

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 20-F

(Mark One)

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

GasLog Ltd.

(Exact name of Company as specified in its charter)

Not Applicable

(Translation of Company's name into English)

Bermuda

(Jurisdiction of incorporation or organization)

c/o GasLog Monaco S.A.M.
Gildo Pastor Center
7 Rue du Gabian
MC 98000, Monaco

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company contact person)

SECURITIES REGISTERED OR TO BE REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class	Name of Each Exchange on Which Registered
Common Shares, \$0.01 par value per share	New York Stock Exchange
Series A Preference Shares, \$0.01 par value per share	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None

SECURITIES FOR WHICH THERE IS A REPORTING OBLIGATION PURSUANT TO SECTION 15(d) OF THE ACT: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of December 31, 2018, there were 80,861,246 common shares of the Company's common stock and 4,600,000 Series A Preference Shares issued and outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer", "accelerated filer", and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Emerging Growth Company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act.

[†] The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing.

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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ABOUT THIS REPORT

In this annual report, unless otherwise indicated:

- “GasLog”, the “Company”, the “Group”, “we”, “our”, “us” or similar terms refer to GasLog Ltd. or any one or more of its subsidiaries (including GasLog Partners LP) or their predecessors, or to such entities collectively, except that when such terms are used in this annual report in reference to the common shares or the 8.75% Series A Cumulative Redeemable Perpetual Preference Shares (the “Preference Shares”), they refer to GasLog Ltd.;
- “GasLog Partners” or the “Partnership”, refers to GasLog Partners LP, a master limited partnership formed by GasLog to acquire, own and operate liquefied natural gas, or “LNG”, carriers under multi-year charters, or any one or more of GasLog Partners’ subsidiaries;
- the “general partner” refers to GasLog Partners GP LLC, the general partner of GasLog Partners;
- “GasLog LNG Services” refers to GasLog LNG Services Ltd., our wholly owned subsidiary;
- “our vessels” or “our ships” refers to the LNG carriers owned or controlled by the Company and its subsidiaries, including the LNG carriers owned by GasLog Partners; “our wholly owned vessels” or “our wholly owned ships” refers to the LNG carriers owned by the Company and its subsidiaries, excluding any LNG carriers owned by GasLog Partners (in which we hold the controlling general partner interest as well as limited partner interests) and its subsidiaries and Egypt LNG Shipping Ltd. (in which we hold a 25.0% equity interest);
- “Shell” refers to Royal Dutch Shell plc, or any one or more of its subsidiaries;
- “BG Group” refers to BG Group plc. BG Group was acquired by Shell on February 15, 2016;
- “MSL” refers to Methane Services Limited, a subsidiary of Shell;
- “Samsung” refers to Samsung Heavy Industries Co., Ltd. or any one or more of its subsidiaries;
- “Hyundai” refers to Hyundai Heavy Industries Co., Ltd. or any one or more of its subsidiaries;
- “Total” refers to Total Gas & Power Chartering Limited, a wholly owned subsidiary of Total S.A.;
- “Centrica” refers to Pioneer Shipping Limited, a wholly owned subsidiary of Centrica plc;
- “Cheniere” refers to Cheniere Energy, Inc. or any one or more of its subsidiaries;
- “Trafigura” refers to Trafigura Maritime Logistics PTE Ltd.;
- “Egypt LNG” refers to Egypt LNG Shipping Ltd.;
- “Gastrade” refers to Gastrade S.A.;
- “the Cool Pool” refers to The Cool Pool Limited;
- “Ceres Shipping” refers to Ceres Shipping Ltd.;
- “NYSE” refers to the New York Stock Exchange;
- “SEC” refers to the U.S. Securities and Exchange Commission;
- “IFRS” refers to International Financial Reporting Standards;
- “IASB” refers to International Accounting Standards Board;
- “dollars” and “\$” refers to, and amounts are presented in, U.S. dollars;

- “LNG” refers to liquefied natural gas;
- “FSRUs” refers to Floating Storage and Regasification Units;
- “TFDE” refers to tri-fuel diesel electric engine propulsion;
- “Steam” refers to steam turbine propulsion;
- “cbm” refers to cubic meters;
- “mtpa” refers to million tonnes per annum;
- “LP-2S” refers to low pressure, dual-fuel two stroke engine propulsion;
- “Dynagas” refers to Dynagas Ltd. and “Golar” refers to Golar LNG Ltd.; and
- “Mitsui” refers to Mitsui Co., Ltd. and “Lepta Shipping” refers to Lepta Shipping Co., Ltd., a subsidiary of Mitsui.

FORWARD-LOOKING STATEMENTS

All statements in this annual report that are not statements of historical fact are “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements that address activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future, particularly in relation to our operations, cash flows, financial position, liquidity and cash available for dividends or distributions, plans, strategies, business prospects and changes and trends in our business and the markets in which we operate. In some cases, predictive, future-tense or forward-looking words such as “believe”, “intend”, “anticipate”, “estimate”, “project”, “forecast”, “plan”, “potential”, “may”, “should”, “could” and “expect” and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. In addition, we and our representatives may from time to time make other oral or written statements which are forward-looking statements, including in our periodic reports that we file with the SEC, other information sent to our security holders and other written materials. We caution that these forward-looking statements represent our estimates and assumptions only as of the date of this annual report or the date on which such oral or written statements are made, as applicable, about factors that are beyond our ability to control or predict and are not intended to give any assurance as to future results. Any of these factors or a combination of these factors could materially affect future results of operations and the ultimate accuracy of the forward-looking statements. Accordingly, you should not unduly rely on any forward-looking statements.

Factors that might cause future results and outcomes to differ include, but are not limited to, the following:

- general LNG shipping market conditions and trends, including spot and multi-year charter rates, ship values, factors affecting supply and demand of LNG and LNG shipping, technological advancements and opportunities for the profitable operations of LNG carriers;
- fluctuations in spot and multi-year charter hire rates and vessel values;
- increased exposure to the spot market and fluctuations in spot charter rates;
- our ability to maximize the use of our vessels, including the re-deployment or disposition of vessels which are not under multi-year charters, including the risk that certain of our vessels may no longer have the latest technology which may impact the rate at which we can charter such vessels;
- changes in our operating expenses, including crew wages, maintenance, dry-docking and insurance costs and bunker prices;

- number of off-hire days and dry-docking requirements including our ability to complete scheduled dry-dockings on time and within budget;
- planned capital expenditures and availability of capital resources to fund capital expenditures;
- our ability to maintain long term relationships and enter into time charters with new and existing customers;
- fluctuations in prices for crude oil, petroleum products and natural gas, including LNG;
- changes in the ownership of our charterers;
- our customers' performance of their obligations under our time charters and other contracts;
- our future operating performance and expenses, financial condition, liquidity and cash available for dividends and distributions;
- our ability to obtain financing to fund capital expenditures, acquisitions and other corporate activities, funding by banks of their financial commitments, and our ability to meet our restrictive covenants and other obligations under our credit facilities;
- future, pending or recent acquisitions of or orders for ships or other assets, business strategy, areas of possible expansion and expected capital spending;
- the time that it may take to construct and deliver newbuildings and the useful lives of our ships;
- fluctuations in currencies and interest rates;
- the expected cost of and our ability to comply with environmental and regulatory conditions, including changes in laws and regulations or actions taken by regulatory authorities, governmental organizations, classification societies and standards imposed by our charterers applicable to our business;
- risks inherent in ship operation, including the discharge of pollutants;
- our ability to retain key employees and the availability of skilled labor, ship crews and management;
- potential disruption of shipping routes due to accidents, political events, piracy or acts by terrorists;
- potential liability from future litigation;
- any malfunction or disruption of information technology systems and networks that our operations rely on or any impact of a possible cybersecurity event; and
- other factors discussed in "Item 3. Key Information—D. Risk Factors" of this annual report.

We undertake no obligation to update or revise any forward-looking statements contained in this annual report, whether as a result of new information, future events, a change in our views or expectations or otherwise, except as required by applicable law. New factors emerge from time to time and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Financial Data

The following table presents summary consolidated financial and other data of GasLog for each of the five years in the five-year period ended December 31, 2018. The summary consolidated financial data of GasLog as of December 31, 2017 and 2018, and for each of the years in the three-year period ended December 31, 2018, is derived from our audited consolidated financial statements included in “Item 18. Financial Statements”. The selected consolidated financial data as of December 31, 2014, 2015 and 2016, and for the years ended December 31, 2014 and 2015, is derived from our audited consolidated financial statements which are not included in this annual report. Our consolidated financial statements are prepared and presented in accordance with IFRS, as issued by the IASB.

This information should be read together with, and is qualified in its entirety by, our consolidated financial statements and the notes thereto included in “Item 18. Financial Statements”. You should also read “Item 5. Operating and Financial Review and Prospects”.

	Year Ended December 31,				
	2014	2015	2016	2017	2018
(in thousands of U.S. dollars, except share and per share data)					
CONSOLIDATED STATEMENT OF PROFIT OR LOSS					
Revenues	\$ 328,679	\$ 415,078	\$ 466,059	\$ 525,229	\$ 618,344
Net pool allocation	—	—	(4,674)	7,254	17,818
Voyage expenses and commissions	(7,738)	(14,290)	(10,510)	(15,404)	(20,374)
Vessel operating and supervision costs	(70,732)	(98,552)	(112,632)	(122,486)	(128,084)
Depreciation	(70,695)	(106,641)	(122,957)	(137,187)	(153,193)
General and administrative expenses	(34,154)	(41,282)	(38,642)	(39,850)	(41,993)
Profit from operations	145,360	154,313	176,644	217,556	292,518
Financial costs	(71,579)	(91,956)	(137,316)	(139,181)	(166,627)
Financial income	274	427	720	2,650	4,784
(Loss)/gain on derivatives	(24,787)	(10,332)	(13,419)	2,025	(6,077)
Share of profit of associates	1,497	1,216	1,422	1,159	1,800
Total other expenses, net	(94,595)	(100,645)	(148,593)	(133,347)	(166,120)
Profit for the year	\$ 50,765	\$ 53,668	\$ 28,051	\$ 84,209	\$ 126,398
Profit/(loss) attributable to owners of the Group	\$ 42,161	\$ 10,829	\$ (21,486)	\$ 15,506	\$ 47,683
Profit attributable to non-controlling interests	\$ 8,604	\$ 42,839	\$ 49,537	\$ 68,703	\$ 78,715
Earnings/(loss) per share, basic	\$ 0.54	\$ 0.04	\$ (0.39)	\$ 0.07	\$ 0.47
Earnings/(loss) per share, diluted	\$ 0.54	\$ 0.04	\$ (0.39)	\$ 0.07	\$ 0.46
Weighted average number of shares, basic	78,633,820	80,496,314	80,534,702	80,622,788	80,792,837
Weighted average number of shares, diluted	78,800,192	80,610,420	80,534,702	81,266,130	81,637,022
Dividends declared per common share	\$ 0.50	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.59
Dividends declared per preference share	—	\$ 1.60	\$ 2.19	\$ 2.19	\$ 2.19
Special dividends declared per common share	—	—	—	—	\$ 0.40

	As of December 31,				
	2014	2015	2016	2017	2018
	(in thousands of U.S. dollars)				
CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA					
Cash and cash equivalents	\$ 211,974	\$ 302,988	\$ 227,024	\$ 384,092	\$ 342,594
Short-term investments	28,103	6,000	18,000	—	25,000
Restricted cash	22,826	62,718	42	—	—
Investment in associates ⁽¹⁾	6,603	6,274	6,265	20,800	20,713
Tangible fixed assets ⁽²⁾	2,809,517	3,400,270	3,889,047	3,772,566	4,323,582
Vessels under construction	142,776	178,405	96,356	166,655	159,275
Vessel held under finance lease	—	—	222,004	214,329	206,753
Total assets	3,269,971	4,039,621	4,515,164	4,634,891	5,174,807
Borrowings, current portion	116,431	636,987	147,448	179,367	520,550
Borrowings, non-current portion	1,778,845	1,737,500	2,504,578	2,368,189	2,307,909
Finance lease liability, current portion	—	—	5,946	6,302	6,675
Finance lease liability, non-current portion	—	—	214,455	207,126	199,424
Share capital	810	810	810	810	810
Preference Shares	—	46	46	46	46
Equity attributable to owners of the Group	929,391	1,001,674	945,643	918,029	879,742
Non-controlling interests	323,646	506,246	564,039	845,105	1,103,380
Total equity	1,253,037	1,507,920	1,509,682	1,763,134	1,983,122

	Year Ended December 31,				
	2014	2015	2016	2017	2018
	(in thousands of U.S. dollars)				
CONSOLIDATED CASH FLOW DATA					
Net cash provided by operating activities	\$ 148,288	\$ 161,579	\$ 256,532	\$ 223,630	\$ 283,710
Net cash used in investing activities	(1,386,656)	(704,052)	(771,242)	(74,599)	(692,999)
Net cash provided by financing activities	1,346,762	634,317	439,766	7,265	368,120

	Year Ended December 31,				
	2014	2015	2016	2017	2018
FLEET DATA⁽³⁾					
Number of managed ships at end of period	21	22	25	23	26
Average number of managed ships during period	20.0	21.7	23.6	23.4	25.5
Number of owned ships at end of period	16	19	22	22	25
Average number of owned ships during period	12.4	18.2	19.8	22	24.5
Average age of owned ships (years)	4.4	5.2	5.1	6.1	6.4
Total calendar days for owned and bareboat fleet	4,520	6,638	7,568	8,395	9,318
Total operating days for owned and bareboat fleet ⁽⁴⁾	4,392	6,097	7,439	8,317	9,030

	Year Ended December 31,				
	2014	2015	2016	2017	2018
	(in thousands of U.S. dollars)				
OTHER FINANCIAL DATA					
EBITDA ⁽⁵⁾	\$ 217,552	\$262,170	\$301,023	\$355,902	\$447,511
Adjusted EBITDA ⁽⁵⁾	217,172	262,969	302,386	356,048	447,747
Capital expenditures:					
Payments for fixed assets	1,364,283	728,446	761,513	82,352	673,823
Common share dividend declared	39,840	45,078	45,101	45,144	80,011
Preference share dividend declared	—	7,379	10,063	10,064	10,063

(1) Consists of our 25.0% ownership interest in Egypt LNG, our 50.0% ownership interest in the Cool Pool and our investment in Gastrade. On October 1, 2015, GasLog, Dynagas and Golar signed an LNG carrier pooling agreement to establish the Cool Pool to market their vessels which are currently operating in the LNG shipping spot market. The Cool Pool allows the participating owners to optimize the operation of the pool vessels through improved scheduling ability, cost efficiencies and common marketing. The objective of the Cool Pool is to serve the transportation requirements of a rapidly growing LNG shipping market by providing customers with reliable, yet flexible, and innovative solutions to meet their increasingly complex shipping requirements. The Cool Pool was incorporated in September 2015. In June and July 2018, Dynagas removed its three vessels from the Cool Pool and renounced its 33% ownership in the Cool Pool. Gastrade is a private limited company licensed to develop an independent natural gas system offshore Alexandroupolis in Northern Greece utilizing an FSRU along with other fixed infrastructure.

(2) Includes delivered ships (including dry-docking component of vessel cost) as well as office property and other tangible assets, less accumulated depreciation. See Note 6 to our consolidated financial statements included elsewhere in this annual report.

(3) Presentation of fleet data does not include newbuildings on order during the relevant periods. The data presented regarding our owned fleet includes only our owned ships delivered prior to December 31, 2018 including the ships owned by GasLog Partners. The data presented regarding our managed fleet includes our wholly owned vessels as well as ships owned by GasLog Partners, Egypt LNG and Lepta Shipping that are or were operating under our management.

