- Increased cost of capital or limiting access to funding due to EU Taxonomy or relevant territorial taxonomy regulations;
- Technology risk associated with energy transition and fleet/systems rejuvenation to alternative propulsion;
- Any non-compliance with the amendments by the International Maritime Organization, the United Nations agency for maritime safety and the prevention of pollution by vessels, or IMO, (the amendments hereinafter referred to as IMO 2020), to Annex VI to the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, collectively referred to as MARPOL 73/78 and herein as MARPOL, which will reduce the maximum amount of sulfur that vessels may emit into the air and applies to us as of January 1, 2020;
- Any non-compliance with the International Convention for the Control and Management of Ships' Ballast Water and Sediments or BWM which applies to us as of September 2019;
- Any non-compliance with the upcoming EC Fit-for-55 regulation and specifically with EU Emission Trading Schemes Maritime and Fuel EU Maritime;
- Any non-compliance with the European Ship Recycling regulation for large commercial seagoing vessels flying the flag of an European Union or EU Member State which forces shipowners to recycle their vessels only in safe and sound vessel recycling facilities included in the European List of ship recycling facilities which is applicable as of January 1, 2019;
- New environmental regulations and restrictions, whether at a global level stipulated by the International Maritime Organization, and/or imposed by regional or national authorities such as the European Union or individual countries;
- Any non-compliance with the U.S. Foreign Corrupt Practices Act of 1977 or FCPA, or other applicable regulations relating to bribery;
- Our incorporation under the laws of Belgium and the different rights to relief that may be available compared to other counties, including the United States;
- Treatment of the Company as a “passive foreign investment company” by U.S. tax authorities;
- Being required to pay taxes on U.S. source income;

- International sanctions, embargoes, import and export restrictions, nationalisations, piracy, terrorist attacks and armed conflicts, including the recent conflict between Russia and Ukraine;
- The effects of new products and new technology in our industry;
- The failure to protect our information systems against security breaches, or the failure or unavailability of these systems for a significant period of time;
- The failure of counterparties to fully perform their contracts with us;
- Our dependence on key personnel;
- Adequacy of insurance coverage;
- Our ability to obtain indemnities from customers; and
- Changes in laws, treaties or regulations.

Use of Financial Instruments and Main Risks and Uncertainties

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and monitor risks and adherence to limits.

(i) Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date.

No material receivable was overdue as at 30 June 2022. No indication of impairment of receivables existed on each presented date thus no provision of impairment was established.

(ii) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities do not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Company has procedures with the object of minimizing such losses such as maintaining an adequate level of amount of cash at bank and in hand.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates will affect the Company's profitability or the value of its holding of financial instruments.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risks. The

Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

As at 31 May 2022 the Company had an outstanding senior secured bond issue of USD 68 200 000 with a coupon of 7.50% and which was repaid at 31 May 2022 and a new senior secured bond issue of USD 200 000 000 with a coupon of 6.25% and maturity in September 2026.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's measurement currency.

The Company's exposure to currency risk is limited as the main trade occurs in USD and the monetary assets and liabilities of the Company as of 30 June 2022 are greatly denominated in USD.

Future Developments

The Board does not expect major changes in the principal activities of the Company in the foreseeable future.

Share Capital

On the 30th of June 2022, Euronav NV was the sole shareholder of the Company. Euronav NV acquired the full participation of Euronav Hong Kong Ltd and Euronav SAS in the Company on the 30th of June 2020.

The immediate ownership of registered shares in the Company as at 30 of June 2022 was as follows:

Euronav NV – 1 544 704 shares

The amount of the issued share capital of the Company remains unchanged.

Acquisition of Own Shares

The Company has not acquired own shares during the first half financial year 2022.

Capital Contribution without issue of shares

The Board of Directors decided on the 30th of May 2022 to execute an additional capital contribution of USD 10 000 000 without issue of shares to the Company (total USD 22 500 000). First tranche of USD 5 000 000 was paid in June 2022 and the second tranche of USD 5 000 000 paid in July 2022.

Branches

During the year ended 30 June 2022 the Company did not operate any branches.

Board of Directors

The members of the Board as at 30 June 2022 are the following persons:

Name	Office	Date of appointment
Hugo De Stoop	Director	4 August 2014
Alexander Staring	Director	4 August 2014
Egied Verbeeck	Director	4 August 2014
Lut Laget Tax Advisor & Accountancy	Director	28 May 2019
Lieve Logghe	Director	29 April 2020
Ahlmar SA, Patrick Steenacker	Director	11 February 2022

The Members of the Board received a total remuneration of USD 184 246 (2021: USD 402 201).

Research and Development

The Company has no activities in the field of research and development.

Events after the Reporting Period

Recent developments in the Ukraine region and continuing conflicts in the Middle East have contributed to further economic instability in the global financial markets and international commerce. At the time of writing this report outcome was not clear and the Company acknowledges that any escalations between the North Atlantic Treaty Organization countries and Russia could result in retaliation from Russia that could potentially affect the shipping industry.

President Biden and several European leaders announced various economic sanctions against Russia in connection with the aforementioned conflict in the Ukraine region, which may adversely impact our business, given Russia's role as a major global exporter of crude oil and natural gas. Our business could also be adversely impacted by trade tariffs, trade embargoes or other economic sanctions that limit trading activities by the United States or other countries against countries in the Middle East, Asia or elsewhere as a result of terrorist attacks, hostilities or diplomatic or political pressures.

The invasion and subsequent war between Russia and Ukraine will impact our business in the following areas:

Freight rates – due to the self-sanctioning being performed by oil traders, refiners, and shippers of Russian petroleum products, the market has gone longer tonnage and shorter cargoes. This has put pressure on freight rates in the VLCC and Suezmax segments as there are now more ships than cargoes available in the market in the short term. The longer term prognosis is that ton miles may increase due to the adjustment of trade flows to compensate refineries and markets for the lack of Russian oil flows, as well as an increase in a sanction fleet tonnage to move the required Russian oil cargoes from the west to markets in the east. The Company has suspended its operations with Russian customers which represents an insignificant portion of the Company's turnover (below 5%).

Bunker Fuel Cost – due to the risk within the market, and the self-sanctioning of Russian oil flows, the price of marine fuels has increased and will continue to be high for the foreseeable future. This is due to Russia supplying bunker markets with 20% of the global fuel demand in HSFO, VLSFO and MGO markets. These price increases will negatively impact the cost structure of the vessels making it more expensive to ship freight on long haul voyages. The spread between HSFO and VLSFO was at a high level pre-invasion but has begun to correct as the removal of Russian origin HSFO from the market has begun to tighten up supplies in Europe and in the Mediterranean.

The Company acknowledges that Cybersecurity risks have increased by taking appropriate mitigating actions.

Going forward, it remains difficult to estimate the future impact of this war situation in the economies where we are active, and hence difficult to quantify the impact these factors might have on our financial results. However, the impact for Euronav Luxembourg will be restricted to one vessel as this vessel is in the Tankers International Pool and the other 3 vessels are covered by a Time Charter hire to Euronav NV.

Independent Auditors

The independent auditors of the Company, KPMG Luxembourg (R.C.S. Luxembourg: B 149.133), have expressed their willingness to continue in office. A resolution giving authority to the Board to renew their mandate and fix their remuneration will be submitted at the forthcoming annual general meeting of the shareholders of the Company.

On behalf of the Board,

Patrick Steenacker

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Director

Lieve Logghe

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Director

Annex: Annual accounts of the Company for the half year ended 30 June 2022.