(4) The operating days for our owned and bareboat fleet are the total number of days in a given period that the vessels (including the *Methane Julia Louise*, our vessel on a bareboat charter) were in our possession less the total number of days off-hire not recoverable from the insurers. In 2018, operating days include 2,046 days for our vessels operating in the Cool Pool. We define days off-hire as days lost to, among other things, operational deficiencies, dry-docking for repairs, maintenance or inspection, equipment breakdowns, special surveys and vessel upgrades, delays due to accidents, crew strikes, certain vessel detentions or similar problems, our failure to maintain the vessel in compliance with its specifications and contractual standards or to provide the required crew, or periods of commercial waiting time during which we do not earn charter hire.

(5) **Non-GAAP Financial Measures:**

EBITDA is defined as earnings before depreciation, amortization, financial income and costs, gain/loss on derivatives and taxes. Adjusted EBITDA is defined as EBITDA before foreign exchange gains/losses. EBITDA and Adjusted EBITDA are non-GAAP financial measures that are used as supplemental financial measures by management and external users of financial statements, such as investors, to assess our financial and operating performance. We believe that these non-GAAP financial measures assist our management and investors by increasing the comparability of our performance from period to period. We believe that including EBITDA and Adjusted EBITDA assists our management and investors in (i) understanding and analyzing the results of our operating and business performance, (ii) selecting between investing in us and other investment alternatives and (iii) monitoring our ongoing financial and operational strength in assessing whether to continue to hold our common shares. This is achieved by excluding the potentially disparate effects between periods of financial costs, gain/loss on derivatives, taxes, depreciation and amortization, and, in the case of Adjusted EBITDA, foreign exchange gains/losses, which items are affected by various and possibly changing financing methods, capital structure and historical cost basis and which items may significantly affect results of operations between periods.

EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered as alternatives to, or as substitutes for, or superior to, profit, profit from operations or any other measure of financial performance presented in accordance with IFRS. Some of these limitations include the fact that they do not reflect (i) our cash expenditures or future requirements for capital expenditures or contractual commitments, (ii) changes in, or cash requirements for, our working capital needs and (iii) the cash requirements necessary to service interest or principal payments, on our debt. Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements.

EBITDA and Adjusted EBITDA are not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows and other companies in our industry may calculate these measures differently than we do, limiting their usefulness as a comparative measure.

In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by the excluded items. Therefore, the non-GAAP financial measures as presented below may not be comparable to similarly titled measures of other companies in the shipping or other industries.

Reconciliation of EBITDA and Adjusted EBITDA to Profit:

	Year Ended December 31,				
	2014	2015	2016	2017	2018
	(in thousands of U.S. dollars)				
Profit for the year	\$ 50,765	\$ 53,668	\$ 28,051	\$ 84,209	\$126,398
Depreciation.	70,695	106,641	122,957	137,187	153,193
Financial costs	71,579	91,956	137,316	139,181	166,627
Financial income	(274)	(427)	(720)	(2,650)	(4,784)
Loss/(gain) on derivatives	24,787	10,332	13,419	(2,025)	6,077
EBITDA	217,552	262,170	301,023	355,902	447,511
Foreign exchange (gains)/losses, net	(380)	799	1,363	146	236
Adjusted EBITDA	\$217,172	\$262,969	\$302,386	\$356,048	\$447,747

B. Capitalization and Indebtedness

The following table sets forth our capitalization as of December 31, 2018:

This information should be read in conjunction with “Item 5. Operating and Financial Review and Prospects”, and our consolidated financial statements and the related notes thereto included elsewhere in this annual report.

	As of December 31, 2018
	(in thousands of U.S. dollars)
Debt: ⁽¹⁾	
Borrowings, current portion ⁽²⁾	\$ 520,550
Borrowings, non-current portion ⁽²⁾	2,307,909
Finance lease liability, current portion ⁽²⁾	6,675
Finance lease liability, non-current portion ⁽²⁾	199,424
Total debt	3,034,558
Equity:	
Preference Shares ⁽³⁾	46
Share capital ⁽³⁾	810
Contributed surplus	850,576
Reserves	18,962
Treasury shares ⁽³⁾	(3,266)
Retained earnings	12,614
Non-controlling interest	1,103,380
Total equity	1,983,122
Total capitalization	\$5,017,680

⁽¹⁾ Our indebtedness, other than under our NOK denominated bonds issued under the agreement signed on June 22, 2016, between GasLog and the bond trustee, as amended (the “NOK 2021 Bonds”), and the 8.875% senior unsecured notes due in 2022 and issued in March 2017 (the “8.875% Senior Notes”), is secured by mortgages on our owned ships and is guaranteed by the Company or a combination of the Company and

GasLog Partners, in the case of the Partnership's indebtedness. The NOK 2021 Bonds and the 8.875% Senior Notes (the carrying amount of which, net of unamortized financing costs as of December 31, 2018, are \$85.2 million and \$246.8 million, respectively) are unsecured. Borrowings presented do not include our scheduled debt payments and our prepayments since December 31, 2018 totaling \$48.6 million. See "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Credit Facilities" for more information about our credit facilities.

- (2) Borrowings presented at December 31, 2018, are shown net of \$47.1 million of loan issuance costs that are being amortized over the term of the respective borrowings.
- (3) Does not include any shares that may be issued under the Company's 2013 Omnibus Incentive Compensation Plan. At December 31, 2018, our share capital consisted of 80,861,246 issued and outstanding common shares, 131,880 treasury shares issued and 4,600,000 Preference Shares issued and outstanding.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Risks Inherent to Our Business

As of February 27, 2019, our owned and bareboat fleet consists of 26 LNG carriers (including the 14 LNG carriers owned by GasLog Partners) and nine newbuilds. The majority of our ships currently operate under multi-year charters with six ships operating in the spot market but the charters of a further eight ships will terminate in 2019 and 2020, including six Steam vessels. An increase in the number of ships operating in the spot market or a reduction in demand for spot LNG carriers could have a negative impact on the level or volatility of charter rates in the LNG shipping spot market which could have a material adverse effect on our business, financial condition, results of operations and cash flows and could significantly reduce or eliminate our ability to pay dividends.

20 of our owned and bareboat vessels (including 13 of the 14 LNG Carriers owned by GasLog Partners) and seven of our newbuild vessels currently operate or will operate under multi-year charters. Two of our newbuilds are uncommitted and six of our vessels are currently operating in the spot market (including one vessel owned by GasLog Partners). The *Methane Jane Elizabeth* is due to come off charter in October 2019 and the *Methane Alison Victoria* is due to come off charter in December 2019, each plus or minus 30 days. A one year charter has been secured for either the *Methane Jane Elizabeth* or the *Methane Alison Victoria* (as nominated by GasLog Partners) commencing in either November or December 2019 at the Partnership's option. In addition, the *Methane Rita Andrea*, the *Methane Shirley Elisabeth*, the *Methane Heather Sally*, the *GasLog Sydney*, the *GasLog Saratoga*, the *Methane Lydon Volney* and either the *Methane Jane Elizabeth* or the *Methane Alison Victoria* are due to come off charter during 2020. GasLog Partners and GasLog continue to pursue opportunities for new multi-year charters with third parties for the vessels without multi-year charters, but may have difficulty in securing new charters at attractive rates and for multi-year durations. In the interim, we may have increased exposure to the volatile spot market which is highly competitive and subject to significant price fluctuations. Multi-year charters that we secure for on-the-water vessels may not be as long as multi-year charters we have enjoyed in the past. In recent years, as a result of more LNG being traded on a short-term basis and greater liquidity in the LNG shipping market, there has been a decrease in the duration of term charters for on-the-water vessels with such charters now generally being anywhere between one and five years in duration.

Our Steam vessels are less efficient than larger and more modern LNG carriers and it may be more challenging to find spot and/or term employment for these vessels. However, we will continue to pursue new multi-year charters for these vessels. If we are unable to secure new multi-year charters, the Steam vessels may operate in the short-term spot market and the revenues and cash flows from these vessels are likely to decline following expiration of our current charter arrangements.

Failure to secure new multi-year charters could adversely affect our future liquidity, results of operations and cash flows, including cash available for dividends to our shareholders, as well as our ability to meet certain of our debt covenants. A sustained decline in charter rates could also adversely affect the market value of our vessels, on which certain of the ratios and financial covenants with which we are required to comply are based. Vessel values may fluctuate substantially, which could result in an impairment charge, could impact our compliance with the covenants in our loan agreements and, if the values are lower at a time when we are attempting to dispose of vessels, could cause us to incur a loss.

If any of our vessels is unable to generate revenues for any significant period of time for any reason, including unexpected periods of off-hire, early charter termination (which could result from damage to our vessels) or failure to secure employment for any vessels for which we have not secured charters, our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders, could be materially and adversely affected. The impact of any limitation in the operation of our vessels or any early charter termination would be magnified by the fact that we would still be expending cash to cover the operating costs of the vessel and the costs of servicing the debt on the vessel, if any. If we are unable to re-deploy a vessel, we will not receive any revenues from that vessel and we would be required to pay expenses necessary to maintain the vessel in proper operating condition as well as to service the debt attached to that vessel.

If the number of vessels available in the short-term or spot LNG carrier charter market continues to expand and results in reduced opportunities to secure multi-year charters for our vessels, our revenues and cash flows may become more volatile and may decline following expiration or early termination of our current charter arrangements.

Most shipping requirements for new LNG projects continue to be provided on a multi-year basis, though the level of spot voyages and short-term time charters of less than 12 months in duration has grown in the past few years. If the number of vessels available in the short-term or spot charter market continues to expand and results in reduced opportunities to secure multi-year charters for our vessels, we may only be able to enter into short-term time charters upon expiration or early termination of our current charters. As a result, our revenues and cash flows may become more volatile. In addition, an active short-term or spot charter market may require us to enter into charters based on changing market prices, as opposed to contracts based on fixed rates, which could result in a decrease in our revenues and cash flows, including cash available for dividends to our shareholders, especially if we enter into charters during periods when charter rates are depressed.

An oversupply of LNG carriers may lead to a reduction in the charter hire rates we are able to obtain when seeking charters in the future which could adversely affect our results of operations and cash flows.

While we currently believe that the global LNG carrier fleet may experience high levels of utilization over the next two to three years, the supply of LNG carriers has been increasing as a result of the delivery and ordering of new ships. The development of liquefaction projects in the United States and the anticipation of exports beginning in early 2016 drove significant ordering activity. Whilst we saw a decline in ordering of newbuilds during 2016 and 2017, ordering of newbuilds increased in 2018, driven by strengthening charter rates and increasing expectations for long-term LNG supply and demand. According to Poten, as of February 11, 2019, the global fleet of LNG carriers (>65,000 cbm) consisted of 493 vessels, with 105 LNG carriers on order, of which 66 have long-term charters. This increase in ship orders, the large number of ordered newbuilds that are uncommitted and any future expansion of the global LNG carrier fleet in excess of the demand for LNG shipping may have a negative impact on charter hire rates, ship utilization and ship values.

Our future capital needs are uncertain and we may need to raise additional funds. We must make substantial capital expenditures to fund the nine newbuildings we have on order as of February 27, 2019, and any additional ships we may acquire in the future. In addition, five of our credit facilities are due to mature between 2019 and 2022. We cannot guarantee that renewal, replacement or new lines of credit will be available or will be available on similar or more favourable terms.

We believe that our existing cash and cash equivalents and our operating cash flow will be sufficient to meet our anticipated cash requirements for at least the next 12 months. However, we are obligated to make substantial capital expenditures to fund our commitments for the nine newbuildings we have on order. We are scheduled to take delivery of the vessels on various dates between 2019 and 2021. As of December 31, 2018, the total remaining balance of the contract prices for the nine vessels under construction was \$1,553.1 million, which amounts are payable under each shipbuilding contract in installments upon the attainment of certain specified milestones. The largest portion of the purchase price for each vessel is payable upon its delivery to us from the shipyard. We intend to fund the commitment relating to Hull No. 2131 with the undrawn \$165.8 million under the financing agreement we entered into on October 16, 2015 (the “October 2015 Facility”), and with available cash and cash from operations. We expect to fund a significant proportion of the remaining commitments with new debt facilities.

To the extent that we are unable to draw down the amounts committed under our existing credit facilities, whether due to our failure to comply with the terms of such facilities or the lenders’ failure to fund the committed amounts, or to the extent that we are unable to put in place new debt facilities of sufficient quantum and on acceptable terms, we will need to find alternative financing. If we are unable to find alternative financing, we will not be capable of funding all of our commitments for capital expenditures relating to our nine contracted newbuildings. If we fail to meet our payment obligations under a shipbuilding contract, we would be in default under the applicable contract and the shipbuilder would have the option of cancelling the contract and retaining any previously funded installment payments.

In addition, we may choose to make substantial further capital expenditures to expand the size of our fleet and/or to convert existing LNG carriers to FSRUs in the future. We expect to finance the cost of any new vessels through available cash, cash from operations and debt or equity financings. Our ability to obtain bank financing or to access the capital markets may be limited by our financial condition at the time of any such financing or offering, as well as by adverse market conditions resulting from, among other things, general economic conditions, changes in the LNG industry, changes to banking regulations and further contingencies and uncertainties that are beyond our control. Even if we are successful in obtaining necessary funds, the terms of any debt financings could limit our ability further to expand our fleet and to pay dividends to our shareholders.

Securing access to additional funds in advance of the maturity of our debt facilities cannot be assured on the same or similar terms. Debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt or to pay dividends to our shareholders. Any debt or additional equity financing raised may contain unfavorable terms to us or our shareholders. If we are unable to raise adequate funds, we may have to liquidate some or all of our assets, or delay, reduce the scope of or eliminate some or all of our fleet expansion plans.

Any of these factors could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders.

We may experience operational problems with vessels that reduce revenues and increase costs. In addition, there are risks associated with operating ocean-going ships. Any limitation in the availability or operation of our ships could have a material adverse effect on our business, our reputation, financial condition, results of operations and cash flows.

LNG carriers are complex and their operations are technically challenging. Marine transportation operations are subject to mechanical risks and problems. Operational problems may lead to loss of revenues or higher than anticipated operating expenses or require additional capital expenditures.

Furthermore, the operation of ocean-going ships carries inherent risks. These risks include the possibility of:

- marine disaster;
- piracy;
- cyber events or other failures of operational and information technology systems;
- environmental accidents;
- adverse weather conditions;
- grounding, fire, explosions and collisions;
- cargo and property loss or damage;
- business interruptions caused by mechanical failure, human error, war, terrorism, disease and quarantine, or political action in various countries; and
- work stoppages or other labor problems with crew members serving on our ships.

An accident involving any of our owned ships could result in any of the following:

- death or injury to persons, damage to our ships, loss of property or environmental damage;
- delays in the delivery of cargo;
- loss of revenues from termination of charter contracts;
- governmental fines, penalties or restrictions on conducting business;
- litigation with our employees, customers or third parties;
- higher insurance rates; and
- damage to our reputation and customer relationships generally.

If any of our ships are unable to generate revenues for any significant period of time for any reason, including unexpected periods of off-hire or early charter termination (which could result from damage to our ships), our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders, could be materially and adversely affected. The impact of any limitation in the operation of our ships or any early charter termination would be amplified, as a substantial portion of our cash flows and income is dependent on the revenues earned by the chartering of our 26 LNG carriers in operation. In addition, the costs of ship repairs are unpredictable and can be substantial. In the event of repair costs that are not covered by our insurance policies, we may have to pay for such repair costs, which would decrease our earnings and cash flows. Any of these results could harm our business, financial condition, results of operations and ability to pay cash dividends to our shareholders.

A cyber event could materially disrupt GasLog's business.

GasLog's business operations could be targeted by individuals or groups seeking to sabotage or disrupt GasLog's information technology systems and networks, or to steal data. A cyber event could materially disrupt GasLog's operations, including the safety of its operations, or lead to unauthorized release of information or alteration of information on its systems. Any such attack or other breach of GasLog's information technology systems could have a material adverse effect on GasLog's business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders. While we have insurance policies in place to cover losses in the event of a cyber related event, there can be no assurance that any specific event would be covered by these policies or that the losses would be covered in full.

Our future growth depends on our ability to expand relationships with existing customers, establish new customer relationships and obtain new time charter contracts for existing vessels and for additional newbuild LNG carriers and/or FSRUs, for which we will face substantial competition from established companies with significant resources, as well as recent and potential new entrants.

One of our principal objectives is to enter into multi-year, fixed-rate charters for our open on-the-water vessels and for potential additional newbuild vessels. We are seeking to enter into time charter contracts for some or all of the *GasLog Singapore*, the *GasLog Chelsea*, the *GasLog Savannah*, the *GasLog Salem*, the *GasLog Skagen* and the GasLog Partners' vessel, the *GasLog Shanghai*, all of which currently operate in the spot market through the Cool Pool. We will also seek to enter into new time charter contracts upon the expiration or early termination of our existing charter arrangements, including in respect of the *Methane Rita Andrea* or the *Methane Jane Elizabeth*, the *Methane Shirley Elisabeth*, the *Methane Heather Sally*, the *Methane Alison Victoria* and the *GasLog Sydney*, all of which are owned by GasLog Partners, and the *GasLog Saratoga* and the *Methane Lydon Volney*. In addition, we are seeking to enter into time charter contracts for newbuild LNG carriers and for newbuild or converted FSRUs, including for Hull Nos. 2212 and 2274. The process of obtaining multi-year, fixed rate charters for LNG carriers is highly competitive and generally involves an intensive screening process by potential new customers and the submission of competitive bids, all of which can often extend for several months. We believe that LNG carrier time charters are awarded based upon a variety of factors relating to the ship and the ship operator, including:

- size, age, technical specifications and condition of the ship;
- efficiency of ship operation;
- LNG shipping experience and quality of ship operations;
- shipping industry relationships and reputation for customer service;
- technical ability and reputation for operation of highly specialized ships;
- quality and experience of officers and crew;
- safety record;
- the ability to finance ships at competitive rates and financial stability generally;
- relationships with shipyards and the ability to get suitable berths;
- construction management experience, including the ability to obtain on-time delivery of new ships according to customer specifications; and
- competitiveness of the bid in terms of overall price.

We expect substantial competition from a number of experienced companies. Competitors may include other independent ship owners, state-sponsored entities and major energy companies that own

and operate LNG carriers, all of whom may compete with independent owners by using their own fleets to carry LNG for third parties. Some of these competitors have significantly greater financial resources and larger fleets than we have, and some have particular relationships that may provide them with competitive advantages. A number of marine transportation companies—including companies with strong reputations and extensive resources and experience—have entered the LNG transportation market in recent years and there are other ship owners and managers who may also attempt to participate in the LNG market in the future. This increased competition may cause greater price competition for time charters. As a result, we may be unable to expand our relationships with existing customers or to obtain new customers on a profitable basis, which could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders. We may not be successful in executing our future growth plans, and we may incur significant expenses and losses in connection with such growth efforts.

Further technological advancements and other innovations affecting LNG carriers could reduce the charter hire rates we are able to obtain when seeking new employment for existing or newbuild vessels and this could adversely impact the value of our assets and our results of operations and cash flows.

The charter rates, asset value and operational life of an LNG carrier are determined by a number of factors, including the ship's efficiency, operational flexibility and physical life. Efficiency is reflected in unit freight costs ("UFC") which are driven by the size of the vessel, its fuel economy and the rate at which LNG in the cargo tanks naturally evaporates ("boil-off ratio" or "BOR"). Flexibility is primarily driven by the size of the ship and includes the ability to enter harbors, utilize related docking facilities and pass through canals and straits. Physical life is related to the original design and construction, the ongoing maintenance and the impact of operational stresses on the asset. Ship, cargo containment and engine designs are continually evolving. At such time, as newer designs are developed and accepted in the market, these newer vessels may be more efficient or more flexible or have longer physical lives than our ships. Competition from these more technologically advanced LNG carriers compared to our vessels with older technology could adversely affect our ability to charter or re-charter our ships and the charter hire rates we will be able to secure when we seek to charter or re-charter our ships, and could also reduce the resale value of our ships. This could adversely affect our revenues and cash flows, including cash available for dividends to our shareholders, as well as our ability to obtain debt financing for ships with older technology whose market values have experienced a significant decline.

Our future performance and ability to secure future time charters depends on continued growth in LNG production and demand for LNG and LNG shipping.

Our future performance, including our ability to profitably expand our fleet, will depend on continued growth in LNG production and the demand for LNG and LNG shipping. A complete LNG project includes natural gas production, liquefaction, storage, regasification and distribution facilities, in addition to the marine transportation of LNG. Increased infrastructure investment has led to an expansion of LNG production capacity in recent years, but material delays in the construction or slower than expected ramp-up of new liquefaction facilities could constrain the amount of LNG available for shipping, reducing ship utilization. The rate of growth of the LNG industry has fluctuated due to several factors, including the rate of global economic growth, fluctuations in global commodity prices, including natural gas, oil and coal as well as other sources of energy, and energy and environmental policy in markets which produce and/or consume LNG. Continued growth in LNG production and demand for LNG and LNG shipping could be negatively affected by a number of factors, including:

- prices for crude oil, petroleum products, natural gas and coal;

- the cost of natural gas derived from LNG relative to the cost of natural gas generally and to the cost of alternative fuels, including renewables and coal, and the impact of increases in the cost of natural gas derived from LNG on consumption of LNG;
- increases in the production levels of lower cost natural gas in domestic natural gas consuming markets, which could further depress prices for natural gas in those markets and make LNG uneconomical;
- increases in the production of natural gas in areas linked by pipelines to consuming areas, or the extension of existing pipelines, or the development of new pipeline systems in markets we may serve;
- infrastructure constraints such as delays in the construction of liquefaction facilities or regasification facilities, the inability of project owners or operators to obtain governmental approvals to construct or operate LNG facilities, as well as community or political action group resistance to new LNG infrastructure due to concerns about the environment, safety and terrorism;
- increases in interest rates, capital market volatility, changes in bank regulations or other events that may affect the availability of sufficient financing for LNG projects on commercially reasonable terms;
- negative global or regional economic or political conditions, particularly in LNG consuming regions which could reduce energy consumption or its growth;
- new taxes or regulations affecting LNG production or liquefaction that make LNG production less attractive;
- labor or political unrest or military conflicts affecting existing or proposed areas of LNG production, regasification or consumption;
- any significant explosion, spill or other incident involving an LNG facility or carrier; or
- regional, national or international energy policies that constrain the production or consumption of hydrocarbons including natural gas.

In recent years, global crude oil prices were volatile. Any decline in oil prices can depress natural gas prices and lead to a narrowing of the difference in pricing between geographic regions, which can adversely affect the length of voyages in the spot LNG shipping market and the spot rates and medium-term charter rates for charters which commence in the near future.

A continuation of the recent volatility in natural gas and oil prices may adversely affect our growth prospects, results of operations and cash flows.

Natural gas prices are volatile and are affected by numerous factors beyond our control, including but not limited to the following:

- price and availability of crude oil, petroleum products and coal;
- worldwide and regional demand for and price of natural gas;
- the cost of exploration, development, production, transportation and distribution of natural gas;
- expectations regarding future energy prices for both natural gas and other sources of energy, including renewable energy sources and coal;
- the level of worldwide LNG production and exports;

- government laws and regulations, including but not limited to environmental protection laws and regulations;
- local and international political, economic and weather conditions;
- political and military conflicts; and
- the availability and cost of alternative energy sources, including coal and alternate sources of natural gas in gas importing and consuming countries.

Given the significant global natural gas and crude oil price volatility referenced above, and with eight vessels currently scheduled to come off charter during 2019 and 2020, a continuation of volatility in natural gas or oil prices may adversely affect our future business, results of operations and financial condition and our ability to pay cash dividends, as a result of, among other things:

- a reduction in exploration for or development of new natural gas reserves or projects, or the delay or cancellation of existing projects as energy companies lower their capital expenditures budgets, which may reduce our growth opportunities;
- low oil prices negatively affecting the market price of natural gas, to the extent that natural gas prices are benchmarked to the price of crude oil, in turn negatively affecting the economics of potential new LNG production projects, which may reduce our growth opportunities;
- high oil prices negatively affecting the competitiveness of natural gas to the extent that natural gas prices are linked to the price of crude oil;
- lower demand for vessels of the types we own and operate, which may reduce available charter rates and revenue to us upon redeployment of our vessels following expiration or termination of existing contracts or upon the initial chartering of vessels;
- customers potentially seeking to renegotiate or terminate existing vessel contracts, or failing to extend or renew contracts upon expiration;
- the inability or refusal of customers to make charter payments to us due to financial constraints or otherwise; or
- declines in vessel values, which may result in losses to us upon vessel sales or impairment charges against our earnings and could impact compliance with covenants in loan documentation.

Our insurance may be insufficient to cover losses that may occur to our property or result from our operations which could adversely affect our results of operations and cash flows.

The operation of any ship includes risks such as mechanical failure, personal injury, collision, fire, contact with floating objects, property loss or damage, cargo loss or damage and business interruption due to a number of reasons, including political circumstances in foreign countries, hostilities and labor strikes. In addition, there is always an inherent possibility of a marine disaster, including collision, explosion, spills and other environmental mishaps, and other liabilities arising from owning, operating or managing ships in international trade. Although we carry protection and indemnity, hull and machinery, loss of hire and cyber risk insurance covering our ships consistent with industry standards, we can give no assurance that we are adequately insured against all risks or that our insurers will pay a particular claim. In addition, we may be unable to insure against certain cyber events that may disrupt our information and operational technology systems. We also may be unable to procure adequate insurance coverage at commercially reasonable rates in the future. Even if our insurance coverage is adequate to cover our losses, we may not be able to obtain a timely replacement ship in the event of a loss of a ship. Any uninsured or underinsured loss could harm our business, financial condition, results of operations and cash flows, including cash available for dividends to shareholders.

In addition, some of our insurance coverage is maintained through mutual protection and indemnity associations, and, as a member of such associations, we may be required to make additional payments over and above budgeted premiums if member claims exceed association reserves.

The required dry-docking of our ships could be more expensive and time consuming than we anticipate. In 2019, two GasLog Partners vessels and one GasLog vessel are scheduled to be dry-docked. These dry-dockings will reduce our revenues and increase our costs when they occur. Any overrun of the dry-docking or delay or cost overrun caused by the additional work to the vessels could have a material adverse effect on our business, results of operations and financial condition and could significantly reduce or eliminate our ability to pay dividends to our shareholders.

Dry-dockings of our owned and bareboat ships require significant expenditures and result in loss of revenue while our ships are off-hire during such period. Any significant increase in either the number of off-hire days due to such dry-dockings or in the costs of any repairs carried out during the dry-docking period could have a material adverse effect on our profitability and our cash flows. Given the potential for unforeseen issues arising during dry-docking, we may not be able to predict accurately the time required to dry-dock any of our vessels. If more than one of our ships is required to be out of service at the same time, or if a ship is dry-docked longer than expected or if the cost of repairs or modifications during the dry-docking is greater than budgeted, our results of operations and our cash flows, including cash available for dividends to our shareholders, could be adversely affected.

Changes in global and regional economic conditions and capital markets volatility could adversely impact our business, financial condition, results of operations and cash flows.

Weak global or regional economic conditions may negatively impact our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders in ways that we cannot predict. Our ability to expand our fleet beyond our contracted newbuildings will be dependent on our ability to obtain financing to fund the acquisition of additional ships. In addition, uncertainty about current and future global economic conditions may cause our customers to defer projects in response to tighter credit, decreased capital availability and declining customer confidence, may negatively impact the demand for our ships and services and could also result in defaults under our current charters. Global financial markets and economic conditions have been volatile in recent years and remain subject to significant vulnerabilities. A further tightening of the credit markets may negatively impact our operations by affecting the solvency of our suppliers or customers, which could lead to disruptions in delivery of supplies such as equipment for conversions, cost increases for supplies, accelerated payments to suppliers, customer bad debts or reduced revenues. Similarly, such market conditions could affect lenders participating in our financing agreements, making them unable to fulfill their commitments and obligations to us. Any reductions in activity owing to such conditions or failure by our customers, suppliers or lenders to meet their contractual obligations to us could adversely affect our business, financial position, results of operations and cash flows, including cash available for dividends to our shareholders.

GasLog LNG Services, our vessels' management company, and a substantial number of its staff are located in Greece. A return of economic instability in Greece could disrupt our operations and have an adverse effect on our business. We have sought to minimize this risk and preserve operational stability by carefully developing staff deployment plans, an information technology recovery site, an alternative ship to shore communications plan and funding mechanisms outside of Greece. While we believe these plans, combined with the international nature of our operations, will mitigate the impact of any disruption of operations in Greece, we can give no assurance that these plans will be effective in all circumstances.

GasLog has an office in England and our vessels may visit ports within the United Kingdom. The United Kingdom is due to exit the European Union on March 29, 2019 and will then enter a transition

period from March 30, 2019 to December 31, 2020 during which it will seek to complete its separation from the European Union. Uncertainty regarding the process which the United Kingdom will follow to withdraw from the European Union, the transition period and the relationship between the United Kingdom and the European Union post 2020 may create economic instability in the United Kingdom which could have an adverse effect on our business. Whilst we will seek to minimize any potential risk by putting appropriate mitigation plans in place, we can give no assurance that these plans will be effective in all circumstances.

Compliance with safety and other requirements imposed by classification societies may be very costly and may adversely affect our business.

The hull and machinery of every commercial LNG carrier must be certified by a classification society. The classification society certifies that the ship has been built and subsequently maintained in accordance with the applicable rules and regulations of that classification society. Moreover, every ship must comply with all applicable international conventions and the regulations of the ship's flag state as verified by a classification society. Finally, each ship must successfully undergo periodic surveys, including annual, intermediate and special surveys performed under the classification society's rules.

If any ship does not maintain its class, it will lose its insurance coverage and be unable to trade, and the ship's owner will be in breach of relevant covenants under its financing arrangements and potentially its charter contracts. Failure to maintain the class of one or more of our ships could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders.

If we cannot meet our charterers' quality and compliance requirements we may not be able to operate our vessels profitably which could have an adverse effect on our future performance, results of operations, cash flows and financial position.

Customers, and in particular those in the LNG industry, have a high and increasing focus on quality and compliance standards with their suppliers across the entire value chain, including the shipping and transportation segment. Our continuous compliance with these standards and quality requirements is vital for our operations. Related risks could materialize in multiple ways, including a sudden and unexpected breach in quality and/or compliance concerning one or more vessels and/or a continuous decrease in the quality concerning one or more LNG carriers occurring over time. Moreover, continuously increasing requirements from LNG industry constituents can further challenge our ability to meet the standards. Any noncompliance by us, either suddenly or over a period of time, on one or more LNG carriers, or an increase in requirements by our charterers above and beyond what we deliver, may have a material adverse effect on our future performance, results of operations, cash flows and financial position.

The LNG shipping industry is subject to substantial environmental and other regulations, which may significantly limit our operations or increase our expenses.

Our operations are materially affected by extensive and changing international, national, state and local environmental laws, regulations, treaties, conventions and standards which are in force in international waters, or in the jurisdictional waters of the countries in which our ships operate and in the countries in which our ships are registered. These requirements include those relating to equipping and operating ships, providing security and minimizing or addressing impacts on the environment from ship operations. We may incur substantial costs in complying with these requirements, including costs for ship modifications and changes in operating procedures. We also could incur substantial costs, including clean-up costs, civil and criminal penalties and sanctions, the suspension or termination of operations and third-party claims as a result of violations of, or liabilities under, such laws and regulations.

In addition, these requirements can affect the resale value or useful lives of our ships, require a reduction in cargo capacity, necessitate ship modifications or operational changes or restrictions or lead to decreased availability of insurance coverage for environmental matters. They could further result in the denial of access to certain jurisdictional waters or ports or detention in certain ports. We are required to obtain governmental approvals and permits to operate our ships. Delays in obtaining such governmental approvals may increase our expenses, and the terms and conditions of such approvals could materially and adversely affect our operations.

Additional laws and regulations may be adopted that could limit our ability to do business or increase our operating costs, which could materially and adversely affect our business. For example, new or amended legislation relating to ship recycling, sewage systems, emission control (including emissions of greenhouse gases and other pollutants) as well as ballast water treatment and ballast water handling may be adopted. For example, the United States has enacted legislation, and more recently a convention adopted by the International Maritime Organization (“IMO”) has become effective, governing ballast water management systems on ocean-going ships. The IMO has also established progressive standards limiting the sulfur content of fuel, which are being phased in between 2012 and 2020. These and other laws or regulations may require additional capital expenditures or operating expenses (such as increased costs for low-sulfur fuel or pollution controls) in order for us to maintain our ships’ compliance with international and/or national regulations. We also may become subject to additional laws and regulations if we enter new markets or trades. We also believe that the heightened environmental, quality and security concerns of insurance underwriters, regulators and charterers will generally lead to additional regulatory requirements, including enhanced risk assessment and security requirements, as well as greater inspection of and safety requirements on all LNG carriers. These requirements are likely to add incremental costs to our operations, and the failure to comply with these requirements may affect the ability of our ships to obtain and, possibly, recover from, insurance or to obtain the required certificates for entry into some of the ports where we operate.

Some environmental laws and regulations, such as the U.S. Oil Pollution Act of 1990, or “OPA”, provide for potentially unlimited joint, several and/or strict liability for owners, operators and demise or bareboat charterers for oil pollution and related damages. OPA applies to discharges of any oil from a ship in U.S. waters, including discharges of fuel and lubricants from an LNG carrier, even if the ships do not carry oil as cargo. In addition, many states in the United States bordering a navigable waterway have enacted legislation providing for potentially unlimited strict liability without regard to fault for the discharge of pollutants within their waters. We also are subject to other laws and conventions outside the United States that provide for an owner or operator of LNG carriers to bear strict liability for pollution, such as the Convention on Limitation of Liability for Maritime Claims of 1976, or the “London Convention”.

Some of these laws and conventions, including OPA and the London Convention, may include limitations on liability. However, the limitations may not be applicable in certain circumstances, such as where a spill is caused by a ship owner’s or operator’s intentional or reckless conduct. These limitations are also subject to periodic updates and may otherwise be amended in the future.

Compliance with OPA and other environmental laws and regulations also may result in ship owners and operators incurring increased costs for additional maintenance and inspection requirements, the development of contingency arrangements for potential spills, obtaining mandated insurance coverage and meeting financial responsibility requirements.

Climate change and greenhouse gas restrictions may adversely impact our operations and markets.

Due to concern over the risks of climate change, a number of countries and the IMO, have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emission from ships. These regulatory measures may include the adoption of cap and trade regimes, carbon

taxes, increased efficiency standards and incentives or mandates for renewable energy. Although emissions of greenhouse gases from international shipping currently are not subject to agreements under the United Nations Framework Convention on Climate Change, such as the “Kyoto Protocol” and the “Paris Agreement”, a new treaty may be adopted in the future that includes additional restrictions on shipping emissions to those already adopted under the International Convention for the Prevention of Marine Pollution from Ships, or the “MARPOL Convention”. Compliance with future changes in laws and regulations relating to climate change could increase the costs of operating and maintaining our ships and could require us to install new emission controls, as well as acquire allowances, pay taxes related to our greenhouse gas emissions or administer and manage a greenhouse gas emissions program. Revenue generation and strategic growth opportunities may also be adversely affected.

There is increasing focus on the environmental footprint of the energy and transportation sectors from governments, regulators, shareholders, customers, environmental pressure groups and other stakeholders. This has been manifested recently by Shell’s commitment to base executive remuneration in part on the achievement of specific carbon emissions targets, covering all of its activities and products and those of its suppliers. GasLog’s vessels on charter to Shell and other energy companies form part of their supply chain and are likely to be captured within these targets. In addition, many large financial institutions are under pressure both to reduce their own environmental footprints and to monitor the environmental footprints of the companies and projects to which they lend. While LNG is among the cleanest marine transportation fuels, and while there are no legally binding obligations on GasLog or its peers to reduce emissions today, the focus and pressure on the environmental footprint of the marine transportation sector is likely to remain high and may increase. Any specific requirements imposed on GasLog by regulators, governments, customers or other stakeholders may impact the useful life of our vessels, increase our operating costs or require us to undertake significant investments in our vessels which may reduce our revenues, profits and cash flows and may impact our ability to pay dividends to our shareholders.

Adverse effects upon the oil and gas industry relating to climate change, including growing public concern about the environmental impact of climate change, may also have an effect on demand for our services. For example, increased regulation of greenhouse gases or other concerns relating to climate change may reduce the demand for oil and natural gas in the future or create greater incentives for use of alternative energy sources. Any long-term material adverse effect on the oil and gas industry could have significant and unpredictable financial and operational adverse impacts on our business.

We operate our ships worldwide, which could expose us to political, governmental and economic instability that could harm our business.

Because we operate our ships in the geographic areas where our customers do business, our operations may be affected by political, governmental and economic conditions in the countries where our ships operate or where they are registered. Any disruption caused by these factors could harm our business, financial condition, results of operations and cash flows, including cash available for dividends to shareholders. In particular, our ships frequent LNG terminals in countries including Egypt, Nigeria, Equatorial Guinea and Trinidad, as well as transit through the Gulf of Aden and the Strait of Malacca. Economic, political and governmental conditions in these and other regions have from time to time resulted in military conflicts, terrorism, attacks on ships, mining of waterways, piracy and other efforts to disrupt shipping. Future hostilities or other political instability in the geographic regions where we operate or may operate could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for dividends to shareholders. General trade tensions between the U.S. and China escalated in 2018, with three rounds of U.S. tariffs on Chinese goods taking effect in July, August and September 2018, each followed by a round of retaliatory Chinese tariffs on U.S. goods. Our business could be harmed by these tariffs, as well as any

trade embargoes or other economic sanctions by the United States or other countries against countries in the Middle East, Asia, Russia or elsewhere as a result of terrorist attacks, hostilities or diplomatic or political pressures that limit trading activities with those countries.

Terrorist attacks, international hostilities, political change and piracy could adversely affect our business, financial condition, results of operations and cash flows.

Terrorist attacks, piracy and the current conflicts in the Middle East and elsewhere, as well as other current and future conflicts and political change, may adversely affect our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders. The continuing hostilities in the Middle East may lead to additional acts of terrorism, further regional conflicts, other armed actions around the world and civil disturbance in the United States or elsewhere, which may contribute to further instability in the global financial markets. These uncertainties could also adversely affect our ability to obtain additional financing on terms acceptable to us, or at all.

In the past, political conflicts have also resulted in attacks on ships, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region. Acts of terrorism and piracy have also affected ships trading in regions such as the South China Sea and the Gulf of Aden. Any terrorist attacks targeted at ships may in the future have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders and could directly impact our ships or our customers.

We currently employ armed guards onboard certain vessels operating in areas that may be prone to hijacking or terrorist attacks. The presence of armed guards may increase the risk of damage, injury or loss of life in connection with any attacks on our vessels, in addition to increasing crew costs.

We may not be adequately insured to cover losses from acts of terrorism, piracy, regional conflicts and other armed actions, including losses relating to the employment of armed guards.

LNG facilities, shipyards, ships, pipelines and gas fields could be targets of future terrorist attacks or piracy. Any such attacks could lead to, among other things, bodily injury or loss of life, as well as damage to the ships or other property, increased ship operating costs, including insurance costs, reductions in the supply of LNG and the inability to transport LNG to or from certain locations. Terrorist attacks, war or other events beyond our control that adversely affect the production, storage or transportation of LNG to be shipped by us could entitle our customers to terminate our charter contracts in certain circumstances, which would harm our cash flows and our business.

Terrorist attacks, or the perception that LNG facilities and LNG carriers are potential terrorist targets, could materially and adversely affect expansion of LNG infrastructure and the continued supply of LNG. Concern that LNG facilities may be targeted for attack by terrorists has contributed significantly to local community and environmental group resistance to the construction of a number of LNG facilities, primarily in North America. If a terrorist incident involving an LNG facility or LNG carrier did occur, in addition to the possible effects identified in the previous paragraph, the incident may adversely affect the construction of additional LNG facilities and could lead to the temporary or permanent closing of various LNG facilities currently in operation.

In the future, the ships we own or manage could be required to call at ports located in countries that are subject to restrictions imposed by the United States and other governments.

The United States and other governments and their agencies impose sanctions and embargoes on certain countries and maintain lists of countries they consider to be state sponsors of terrorism. For example, in 2010, the United States enacted the Comprehensive Iran Sanctions Accountability and Divestment Act, or “CISADA”, which expanded the scope of the former Iran Sanctions Act. Among

other things, CISADA expanded the application of the prohibitions imposed by the U.S. government to non-U.S. companies, such as GasLog, and limits the ability of companies and persons to do business or trade with Iran when such activities relate to the investment, supply or export of refined petroleum or petroleum products, as well as LNG.

In 2012, President Obama signed Executive Order 13608, which prohibits foreign persons from violating, or attempting to violate, or causing a violation of, any sanctions in effect against Iran, or facilitating any deceptive transactions for or on behalf of any person subject to U.S. sanctions. The Secretary of the Treasury may prohibit any transactions or dealings, including any U.S. capital markets financing, involving any person found to be in violation of Executive Order 13608. Also in 2012, the U.S. enacted the Iran Threat Reduction and Syria Human Rights Act of 2012, or the “ITRA”, which created new sanctions and strengthened existing sanctions. Among other things, the ITRA intensifies existing sanctions regarding the provision of goods, services, infrastructure or technology to Iran’s petroleum or petrochemical sector. The ITRA also includes a provision requiring the President of the United States to impose five or more sanctions from Section 6(a) of the Iran Sanctions Act, as amended, on a person the President determines is a controlling beneficial owner of, or otherwise owns, operates, or controls or insures a vessel that was used to transport crude oil from Iran to another country and (1) if the person is a controlling beneficial owner of the vessel, the person had actual knowledge the vessel was so used or (2) if the person otherwise owns, operates, or controls, or insures the vessel, the person knew or should have known the vessel was so used. Such a person could be subject to a variety of sanctions, including exclusion from U.S. capital markets, exclusion from financial transactions subject to U.S. jurisdiction, and exclusion of such person’s vessels from U.S. ports for up to two years. The ITRA also includes a requirement that issuers of securities must disclose to the SEC in their annual and quarterly reports filed after February 6, 2013 whether the issuer or “any affiliate” has “knowingly” engaged in certain sanctioned activities involving Iran during the timeframe covered by the report. Finally, in January 2013, the U.S. enacted the Iran Freedom and Counter-Proliferation Act of 2012 or the “IFCA”, which expanded the scope of U.S. sanctions on any person that is part of Iran’s energy, shipping or shipbuilding sector and operators of ports in Iran, and imposes penalties on any person who facilitates or otherwise knowingly provides significant financial, material or other support to these entities.

On January 16, 2016, the United States suspended certain sanctions against Iran applicable to non-U.S. companies, such as us, pursuant to the nuclear agreement reached between Iran, China, France, Germany, Russia, the United Kingdom, the United States and the European Union. To implement these changes, beginning on January 16, 2016, the United States waived enforcement of many of the sanctions against Iran’s energy and petrochemical sectors described above, among other things, including certain provisions of CISADA, ITRA, and IFCA. In May 2018, President Trump announced the withdrawal of the U.S. from the Joint Comprehensive Plan of Action and almost all the U.S. sanctions waived and lifted in January 2016 were reinstated in August 2018 and November 2018, respectively. Although the ships we own have not called on ports in countries subject to sanctions or embargoes or in countries identified as state sponsors of terrorism, including Iran, North Korea and Syria, we can give no assurance that these ships will not call on ports in these countries in the future. While we intend to maintain compliance with all sanctions and embargoes applicable to us, U.S. and international sanctions and embargo laws and regulations do not necessarily apply to the same countries or proscribe the same activities, which may make compliance difficult. Additionally, the scope of certain laws may be unclear, and these laws may be subject to changing interpretations and application and may be amended or strengthened from time to time, including by adding or removing countries from the proscribed lists. Violations of sanctions and embargo laws and regulations could result in fines or other penalties and could result in some investors deciding, or being required, to divest their investment, or not to invest, in us.

Failure to comply with the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and other anti-bribery legislation in other jurisdictions could result in fines, criminal penalties, contract terminations and an adverse effect on our business.

We operate our ships worldwide, requiring our ships to trade in countries known to have a reputation for corruption. We are committed to doing business in accordance with applicable anti-corruption laws and have adopted a code of business conduct and ethics which is consistently applied and in full compliance with the U.S. Foreign Corrupt Practices Act of 1977, or the “FCPA”, and the Bribery Act 2010 of the United Kingdom or the “UK Bribery Act”. We are subject, however, to the risk that we, our affiliated entities or our or their respective officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption laws, including the FCPA and the UK Bribery Act. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties, or curtailment of operations in certain jurisdictions, and might adversely affect our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant senior management time and attention.

Changing laws and evolving reporting requirements could have an adverse effect on our business.

Changing laws, regulations and standards relating to reporting requirements, including the European Union General Data Protection Regulation (“GDPR”), may create additional compliance requirements for us. To maintain high standards of corporate governance and public disclosure, GasLog has invested in, and intends to continue to invest in, reasonably necessary resources to comply with evolving standards.

GDPR broadens the scope of personal privacy laws to protect the rights of European Union citizens and requires organizations to report on data breaches within 72 hours and be bound by more stringent rules for obtaining the consent of individuals on how their data can be used. GDPR came into force on May 25, 2018 and non-compliance may expose entities to significant fines or other regulatory claims which could have an adverse effect on our business, financial conditions, results of operations, cash flows and ability to pay dividends.

The European Union Code of Conduct Group has assessed the tax policies of a range of countries including Bermuda, where our vessel owning entities are incorporated. Bermuda was included in a list of jurisdictions which are required to address the European Union Code of Conduct Group’s concerns in respect of ‘economic substance’. Bermuda, along with the British Virgin Islands, the Cayman Islands, Guernsey, Bailiwick of Jersey and the Isle of Man, has committed to comply with the European Union Code of Conduct Group’s requirements on economic substance and has passed legislation in the form of the Economic Substance Act 2018 (the “ESA”). Currently, there is uncertainty surrounding the final form of the ESA and the relevant regulations as the Bermuda government, along with the respective governments of the other jurisdictions referenced above, remain in discussions with the European Union Code of Conduct Group.

At present, the impact of these new economic substance requirements is unclear, and it is not possible to accurately predict the effect of these requirements on GasLog and its business. The requirements may increase the complexity and costs of carrying on GasLog’s business and could also effect GasLog’s operations.

Reliability of suppliers may limit our ability to obtain supplies and services when needed.

We rely, and will in the future rely, on a significant supply of consumables, spare parts and equipment to operate, maintain, repair and upgrade our fleet of ships. Delays in delivery or unavailability of supplies could result in off-hire days due to consequent delays in the repair and maintenance of our fleet. This would negatively impact our revenues and cash flows. Cost increases could also negatively impact our future operations, although the impact of significant cost increases may be mitigated to some extent with respect to the vessels that are employed under charter contracts with automatic periodic adjustment provisions or cost review provisions.

Governments could requisition our ships during a period of war or emergency, resulting in loss of earnings.

The government of a jurisdiction where one or more of our ships are registered could requisition for title or seize our ships. Requisition for title occurs when a government takes control of a ship and becomes its owner. Also, a government could requisition our ships for hire. Requisition for hire occurs when a government takes control of a ship and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency, although governments may elect to requisition ships in other circumstances. Although we would expect to be entitled to government compensation in the event of a requisition of one or more of our ships, the amount and timing of payments, if any, would be uncertain. A government requisition of one or more of our ships would result in off-hire days under our time charters, may cause us to breach covenants in certain of our credit facilities and could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders.

Maritime claimants could arrest our ships, which could interrupt our cash flows.

Crew members, suppliers of goods and services to a ship, shippers or receivers of cargo and other parties may be entitled to a maritime lien against a ship for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lienholder may enforce its lien by arresting a ship. The arrest or attachment of one or more of our ships which is not timely discharged could cause us to default on a charter or breach covenants in certain of our credit facilities and, to the extent such arrest or attachment is not covered by our protection and indemnity insurance, could require us to pay large sums of money to have the arrest or attachment lifted. Any of these occurrences could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders.

Additionally, in some jurisdictions, such as the Republic of South Africa, under the “sister ship” theory of liability, a claimant may arrest both the ship that is subject to the claimant’s maritime lien and any “associated” ship, which is any ship owned or controlled by the same owner. Claimants could try to assert “sister ship” liability against one ship in our fleet for claims relating to another of our ships.

We may be subject to litigation that could have an adverse effect on us.

We may in the future be involved from time to time in litigation matters. These matters may include, among other things, contract disputes, personal injury claims, environmental claims or proceedings, toxic tort claims, employment matters and governmental claims for taxes or duties, as well as other litigation that arises in the ordinary course of our business. We cannot predict with certainty the outcome of any claim or other litigation matter. The ultimate outcome of any litigation matter and the potential costs associated with prosecuting or defending such lawsuits, including the diversion of management’s attention to these matters, could have an adverse effect on us and, in the event of litigation that could reasonably be expected to have a material adverse effect on us, could lead to an event of default under certain of our credit facilities.

Risks Inherent in an Investment in GasLog

We currently depend upon one customer for the majority of our revenues. By 2021, this customer will remain a key customer but we will also have four ships on charter to Cheniere. The loss of either of these customers would result in a significant loss of revenues and could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We have historically derived nearly all of our revenues from subsidiaries of Shell. For the year ended December 31, 2018, Shell accounted for 74.2% of our revenues. Following the delivery of our nine new LNG carriers on order, Shell will continue to be a key customer with nine ships and a further

four ships will be chartered to Cheniere We could lose either Shell or Cheniere as a customer or the benefits of our time charter or ship management arrangements for many different reasons, including if Shell or Cheniere are unable or unwilling to make charter hire or other payments to us because of a deterioration in their financial condition, disagreements with us or otherwise. If Shell, Cheniere or another customer terminates its charters, chooses not to re-charter our ships after the initial charter terms or is unable to perform under its charters and we are not able to find replacement charters on similar terms, we will suffer a loss of revenues that could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders.

Any charter termination could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our charterers have the right to terminate a ship's time charter in certain circumstances, such as:

- loss of the ship or damage to it beyond repair;
- if the ship is off-hire for any reason other than scheduled dry-docking for a period exceeding 90 consecutive days, or for more than 90 days or 110 days, depending on the charter, in any one-year period;
- defaults by us in our obligations under the charter; or
- the outbreak of war or hostilities involving two or more major nations, such as the United States or the People's Republic of China, that would materially and adversely affect the trading of the ship for a period of at least 30 days.

A termination right under one ship's time charter would not automatically give the charterer the right to terminate its other charter contracts with us. However, a charter termination could materially affect our relationship with the customer and our reputation in the LNG shipping industry, and in some circumstances the event giving rise to the termination right could potentially impact multiple charters. Accordingly, the existence of any right of termination could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders.

Due to our lack of diversification, adverse developments in the LNG transportation industry could adversely affect our business, particularly if such developments occur at a time when we are seeking a new charter.

We rely exclusively on the cash flow generated from charters for our LNG vessels and management of third party LNG vessels. Due to our lack of diversification, an adverse development in the LNG or the LNG transportation industry could have a significantly greater impact on our business, particularly if such developments occur at a time when our ships are not under charter or nearing the end of their charters, than if we maintained more diverse assets or lines of businesses.

Our contracts for the nine newbuildings we have on order as of February 27, 2019 are subject to risks that could cause delays in the delivery of the ships, which could adversely affect our results of operations and cash flows.

Our nine contracted newbuildings are scheduled to be delivered to us on various dates between 2019 and 2021. Significant delays in the delivery of one or more of these ships, which are expected to generate a substantial portion of our contracted revenue in future years, would delay our receipt of revenues under the related time charters. For prolonged delays, the customer may terminate the charter and, in addition to the resulting loss of revenues, we may be responsible for additional substantial liquidated damages, which could adversely affect our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders. In addition, the

delivery of any of these ships with substantial defects or unexpected operational problems could have similar consequences.

The completion and delivery of newbuildings or conversions could be delayed because of:

- quality or engineering problems;
- changes in governmental regulations or maritime self-regulatory organization standards;
- work stoppages or other labor disturbances at the shipyard;
- bankruptcy or other financial crisis of the shipbuilder;
- a backlog of orders at the shipyard;
- political or economic disturbances;
- weather interference or a catastrophic event, such as a major earthquake or fire;
- requests for changes to the original vessel specifications;
- shortages of or delays in the receipt of necessary construction materials, such as steel;
- the inability to finance the construction or conversion of the vessels; or
- the inability to obtain requisite permits or approvals.

If delivery of a vessel is materially delayed, it could adversely affect our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders.

As we take delivery of our newbuildings or any secondhand ships we acquire in the future, we will need to expand our staff and crew. If we cannot recruit and retain employees and provide adequate compensation, our business, financial condition, results of operations and cash flows may be adversely affected.

Our ability to acquire and retain customers depends on a number of factors, including our ability to staff our vessels with masters, officers and crews of suitable experience in operating LNG carriers. As we take delivery of our newbuildings or any secondhand ships we acquire in the future, we expect to hire a significant number of seafarers qualified to staff and operate our new vessels, as well as additional shoreside personnel. As the global LNG carrier fleet continues to grow, we expect the demand for technically skilled and experienced officers and crew to increase. This could lead to an industry-wide shortfall of qualified personnel, resulting in increased crew costs, which could constrain our ability to recruit suitable employees to operate our LNG carriers within our budget parameters.

Material increases in crew costs could adversely affect our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders. In addition, if we cannot recruit and retain sufficient numbers of quality on-board seafaring personnel, we may not be able to fully utilize our expanded fleet, which could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders.

We must make substantial capital expenditures to acquire the nine newbuildings we have on order as of February 27, 2019, and any additional ships we may acquire in the future.

We are obligated to make substantial capital expenditures to fund our commitments for the nine newbuildings we have on order. We are scheduled to take delivery of the vessels on various dates between 2019 and 2021. As of December 31, 2018, the total remaining balance of the contract prices for the nine vessels under construction was \$1.6 billion, which amounts are payable under each shipbuilding contract in installments upon the attainment of certain specified milestones. The largest

portion of the purchase price for each vessel is payable upon its delivery to us from the shipyard. We intend to partially fund these commitments with existing undrawn debt, available cash, cash from operations and other financing we may enter into.

To the extent that we are unable to draw down the amounts committed under our credit facilities, whether due to our failure to comply with the terms of such facilities or the lenders' failure to fund the committed amounts, we will need to find alternative financing. If we are unable to find alternative financing, we will not be capable of funding all of our commitments for capital expenditures relating to our four contracted newbuildings. If we fail to meet our payment obligations under a shipbuilding contract, we would be in default under the applicable contract and the shipbuilder would have the option of cancelling the contract and retaining any previously funded installment payments, which could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders.

In addition, we may choose to make substantial capital expenditures to expand the size of our fleet and/or to convert existing LNG carriers to FSRUs in the future. We expect to finance the cost of any new vessels through available cash, cash from operations and debt or equity financings. Our ability to obtain bank financing or to access the capital markets may be limited by our financial condition at the time of any such financing or offering, as well as by adverse market conditions resulting from, among other things, general economic conditions, changes in the LNG industry, changes to banking regulations and further contingencies and uncertainties that are beyond our control. Even if we are successful in obtaining necessary funds, the terms of any debt financings could limit our ability further to expand our fleet and to pay dividends to our shareholders.

We may have difficulty further expanding our fleet in the future.

We may expand our fleet beyond our contracted newbuildings by ordering additional newbuildings or by making selective acquisitions of high-quality secondhand vessels to the extent that they are available in the same way that we acquired the *GasLog Chelsea* and the eight vessels acquired from MSL in 2014 and 2015. Our future growth will depend on numerous factors, some of which are beyond our control, including our ability to:

- identify attractive ship acquisition opportunities and consummate such acquisitions;
- obtain newbuilding contracts at acceptable prices;
- obtain required equity and debt financing on acceptable terms;
- secure charter arrangements on terms acceptable to our lenders;
- recruit and retain additional suitably qualified and experienced seafarers and shore-based employees;
- continue to meet technical and safety performance standards;
- manage joint ventures; and
- manage the expansion of our operations to integrate the new ships into our fleet.

We may not be successful in executing any future growth plans, and we cannot give any assurances that we will not incur significant expenses and losses in connection with such growth efforts.

Our credit facilities are secured by our ships and contain payment obligations and restrictive covenants that may restrict our business and financing activities as well as our ability to pay dividends. A failure by us to meet our obligations under our credit facilities could result in an event of default under such credit facilities and foreclosure on our ships.

Our credit facilities impose, and any future credit facility we enter into will impose, operating and financial restrictions on us and our subsidiaries. These restrictions in our credit facilities generally limit our shipowning subsidiaries' ability to, among other things:

- incur additional indebtedness, create liens or provide guarantees;
- provide any form of credit or financial assistance to, or enter into any non-arms' length transactions with, us or any of our affiliates;
- sell or otherwise dispose of assets, including our ships;
- engage in merger transactions;
- enter into, terminate or amend any charter;
- amend our shipbuilding contracts;
- change the manager of our ships;
- undergo a change in ownership; or
- acquire assets, make investments or enter into any joint venture arrangements outside of the ordinary course of business.

Our credit facilities also impose certain restrictions relating to us and our other subsidiaries, including restrictions that limit our ability to make any substantial change in the nature of our business or to engage in transactions that would constitute a change of control, as defined in the relevant credit facility, without repaying all of our indebtedness in full.

Our credit facilities also impose specified financial covenants that apply to us and our subsidiaries on a consolidated basis or, in the case of the GasLog Partners' \$450.0 million credit facility, or the "GasLog Partners Credit Facility", to GasLog Partners and its subsidiaries on a consolidated basis, or in the case of the credit facility provided under the credit agreement entered into on February 18, 2016 to refinance the existing indebtedness on five of our contracted vessels of up to \$576.50 million, or the "Five Vessel Refinancing", to us and our subsidiaries on a consolidated basis and to GasLog Partners and its subsidiaries on a consolidated basis. These financial covenants generally include the following:

- net working capital (excluding the current portion of long-term debt) must be not less than \$0 (not included in the GasLog Partners financial covenants);
- total indebtedness divided by our total assets (total indebtedness plus total equity in the case of the 8.875% Senior Notes) must not exceed 75.0% (in the case of the GasLog Partners financial covenants, must be less than 60.0%);
- the ratio of EBITDA over our debt service obligations (including interest and debt repayments) on a trailing 12 months basis must be not less than 110.0%;
- the aggregate amount of all unencumbered cash and cash equivalents must be not less than the higher of 3.0% of total indebtedness and \$50.0 million (\$15.0 million under the GasLog Partners financial covenants);
- being permitted to pay dividends, provided that unencumbered cash and cash equivalents equal to at least 4.0% of total indebtedness, subject to no event of default having occurred or occurring as a consequence of the payment of such dividends (in the case of the GasLog

Partners financial covenants, being permitted to pay dividends subject to no event of default having occurred or resulting from such payment); and

- market value adjusted net worth must be not less than \$350.0 million (not included in the GasLog Partners financial covenants).

In addition, our credit facilities contain covenants requiring us and certain of our subsidiaries to maintain the aggregate of (i) the market value, on a charter exclusive basis, of the mortgaged vessel or vessels and (ii) the market value of any additional security provided to the lenders, at a value of not less than 120.0% (in the case of the October 2015 Facility, 115.0% for the first two years after each drawdown and 120.0% at any time thereafter) of the then outstanding amount under the applicable facility. If we fail to comply with these covenants and are not able to obtain covenant waivers or modifications, our lenders could require us to make prepayments or provide additional collateral sufficient to bring us into compliance with such covenants and, if we fail to do so, our lenders could accelerate our indebtedness.

Further, GasLog has the NOK 2021 Bonds and the US dollar denominated 8.875% Senior Notes which also impose specified financial covenants that apply to us and our subsidiaries on a consolidated basis. Under the terms of the NOK 2021 Bonds, GasLog is required to comply with the following financial covenants:

- net working capital (excluding the current portion of long-term debt) must be not less than \$0;
- total indebtedness divided by total assets (total indebtedness plus total equity in the case of the 8.875% Senior Notes) must not exceed 75.0%;
- the ratio of EBITDA over debt service obligations (including interest and debt repayments) on a trailing 12 months basis must be not less than 110.0%;
- the aggregate amount of all unencumbered cash and cash equivalents must be not less than the higher of 3.0% of total indebtedness and \$50.0 million;
- GasLog is permitted to pay dividends, provided that it holds unencumbered cash and cash equivalents equal to at least 4.0% of total indebtedness, subject to no event of default having occurred or occurring as a consequence of the payment of such dividends; and
- GasLog's market value adjusted net worth must at all times be not less than \$350.0 million.

In addition, the terms of the NOK 2021 Bonds include a dividend restriction according to which GasLog may not (i) declare or make any dividend payment or distribution, whether in cash or in kind, (ii) re-purchase any of GasLog's shares or undertake other similar transactions (including, but not limited to, total return swaps related to GasLog's shares), or (iii) grant any loans or make other distributions or transactions constituting a transfer of value to GasLog's shareholders (items (i), (ii) and (iii) collectively referred to as the "Distributions") that in aggregate exceed during any calendar year, 50% of GasLog's consolidated net profit after taxes based on the audited annual accounts for the previous financial year (any unutilized portion of the permitted Distributions pursuant to the above may not be carried forward). For the purposes of the above, the consolidated net profit after taxes of GasLog shall not include any profits related to the sale of assets (and consequently any such profits related to such profits shall not form the basis for Distributions). Under the terms of the NOK 2021 Bonds, GasLog is permitted to make Distributions up to a maximum amount per share per annum for the years 2017, 2018, 2019, 2020 and 2021 of \$1.10/share, \$1.10/share, \$1.20/share, \$1.20/share and \$1.20/share, respectively, provided that GasLog can demonstrate by delivering a compliance certificate to the bond trustee that no event of default is continuing or would result from such Distributions.

Under the terms of the 8.875% Senior Notes, GasLog is required to comply with the following financial covenants:

- net working capital (excluding the current portion of long-term debt) must be not less than \$0;
- total indebtedness divided by total indebtedness plus total equity must not exceed 75.0%;
- the ratio of EBITDA over debt service, on a trailing four quarter basis, shall be not less than 100.0%;
- the aggregate amount of all unencumbered cash and cash equivalents must be not less than the higher of 2.50% of total indebtedness or \$35.0 million; and
- the issuer's market value adjusted net worth must at all times be not less than \$300.0 million.

Certain of our credit facilities also contain vessel employment conditions, pursuant to which we could be required in the event of a charter termination or in certain other circumstances to deposit cash in an account held with the applicable lender until we have obtained a new time charter on terms acceptable to such lender, or under certain of our credit facilities repay the outstanding loan amount.

Our ability to comply with covenants and restrictions contained in our financing arrangements may be affected by events beyond our control, including prevailing economic, financial and industry conditions. A failure to comply with covenants and restrictions or to meet our payment and other obligations could lead to defaults under our credit facilities which could cause our payment obligations to be accelerated. We may not have, or be able to obtain, sufficient funds to make these accelerated payments. Because obligations under our financing arrangements are secured by our ships and are guaranteed by our ship-owning subsidiaries, if we are unable to repay debt under our financing arrangements, the lenders could seek to foreclose on those assets, which would materially and adversely impact our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders. In addition, a default under one of our credit facilities could result in the cross-acceleration of our other indebtedness. For more information regarding our credit facilities, please read "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Credit Facilities".

The significant global natural gas and crude oil price volatility, amongst other factors referenced above, have in turn led to a significant shortening of the average duration of spot charters fixed during 2018, as well as a significant decline in average rates for new spot and shorter-term LNG charters commencing promptly. Over the next 18 months, unless LNG charter market conditions improve, we may have difficulty in securing new charters at attractive rates and durations for the six vessels in the Cool Pool. As of December 31, 2018, we had a total of 2,445 open vessel days during 2019, including 2,190 days for the six vessels operating in the Cool Pool. A failure to obtain charters at acceptable rates on these vessels could adversely affect our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders, as well as our ability to meet certain of our debt covenants later in 2019, particularly the required ratio of EBITDA to debt service and the minimum cash requirement.

Ship values may fluctuate substantially, which could result in an impairment charge, impact our compliance with the covenants in our loan agreements and, if the values are lower at a time when we are attempting to dispose of ships, cause us to incur a loss.

Values for ships can fluctuate substantially over time due to a number of different factors, including:

- prevailing economic conditions in the natural gas and energy markets;
- a substantial or extended decline in demand for LNG;

- the level of worldwide LNG production and exports;
- changes in the supply-demand balance of the global LNG carrier fleet;
- changes in prevailing charter hire rates;
- the physical condition of the ship;
- the size, age and technical specifications of the ship; and
- the cost of retrofitting or modifying existing ships, as a result of technological advances in ship design or equipment, changes in applicable environmental or other regulations or standards, customer requirements or otherwise.

If the market value of our ships declines, we may be required to record an impairment charge in our financial statements, which could adversely affect our results of operations. See “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Critical Accounting Policies—Impairment of Vessels”. Deterioration in market value of our ships may trigger a breach of some of the covenants contained in our credit facilities. If we do breach such covenants and we are unable to remedy the relevant breach, our lenders could accelerate our indebtedness and seek to foreclose on the ships in our fleet securing those credit facilities. In addition, if a charter contract expires or is terminated by the customer, we may be unable to re-deploy the affected ships at attractive rates and, rather than continue to incur costs to maintain and finance them, we may seek to dispose of them. Any foreclosure on our ships, or any disposal by us of a ship at a time when ship prices have fallen, could result in a loss and could materially and adversely affect our business, financial condition, results of operations and cash flows, including cash available for dividends to shareholders.

Our debt levels may limit our flexibility in obtaining additional financing, pursuing other business opportunities and paying dividends to our shareholders.

As of December 31, 2018, we had an aggregate of \$2.8 billion of indebtedness outstanding under our credit agreements, the NOK 2021 Bonds and the 8.875% Senior Notes, of which \$520.6 million was repayable within one year, and a \$206.1 million finance lease liability related to the sale and leaseback of the *Methane Julia Louise*, of which \$6.7 million was repayable within one year. As of December 31, 2018, there was an undrawn available capacity of \$100.0 million under the revolving facility of the credit agreement we entered into on July 19, 2016 to refinance the existing indebtedness on eight of our on-the-water vessels of up to \$1,050.0 million (the “Legacy Facility Refinancing”). In addition, there is one loan facility with an undrawn amount of \$165.8 million available that will be used to finance a portion of the contract price of one of our newbuildings on her delivery. We may incur additional indebtedness in the future as we grow our fleet. This level of debt could have important consequences to us, including the following:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures, ship acquisitions or other purposes may be impaired or such financing may not be available on favorable terms;
- we will need a substantial portion of our cash flow to make principal and interest payments on our debt, reducing the funds that would otherwise be available for operations, future business opportunities and dividends to our shareholders;
- the requirement on us to maintain minimum levels of liquidity as a percentage of our total debt, reducing the funds that would otherwise be available for operations, future business opportunities and dividends to our shareholders;
- our costs of borrowing could increase as we become more leveraged;

- our debt level may make us more vulnerable than our competitors with less debt to competitive pressures or a downturn in our industry or the economy generally;
- our debt level may limit our flexibility in responding to changing business and economic conditions; and
- if we are unable to satisfy the restrictions included in any of our financing agreements or are otherwise in default under any of those agreements, as a result of our debt levels or otherwise, we will not be able to pay cash dividends to our shareholders.

Our ability to service our debt depends upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. If our operating results are not sufficient to service our current or future indebtedness, we will be forced to take actions such as reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing our debt or seeking additional equity capital or bankruptcy protection. We may not be able to effect any of these remedies on satisfactory terms, or at all.

Our ability to obtain additional debt financing for future acquisitions of ships or to refinance our existing debt may depend on the creditworthiness of our charterers and the terms of our future charters.

Our ability to borrow against the ships in our existing fleet and any ships we may acquire in the future largely depends on the value of the ships, which in turn depends in part on charter hire rates and the ability of our charterers to comply with the terms of their charters. The actual or perceived credit quality of our charterers, and any defaults by them, may materially affect our ability to obtain the additional capital resources that we will require to purchase additional ships and to refinance our existing debt as balloon payments come due, or may significantly increase our costs of obtaining such capital. Our inability to obtain additional financing or committing to financing on unattractive terms could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders.

Our ability to pay dividends or to redeem our Preference Shares may be limited by the amount of cash we generate from operations, by restrictions in our credit facilities and by additional factors unrelated to our profitability.

We intend to pay regular quarterly dividends. The declaration and payment of any dividend (including cumulative dividends payable with respect to our Preference Shares) is subject to the discretion of our board of directors and the requirements of Bermuda law. The timing and amount of any dividend or redemption payments will be dependent on our earnings, financial condition, cash requirements and availability, restrictions in our debt agreements, the provisions of Bermuda law and other factors. The amount of cash we generate from operations and the actual amount of cash we will have available for dividends or to redeem our Preference Shares will vary based upon, among other things:

- general LNG shipping market conditions and trends, including charter rates, ship values, factors affecting supply and demand, technological advancements and opportunities for the profitable operations of LNG carriers;
- our ability to comply with the specified financial covenants in our loan facilities, NOK 2021 Bonds and 8.875% Senior Notes and as corporate guarantor for certain loan facilities on a consolidated basis;
- our ability to obtain new charters for our vessels at favourable rates;

- the charter hire payments we obtain from our charters as well as our ability to re-charter the vessels and the rates obtained upon the expiration of our existing charters;
- our fleet expansion and associated uses of our cash as well as any financing requirements;
- the due performance by our charterers of their obligations;
- delays in the delivery of newbuild vessels and the beginning of payments under charters relating to those vessels;
- the level of our operating costs, such as the costs of crews, lubricants and insurance, as well as the costs of repairs, maintenance or modifications of our ships;
- the number of unscheduled off-hire days for our fleet and the timing of, and number of days required for, scheduled dry-docking of our ships;
- our ability to obtain financing to fund capital expenditures, acquisitions and other corporate activities, funding by banks of their financial commitments, and our ability to meet our obligations under our credit facilities;
- prevailing global and regional economic or political conditions;
- changes in interest rates;
- the effect of governmental regulations and maritime self-regulatory organization standards on the conduct of our business;
- changes in the basis of taxation of our activities in various jurisdictions;
- modification or revocation of our dividend policy by our board of directors; and
- the amount of any cash reserves established by our board of directors.

For information regarding the dividend payment restrictions in our financing agreements, see “—Risks Related to Our Business—Our credit facilities are secured by our ships and contain payment obligations and restrictive covenants that may restrict our business and financing activities as well as our ability to pay dividends. A failure by us to meet our obligations under our credit facilities could result in an event of default under such credit facilities and foreclosure on our ships”.

The amount of cash we generate from our operations may differ materially from our profit or loss for the period, which will be affected by non-cash items. We may incur other expenses or liabilities that could reduce or eliminate the cash available for dividends.

Under Bermuda law, a company may not declare or pay dividends if there are reasonable grounds for believing that: (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of the company’s assets would thereby be less than its liabilities. Under our bye-laws, each common share is entitled to dividends as and when any such dividends are declared by our board of directors. We may not declare a common dividend if the payment of our preference dividends is in arrears.

As a result of these and the other factors mentioned above, we may pay dividends during periods when we record losses and may not pay dividends during periods when we record a profit. We can give no assurance that dividends will be paid in the future.

We are a holding company and we depend on the ability of our subsidiaries, including GasLog Partners, to distribute funds to us in order to satisfy our financial obligations and to make dividend payments.

We are a holding company. Our subsidiaries conduct substantially all of our operations and own all of our operating assets, including our ships. As of February 27, 2019, we have no significant assets

other than the equity interests in our subsidiaries, including GasLog Partners, in which we hold a 27.5% equity interest (including our 2.0% general partner interest) as well as all of the incentive distribution rights. As a result, our ability to pay our obligations and to make dividend payments depends entirely on our subsidiaries and their ability to distribute funds to us, including cash distributions and management and administrative services fees received from GasLog Partners. The ability of a subsidiary to make these distributions could be affected by a claim or other action by a third party, including a creditor, or by the law of its jurisdiction of incorporation which regulates the payment of dividends. Other factors which may impact the value of our equity interest in GasLog Partners and its ability to distribute funds to us are described in its public filings with the SEC. If we are unable to obtain funds from our subsidiaries, our board of directors may exercise its discretion not to declare or pay dividends.

Fluctuations in exchange rates and interest rates could result in financial losses for us.

Fluctuations in currency exchange rates and interest rates may have an impact on our financial performance. We receive virtually all of our revenues in dollars, while some of our operating expenses, including certain employee costs and crew costs, are denominated in euros and in British pounds. As a result, we are exposed to foreign exchange risk. However, we also maintain cash balances in euros and British pounds, which amounted to approximately \$9.3 million and \$2.0 million as of December 31, 2018. We monitor exchange rate fluctuations on a continuous basis and we also hedge movements in currency exchange rates. However, there is still a risk that currency fluctuations will have a negative effect on our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders.

Increased regulatory oversight, uncertainty relating to the London Interbank Offered Rate (“LIBOR”) calculation process and potential phasing out of LIBOR after 2021 may adversely impact our ability to manage our exposure to fluctuations in interest rates.

On July 27, 2017, the United Kingdom Financial Conduct Authority (“FCA”), which regulates LIBOR, announced that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict the effect of the FCA announcement, any changes in the methods pursuant to which LIBOR rates are determined and any other reforms to LIBOR that will be enacted in the United Kingdom and elsewhere, or result in the phasing out of LIBOR as a reference rate for securities. The changes may adversely affect the trading market for LIBOR based agreements, including our credit facilities and interest rate swaps.

Further, if a LIBOR rate is not available on a determination date during the floating rate period for any of our LIBOR based agreements, the terms of such agreements will require alternative determination procedures which may result in interest payments differing from expectations and could affect our profit.

In addition, any changes announced by the FCA, including the FCA Announcement, the ICE Benchmark Administration Limited (the independent administrator of LIBOR) or any other successor governance or oversight body, or future changes adopted by such body, in the method pursuant to which LIBOR rates are determined may result in a sudden or prolonged increase or decrease in reported LIBOR rates. If that were to occur, the level of interest payments would be affected and could affect our profit.

The derivative contracts used to hedge our exposure to fluctuations in interest rates could result in reductions in our shareholders’ equity as well as charges in our statement of profit and loss.

We enter into derivative contracts from time to time for purposes of managing our exposure to fluctuations in interest rates applicable to floating rate indebtedness. As of December 31, 2018, we had

27 derivative contracts in place with a notional amount of \$1.2 billion. The changes in the fair value of the 27 derivative contracts that have not been designated as cash flow hedging instruments are recognized in our statement of profit or loss. Changes in the fair value of any derivative contracts that do not qualify for treatment as cash flow hedges for financial reporting purposes would affect, among other things, our profit, earnings per share and compliance with the market value adjusted net worth covenants in our credit facilities.

As of December 31, 2018, we had three Cross Currency Swaps, or “CCSs”, to exchange interest payments and principal on maturity on the same terms as the NOK 2021 Bonds, in order to hedge the variability of the functional currency equivalent cash flows on the NOK 2021 Bonds. As of December 31, 2018, the three CCSs had a notional amount of \$90.2 million and qualified as cash flow hedging instruments for accounting purposes. The effective portion of changes in the fair value of CCSs is recognized in other comprehensive income while the ineffective portion impacts the statement of profit or loss for the period.

We enter into forward foreign exchange contracts from time to time for purposes of managing our exposure to fluctuations in foreign exchange rates applicable to payments in foreign currencies (mainly euros and British Pounds Sterling). As of December 31, 2018, we had 16 forward foreign exchange contracts in place with an aggregate notional amount of €45.0 million and 12 with an aggregate notional amount of £5.25 million. The changes in the fair value of these 28 contracts that have not been designated as cash flow hedging instruments are recognized in our statement of profit or loss. Changes in the fair value of any derivative contracts that do not qualify for treatment as cash flow hedges for financial reporting purposes would affect, among other things, our profit, earnings per share and compliance with the market value adjusted net worth covenants in our credit facilities.

There is no assurance that our derivative contracts will provide adequate protection against adverse changes in interest rates or that our bank counterparties will be able to perform their obligations. In addition, as a result of the implementation of new regulation of the swaps markets in the United States, the European Union and elsewhere over the next few years, the cost and availability of interest rate and currency hedges may increase or suitable hedges may not be available.

Our earnings and business are subject to the credit risk associated with our contractual counterparties.

We enter into, among other things, time charters and other contracts with our customers, shipbuilding contracts and refund guarantees relating to newbuildings, credit facilities and commitment letters with banks, insurance contracts, interest rate swaps and foreign exchange forward contracts. Such agreements subject us to counterparty credit risk.

The ability and willingness of each of our counterparties to perform its obligations under a contract with us will depend upon a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the natural gas and LNG markets and charter hire rates. Should a counterparty fail to honor its obligations under agreements with us, we could sustain significant losses which in turn could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for dividends to our shareholders.

Our business depends on certain of our senior executives who are subject to increasing demands as a result of our growth and who may not necessarily continue to work for us.

Increasing demands are placed on our management as a result of our growth. As we expand operations, we must monitor our operations, control costs and maintain quality control. In addition, the provision of management services to our publicly traded subsidiary, GasLog Partners, has increased the complexity of our business and placed additional demands on our management. Our success depends to a significant extent upon the abilities and the efforts of our Chairman, Peter G. Livanos, and certain of

our senior executives. Mr. Livanos has substantial experience in the shipping industry and has worked with us for many years. He and certain of our senior executives are important to the execution of our business strategies and to the growth and development of our business. If Mr. Livanos or one or more of our senior executives ceased to be affiliated with us, we may be unable to recruit other employees with equivalent talent and experience, and our business and financial condition could suffer.

Risks Related to Our Securities

The price of our equity securities may be volatile.

The price of our equity securities may be volatile and may fluctuate due to factors including:

- our payment of dividends;
- repurchases by us of our common shares pursuant to our share repurchase programme;
- actual or anticipated fluctuations in quarterly and annual results;
- fluctuations in oil and natural gas prices;
- fluctuations in the seaborne transportation industry, including fluctuations in the LNG carrier market;
- fluctuations in supply and demand for LNG;
- mergers and strategic alliances in the shipping industry;
- changes in governmental regulations or maritime self-regulatory organizations standards;
- shortfalls in our operating results from levels forecasted by securities analysts;
- announcements concerning us or our competitors;
- the failure of securities analysts to publish research about us, or analysts making changes in their financial estimates;
- general economic conditions, including fluctuations in interest rates;
- terrorist acts;
- future sales of our shares or other securities;
- investors' perceptions of us, the LNG and the LNG shipping industries;
- the general state of the securities markets; and
- other developments affecting us, our industry or our competitors.

Securities markets worldwide are experiencing significant price and volume fluctuations. The market price for our common shares may also be volatile. This market volatility, as well as general economic, market or political conditions, could reduce the market price of our common shares despite our operating performance.

Increases in interest rates may cause the market price of our securities to decline.

An increase in interest rates may cause a corresponding decline in demand for equity investments in general. Any such increase in interest rates may result in a reduction in demand for our securities resulting from other relatively more attractive investment opportunities and may cause the trading price of our securities to decline.

We are a “foreign private issuer” under NYSE rules, and as such we are entitled to exemption from certain NYSE corporate governance standards, and you may not have the same protections afforded to shareholders of companies that are subject to all of the NYSE corporate governance requirements.

We are a “foreign private issuer” under the securities laws of the United States and the rules of the NYSE. Under the securities laws of the United States, “foreign private issuers” are subject to different disclosure requirements than U.S. domiciled registrants, as well as different financial reporting requirements. Under the NYSE rules, a “foreign private issuer” is subject to less stringent corporate governance requirements. Subject to certain exceptions, the rules of the NYSE permit a “foreign private issuer” to follow its home country practice in lieu of the listing requirements of the NYSE, including (i) the requirement that a majority of the board of directors consist of independent directors, (ii) the requirement that a nominating/corporate governance committee be established, (iii) the requirement that the compensation committee be composed entirely of independent directors and have a written charter addressing the committee’s purpose and responsibilities and (iv) the requirement of an annual performance evaluation of the compensation committee.

As permitted by these exemptions, as well as by our bye-laws and the laws of Bermuda, we have one or more non-independent directors serving as committee members on our compensation committee. As a result, non-independent directors may, among other things, participate in fixing the compensation of our management, making share and option awards and resolving governance issues regarding our Company.

Accordingly, in the future you may not have the same protections afforded to shareholders of companies that are subject to all of the NYSE corporate governance requirements.

Substantial future sales of our equity securities could cause the market price of our equity securities to decline.

Sales of a substantial number of our equity securities in the public market, or the perception that these sales could occur, may depress the market price for our equity securities. These sales could also impair our ability to raise additional capital through the sale of our equity securities.

In the future we may issue additional equity securities which may be pari passu with or senior to our common shares. The issuance by us of additional common shares or other equity securities that are contractually or structurally pari passu with or senior to our common shares would have the following effects:

- our shareholders’ proportionate ownership interest in us will decrease;
- the dividend amount payable per share on our common shares may be lower;
- the relative voting strength of each previously outstanding common share may be diminished;
- and
- the market price of our common shares may decline.

Our shareholders also may elect to sell large numbers of equity securities held by them from time to time. The number of our equity securities available for sale in the public market will be limited by restrictions applicable under securities laws.

Our Preference Shares are subordinated to our debt obligations and investors’ interests could be diluted by the issuance of additional preference shares and by other transactions.

Our Preference Shares are subordinated to all of our existing and future indebtedness. As of December 31, 2018, we had \$2.83 billion of outstanding indebtedness. Our existing indebtedness restricts, and our future indebtedness may include restrictions on, our ability to pay dividends to shareholders. Our memorandum of association and bye-laws currently authorizes the issuance of an

unlimited number of preference shares out of the 500,000,000 shares of share capital in one or more classes or series. The issuance of additional preference shares on a parity with or senior to our Preference Shares would dilute the interests of the holders of our Preference Shares, and any issuance of preference shares senior to or at parity with our Preference Shares or of additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on our Preference Shares. No provisions relating to our Preference Shares protect the holders of our Preference Shares in the event of a highly leveraged or other transaction, including the sale, lease or conveyance of all or substantially all our assets or business, which might adversely affect the holders of our Preference Shares.

Our Preference Shares rank *pari passu* with any other class or series of shares established after the original issue date of the Preference Shares that is not expressly subordinated or senior to the Preference Shares as to the payment of dividends and amounts payable upon liquidation or reorganization. If less than all dividends payable with respect to the Preference Shares and any parity securities are paid, any partial payment shall be made *pro rata* with respect to shares of Preference Shares and any parity securities entitled to a dividend payment at such time in proportion to the aggregate amounts remaining due in respect of such shares at such time.

Holders of our Preference Shares have extremely limited voting rights.

Our common shares are the only class of our shares carrying full voting rights. Holders of the Preference Shares generally have no voting rights. However, if and whenever dividends payable on the Preference Shares are in arrears for six or more quarterly periods, whether or not consecutive, holders of Preference Shares (voting together as a class with all other classes or series of parity securities upon which like voting rights have been conferred and are exercisable) will be entitled to elect one additional director to serve on our board of directors, and the size of our board of directors will be increased as needed to accommodate such change (unless the size of our board of directors already has been increased by reason of the election of a director by holders of parity securities upon which like voting rights have been conferred and with which the Preference Shares voted as a class for the election of such director). The right of such holders of Preference Shares to elect a member of our board of directors will continue until all accumulated and unpaid dividends on the Preference Shares have been paid in full. In addition, holders of Preference Shares are entitled to vote together with holders of common shares on matters related to the approval of an amalgamation or merger.

The Preference Shares represent perpetual equity interests and holders have no right to receive any greater payment than the liquidation preference regardless of the circumstances.

The Preference Shares represent perpetual equity interests in us and, unlike our indebtedness, will not give rise to a claim for payment of a principal amount at a particular date. As a result, holders of the Preference Shares may be required to bear the financial risks of an investment in the Preference Shares for an indefinite period of time. In addition, the Preference Shares rank junior in all our indebtedness and other liabilities, and any other senior securities we may issue in the future with respect to assets available to satisfy claims against us.

The payment due to a holder of Preference Shares upon a liquidation is fixed at the redemption preference of \$25.00 per share plus accumulated and unpaid dividends to the date of liquidation. If, in the case of our liquidation, there are remaining assets to be distributed after payment of this amount, holders of Preference Shares will have no right to receive or to participate in these amounts. Furthermore, if the market price for Preference Shares is greater than the liquidation preference, holders of Preference Shares will have no right to receive the market price from us upon our liquidation.

Entities controlled by members of the Livanos family are our principal shareholders and can effectively control the outcome of most matters on which our shareholders are entitled to vote; their interests may be different from yours.

Entities controlled by members of the Livanos family, including our Chairman, may be deemed to beneficially own approximately 40.1% of our issued and outstanding common shares. As a result of his shareholding, Mr. Livanos can effectively control the outcome of most matters on which our shareholders are entitled to vote, including the election of our entire board of directors and other significant corporate actions. The interests of these shareholders may be different to yours.

Provisions in our organizational documents may have anti-takeover effects.

Our bye-laws contain provisions that could make it more difficult for a third party to acquire us without the consent of our board of directors. These provisions require an affirmative vote of a majority of the votes attaching to all issued and outstanding shares to approve any merger, consolidation, amalgamation or similar transactions. Our bye-laws also provide for restrictions on the time period in which directors may be nominated.

These provisions could make it difficult for our shareholders to replace or remove our current board of directors or could have the effect of discouraging, delaying or preventing an offer by a third party to acquire us, even if the third party's offer may be considered beneficial by many shareholders. As a result, shareholders may be limited in their ability to obtain a premium for their shares.

Tax Risks

In addition to the following risk factors, you should read “Item 10. Additional Information—E. Tax Considerations” for a more complete discussion of the material Bermuda and U.S. Federal income tax considerations relating to us and the ownership and disposition of our common shares and Preference Shares.

We may have to pay tax on U.S.-source income, which would reduce our earnings.

Under the United States Internal Revenue Code of 1986, as amended, or the “Code”, the U.S. source gross transportation income of a ship-owning or chartering corporation, such as ourselves, is subject to a 4% U.S. Federal income tax without allowance for deduction, unless that corporation qualifies for exemption from tax under a tax treaty or Section 883 of the Code and the Treasury Regulations promulgated thereunder. U.S. source gross transportation income consists of 50% of the gross shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States.

GasLog Ltd. has qualified for the statutory tax exemption for the year of 2018 and intends to continue to qualify for the foreseeable future. However, no assurance can be given that this will be the case. If GasLog Ltd. is not entitled to this exemption under Section 883 for any taxable year, we would be subject to the 4% U.S. Federal income tax described above. The imposition of this taxation could have a negative effect on our business and would result in decreased earnings available for distribution to our shareholders. For a more detailed discussion, see the section entitled “Item 10. Additional Information—E. Tax Considerations—Material U.S. Federal Income Tax Considerations—U.S. Taxation of Our Operating Income”.

If we were treated as a “passive foreign investment company”, certain adverse U.S. Federal income tax consequences could result to U.S. shareholders.

A foreign corporation will be treated as a “passive foreign investment company”, or “PFIC”, for U.S. Federal income tax purposes if at least 75% of its gross income for any tax year consists of certain

types of “passive income”, or at least 50% of the average value of the corporation’s assets produce or are held for the production of those types of “passive income”. For purposes of these tests, “passive income” includes dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute “passive income”. U.S. shareholders of a PFIC are subject to a disadvantageous U.S. Federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC. If we are treated as a PFIC for any tax year, we will provide information to U.S. shareholders who request such information to enable them to make certain elections to alleviate certain of the adverse U.S. Federal income tax consequences that would arise as a result of holding an interest in a PFIC.

Based on our proposed method of operation, we do not believe that GasLog Ltd. is a PFIC for this tax year. In this regard, we intend to treat the gross income we derive or are deemed to derive from our time chartering activities as services income, rather than rental income. Accordingly, we believe that our income from our time chartering activities does not constitute “passive income”, and the assets that we own and operate to produce that income do not constitute passive assets.

There is, however, no legal authority under the PFIC rules addressing our proposed method of operation. Accordingly, the U.S. Internal Revenue Service, or the “IRS”, or a court of law may not accept our position, and there is a risk that the IRS or a court of law could determine that we are a PFIC. Moreover, GasLog Ltd. could constitute a PFIC for a future tax year if there were to be changes in the nature and extent of our operations.

If the IRS were to find that GasLog Ltd. is or has been a PFIC for any tax year, U.S. shareholders would face adverse tax consequences. Under the PFIC rules, unless those shareholders make certain elections available under the Code, such shareholders would be liable to pay U.S. Federal income tax at the then prevailing income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of our common shares or Preference Shares, as if the excess distribution or gain had been recognized ratably over the shareholder’s holding period. Please read “Item 10. Additional Information—E. Tax Considerations—Material U.S. Federal Income Tax Considerations—U.S. Federal Income Taxation of U.S. Holders—PFIC Status and Significant Tax Consequences” for a more detailed discussion of the U.S. Federal income tax consequences to U.S. shareholders if GasLog Ltd. is treated as a PFIC.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

GasLog was incorporated in Bermuda on July 16, 2003. GasLog and its subsidiaries are primarily engaged in the ownership, operation and management of vessels in the LNG market, providing maritime services for the transportation of LNG on a worldwide basis and LNG vessel management services. The Group conducts its operations through its vessel-owning subsidiaries and through its vessel management services subsidiary.

Our company and its founders have a long history in shipping and in LNG carriers. Our largest shareholder is Ceres Shipping, whose founding family’s shipping activities commenced more than 100 years ago and which is currently controlled by our Chairman, Peter G. Livanos. Ceres Shipping owns its shareholding in GasLog through its wholly owned subsidiary, Blenheim Holdings Ltd. (“Blenheim Holdings”). Ceres Shipping entered the LNG sector in 2001 by undertaking the management of BG Group’s owned fleet of LNG carriers through our subsidiary GasLog LNG Services, and in 2003 GasLog Ltd. was incorporated. Until 2010, when we took delivery of the *GasLog Savannah* and the *GasLog Singapore*, our business principally consisted of providing technical ship

management services, as well as plan approval and construction supervision services for newbuilding LNG carriers. As a result, we have had a longer presence in LNG shipping than many other independent owners currently operating in the sector. For a description of our historical and current capital expenditures, see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Capital Expenditures”.

On April 4, 2012, we completed our initial public offering, or “IPO”, and our common shares began trading on the NYSE on March 30, 2012 under the ticker symbol “GLOG”. On January 22, 2014, GasLog completed a follow-on public offering of 10,925,000 common shares (including 1,425,000 common shares in relation to the over-allotment option exercised in full by the underwriters) and a concurrent private placement of 2,317,460 common shares at the public offering price to certain of its directors and officers and one of its major shareholders. The offering and private placement resulted in net proceeds of \$199.0 million which were used to partially finance the acquisition of the first three ships acquired from MSL in 2014. On April 16, 2014, GasLog completed a second follow-on public offering of 4,887,500 common shares (including 637,500 common shares in relation to the over-allotment option exercised in full by the underwriters). The offering resulted in net proceeds of \$109.9 million which were used to partially finance the acquisition of the additional three ships acquired from MSL in 2014.

On May 12, 2014, our subsidiary GasLog Partners completed an IPO of 9,660,000 common units (including 1,260,000 units in relation to the over-allotment option exercised in full by the underwriters), resulting in net proceeds of \$186.0 million. GasLog Partners is a Marshall Islands master limited partnership formed by us to own and operate LNG carriers under multi-year charters. Its common units representing limited partner interests are traded on the NYSE under the ticker symbol “GLOP”. Concurrently with the initial public offering, GasLog Partners acquired a 100.0% ownership interest in GAS-three Ltd., GAS-four Ltd. and GAS-five Ltd., the entities that owned the *GasLog Shanghai*, the *GasLog Santiago* and the *GasLog Sydney*, from GasLog, in exchange for (i) 162,358 common units and 9,822,358 subordinated units issued to GasLog representing a 49.8% ownership interest and all of the incentive distribution rights that entitle GasLog to increasing percentages of the cash that the Partnership distributes in excess of \$0.43125 per unit per quarter, (ii) 400,913 general partner units issued to GasLog Partners GP LLC, a wholly owned subsidiary of GasLog, representing a 2.0% general partner interest and (iii) \$65.7 million of cash consideration paid directly to us from the offering proceeds. In addition to the cash consideration of \$65.7 million paid to us, GasLog Partners used the \$186.0 million net proceeds of its IPO to (a) prepay \$82.6 million of debt plus accrued interest of \$0.4 million and (b) make a payment of \$2.3 million (including \$0.3 million accrued interest) to settle the mark-to-market loss on termination of one interest rate swap and reduction of a second interest rate swap in connection with the aforementioned debt prepayment. The balance of \$35.0 million was retained by GasLog Partners for general partnership purposes.

Since GasLog Partners' IPO, the Partnership has completed follow-on equity offerings as set out below, the proceeds of which have been used for general corporate purposes including partially funding the acquisition of the GasLog subsidiaries that own the vessels listed below:

<u>Date of Equity Offering</u>	<u>Equity Offering</u>	<u>Net Proceeds</u>	<u>Vessels Purchased</u>	<u>Date Acquisition Completed</u>
September 29, 2014 . . .	Follow-on common equity offering	\$133.0 million	<i>Methane Rita Andrea</i> and <i>Methane Jane Elizabeth</i>	September 29, 2014
June 26, 2015	Follow-on common equity offering	\$171.8 million	<i>Methane Alison Victoria</i> , <i>Methane Shirley Elisabeth</i> and <i>Methane Heather Sally</i>	July 1, 2015
August 5, 2016	Follow-on common equity offering	\$52.3 million	<i>GasLog Seattle</i>	November 1, 2016
January 27, 2017	Follow-on common equity offering	\$78.2 million	<i>GasLog Greece</i>	May 3, 2017
May 15, 2017	Preference equity offering	\$138.8 million	<i>GasLog Geneva</i>	July 3, 2017
May 16, 2017 onwards .	Common equity offering through an at-the-market common equity offering which commenced in May 2017 (the "ATM Programme")	\$123.4 million (through December 31, 2018)	<i>Solaris</i>	October 20, 2017
January 17, 2018	Preference equity offering	\$111.0 million	<i>GasLog Gibraltar</i>	April 26, 2018
November 15, 2018 . . .	Preference equity offering	\$96.3 million	—	—

On April 7, 2015, GasLog completed a public offering of 4,600,000 Preference Shares, par value \$0.01 per share, liquidation preference \$25.00 per share and priced at \$25.00 per share, including 600,000 shares issued upon the exercise in full by the underwriters of their option to purchase additional Preference Shares. The net proceeds from the offering after deducting underwriting discounts, commissions and other offering expenses were \$110.7 million to be used for general corporate purposes. The Preference Shares are listed on the NYSE under the symbol "GLOG PR A".

As of February 27, 2019, GasLog holds a 27.5% interest in the Partnership and, as a result of its ownership of the general partner and the fact that the general partner elects the majority of the Partnership's directors in accordance with the Partnership's partnership agreement, or the "Partnership Agreement", GasLog has the ability to control the Partnership's affairs and policies. Consequently, GasLog Partners is consolidated in the Group's financial statements. The Group's control of the general partner and consequently of the Partnership could be challenged with a 66.67% vote by other unitholders. However, as the Partnership Agreement limits any single unitholder to a maximum of 4.9% of the vote, it is highly unlikely that a coordinated vote of widely held unitholders will be organized to change the Group's control of the general partner. As a result, the Group continues to assume that control of the general partner is a relevant basis on which to conclude control of the Partnership.

As described elsewhere herein, GasLog Partners holds options to acquire from GasLog an additional two vessels. In general, we would expect the exercise of these options to be beneficial to GasLog, as any external equity capital raised by GasLog Partners to finance the acquisition can be expected to reduce our consolidated indebtedness and, if GasLog Partners increases its per unit distributions, increase the return on our incentive distribution rights (although our common unit interest will be diluted by any GasLog Partners equity issuance). GasLog Partners will determine whether, and when, to exercise any of the options and rights that it holds. The timing of those decisions will depend in part on the price and availability of debt and equity financing to GasLog Partners. See

“Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Relationship with GasLog Partners—Omnibus Agreement”.

On October 1, 2015, GasLog, Dynagas and Golar established the Cool Pool to market their vessels which are currently operating in the LNG shipping spot market. The Cool Pool allows the participating owners to optimize the operation of the pool vessels through improved scheduling ability, cost efficiencies and common marketing. The objective of the Cool Pool is to serve the transportation requirements of a rapidly growing LNG shipping market by providing customers with reliable, flexible and innovative solutions to meet their increasingly complex shipping requirements. In June and July 2018, Dynagas removed its three vessels from the Cool Pool and renounced its 33% ownership in the Cool Pool.

As of February 27, 2019, the Cool Pool consists of 16 modern high quality and essentially equivalent vessels with TFDE propulsion. The two owners’ vessels eligible for participation in the Cool Pool are as follows: GasLog: six vessels and Golar: ten vessels. Each vessel owner continues to be fully responsible for the manning and technical management of its respective vessels. The Cool Pool focuses on charters of less than 12 months’ duration. The scheduling of employment opportunities in excess of 12 months will remain the mandate of the respective vessel owner. If a Cool Pool vessel is scheduled by an owner for a charter that exceeds 12 months in duration, such vessel will cease to be part of the Cool Pool.

We maintain our principal executive offices at Gildo Pastor Center, 7 Rue du Gabian, MC 98000, Monaco. Our telephone number at that address is +377 97 97 51 15. We are registered with the Registrar of Companies in Bermuda under registration number 33928. We maintain a registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In accordance with these requirements, we file reports and other information as a foreign private issuer with the SEC. You may obtain copies of all or any part of such materials from the SEC upon payment of prescribed fees. You may also inspect reports and other information regarding registrants, such as us, that file electronically with the SEC without charge at a website maintained by the SEC at <http://www.sec.gov>. These documents and other important information on our governance are posted on our website and may be viewed at <http://www.gaslogltd.com>.

B. Business Overview

Overview

We are an international owner, operator and manager of LNG carriers providing support to international energy companies as part of their LNG logistics chain. Our owned and bareboat fleet as of February 27, 2019, consists of 35 LNG carriers, including 26 ships on the water and nine LNG carriers on order at one of the world’s leading LNG shipbuilders, Samsung. This includes 14 LNG carriers in operation that are owned by our NYSE-listed subsidiary GasLog Partners, with which we have entered into certain agreements governing our relationship, including purchase options for certain of our ships. We currently manage and operate 26 LNG carriers including 11 of our wholly owned ships in operation, 13 ships contributed or sold to the Partnership (one is managed by a subsidiary of Shell), one additional LNG carrier in which we have a 25.0% interest and a vessel secured under a long-term bareboat charter from Lepta Shipping, a subsidiary of Mitsui. We are also supervising the construction of our newbuildings. We have secured multi-year contracts for six of our owned ships, the 13 of the 14 ships owned by the Partnership, seven of our nine newbuildings on order and the one vessel secured under a long-term bareboat charter with Lepta Shipping. As of December 31, 2018, these contracts are expected to provide total contracted revenues of \$3.6 billion during their initial terms, which expire between 2019 and 2029. During 2018, 2017 and 2016, we generated revenues of \$618.3 million,

\$525.2 million and \$466.1 million, respectively. For disaggregation of revenues, see “Item 5. Operating and Financial Review and Prospects—Operating Results—Customers”.

The LNG carrier in which we have a 25.0% interest is the *Methane Nile Eagle*, a 2007-built LNG carrier technically managed by us that is currently operating under a 20-year time charter to MSL.

Our current time charters have initial terms of up to ten years and include options that permit the charterers to extend the terms for successive periods under hire rate provisions. We will continue to evaluate the attractiveness of longer and shorter-term chartering opportunities as the commercial characteristics of the LNG carrier industry evolve. Our order book of new LNG carriers has staggered delivery dates, facilitating a smooth integration of the ships into our fleet as well as significant annual growth through 2021. This has the additional advantage of spreading our exposure to the re-employment of these ships over several years upon expiration of their current charters.

Each of our 26 owned and bareboat LNG carriers and nine LNG carriers under construction is designed with a capacity of between approximately 145,000 cbm and 180,000 cbm. We believe this size range maximizes their operational flexibility as these ships are compatible with most existing LNG terminals around the world. All but one of the LNG carriers in our owned and bareboat fleet are of similar specifications, which allows us to benefit from economies of scale and operating efficiencies in ship construction, crew training, crew rotation and shared spare parts. Upon delivery of the last of our nine contracted newbuildings, our owned and bareboat fleet will have an average age of 6.9 years, making it one of the youngest in the industry. By comparison, as of December 31, 2018, the average age for the global fleet of LNG carriers, including LNG carriers of all sizes, was 9.89 years.

Our wholly owned subsidiary, GasLog LNG Services, exclusively handles the technical management of our fleet, including plan approval for new ship orders, supervision of ship construction and planning and supervision of dry-dockings, as well as technical operations, crewing, training, maintenance, regulatory and classification compliance and health, safety, security and environmental, or “HSSE”, management and reporting. With over 18 years of technical management experience, including 15 years as sole technical manager of BG Group’s owned fleet of LNG carriers, we have established a track record for the efficient, safe and reliable operation of LNG carriers which is evidenced by our safety performance and the limited off-hire days of the 25 ships currently operating under our management.

In 2018, GasLog continued the development of an FSRU business, acting on its strategic decision to enter this business segment.

In June 2018, Keppel Shipyard finalized the detailed engineering for the conversion of the *GasLog Chelsea*, one of our 153,600 cbm TFDE vessels, into an FSRU.

A wholly owned subsidiary of GasLog acquired a 20% shareholding in Gastrade in 2016. Gastrade is licensed to develop an independent natural gas system offshore Alexandroupolis in Northern Greece utilizing a FSRU along with other fixed infrastructure. A Front End Engineering and Design (“FEED”) study in 2017 by Wood Group and GasLog as subcontractor for the FSRU part of the study confirmed the selected offshore concept.

On February 23, 2018, a wholly owned subsidiary of GasLog executed an FSRU Operation and Maintenance Agreement with Gastrade. This agreement is tied to the Terminal Use Agreement and subject to final investment decision (“FID”) of the Alexandroupolis Project.

On May 3, 2018, DEPA, the Greek State Gas Company, and Gastrade signed an agreement regarding the future capacity reservation by DEPA in the Alexandroupolis FSRU. In September, negotiations for the acquisition of 20% of the shares in Gastrade by DEPA was concluded. In December, the Bulgarian parliament approved the acquisition of 20% of the shares in Gastrade by BulgarTransgaz, the Bulgarian State Gas Transport Company. These share acquisitions have not been completed yet.

On September 21, 2018, Gastrade launched the Engineering Procurement and Construction tender process for the construction of the pipeline and offshore installation contract and the acquisition process for the FSRU. The first phase is an expression of interest by interested parties and a shortlisting by Gastrade before the request for proposal is sent to shortlisted companies.

On December 31, 2018, Gastrade's invitation to express interest in taking long term capacity in the Alexandroupolis FSRU was concluded with responses from 20 companies with an aggregated interest for up to 12.2 billion cubic meters per year of regasification capacity. This is the first phase of a process to secure binding commitment for capacity in the FSRU.

Our Fleet

Owned Fleet

The following table presents information about our wholly owned vessels and their associated time charters as of February 27, 2019:

Vessel Name	Year Built	Cargo Capacity (cbm)	Charterer	Propulsion	Charter Expiration ⁽¹⁾	Optional Period ⁽²⁾
1 <i>GasLog Savannah</i>	2010	155,000	Spot Market ⁽³⁾	TFDE	—	—
2 <i>GasLog Singapore</i>	2010	155,000	Spot Market ⁽³⁾	TFDE	—	—
3 <i>GasLog Skagen</i> ⁽⁴⁾	2013	155,000	Spot Market ⁽³⁾	TFDE	—	—
4 <i>GasLog Chelsea</i>	2010	153,600	Spot Market ⁽³⁾	TFDE	—	—
5 <i>GasLog Saratoga</i> ⁽⁴⁾	2014	155,000	Shell	TFDE	September 2019	—
6 <i>Methane Lydon Volney</i>	2006	145,000	Shell	Steam	October 2020	—
7 <i>GasLog Salem</i>	2015	155,000	Spot Market ⁽³⁾	TFDE	—	—
8 <i>GasLog Glasgow</i>	2016	174,000	Shell	TFDE	June 2026	2031
9 <i>GasLog Houston</i>	2018	174,000	Shell	LP-2S	May 2028	2031 - 2034
10 <i>GasLog Hong Kong</i>	2018	174,000	Total ⁽⁶⁾	LP-2S	December 2025	2028
11 <i>GasLog Genoa</i>	2018	174,000	Shell	LP-2S	April 2027	2030 - 2033

The following table presents information about GasLog Partners' fleet and their associated time charters as of February 27, 2019:

Vessel Name	Year Built	Cargo Capacity (cbm)	Charterer	Propulsion	Charter Expiration ⁽¹⁾	Optional Period ⁽²⁾
1 <i>Methane Rita Andrea</i>	2006	145,000	Shell	Steam	April 2020	—
2 <i>Methane Jane Elizabeth</i>	2006	145,000	Shell	Steam	October 2019	—
3 <i>Methane Alison Victoria</i>	2007	145,000	Shell	Steam	December 2019	—
<i>Methane Jane Elizabeth/ Methane Alison Victoria</i>	2006/2007	145,000	Trafigura	Steam	November/December 2020 ⁽⁵⁾	2021 - 2024
4 <i>Methane Shirley Elisabeth</i>	2007	145,000	Shell	Steam	June 2020	—
5 <i>Methane Heather Sally</i>	2007	145,000	Shell	Steam	December 2020	2023 - 2025
6 <i>Methane Becki Anne</i>	2010	170,000	Shell	TFDE	March 2024	2027 - 2029
7 <i>GasLog Shanghai</i>	2013	155,000	Spot Market ⁽³⁾	TFDE	—	—
8 <i>GasLog Santiago</i>	2013	155,000	Trafigura	TFDE	December 2021	2022 - 2028
9 <i>GasLog Sydney</i>	2013	155,000	Cheniere ⁽⁶⁾	TFDE	June 2020	2020 - 2021
10 <i>GasLog Seattle</i>	2013	155,000	Shell	TFDE	June 2021	—
11 <i>Solaris</i>	2014	155,000	Shell	TFDE	June 2021	—
12 <i>GasLog Greece</i>	2016	174,000	Shell	TFDE	March 2026	2031
13 <i>GasLog Geneva</i>	2016	174,000	Shell	TFDE	September 2023	2028 - 2031
14 <i>GasLog Gibraltar</i>	2016	174,000	Shell	TFDE	October 2023	2028 - 2031

Bareboat Vessel

Vessel Name	Year Built	Cargo Capacity (cbm)	Charterer	Propulsion	Charter Expiration ⁽¹⁾	Optional Period ⁽²⁾
1 <i>Methane Julia Louise</i> ⁽⁷⁾	2010	170,000	Shell	TFDE	March 2026	2029 - 2031

⁽¹⁾ Indicates the expiration of the initial term.

⁽²⁾ The period shown reflects the expiration of the minimum optional period and the maximum optional period. The charterer of the *GasLog Santiago* may extend the term of this time charter for a period ranging from one to seven years, provided that the charterer provides us with advance notice of declaration. The charterer of the *GasLog Sydney* may extend the term of this time charter for a period ranging from six to twelve months, provided that the charterer provides us with advance notice of declaration. The charterer of the *Methane Heather Sally*, the *Methane Becki Anne* and the *Methane Julia Louise* has unilateral options to extend the term of the related time charters for a period of either three or five years at the charterer's election, provided that the charterer provides us with advance notice of declaration of any option in accordance with the terms of the applicable charter. The charterer of the *GasLog Greece* and the *GasLog Glasgow* has the right to extend the charters for a period of five years at the charterer's option. The charterer of the *GasLog Geneva* and the *GasLog Gibraltar* has the right to extend each charter by two additional periods of five and three years, provided that the charterer provides us with advance notice of declaration. The charterer of the *GasLog Houston* and the *GasLog Genoa* has the right to extend the charters by two additional periods of three years, provided that the charterer provides us with advance notice of declaration. The charterer of the *GasLog Hong Kong* has the right to extend the charter for a period of three years, provided that the charterer provides us with advance notice of declaration.

⁽³⁾ Vessels operating in the spot market that participate in the Cool Pool. See "Item 4. Information of the Company—A. History and Development of the Company".

⁽⁴⁾ Shell and GasLog have agreed to substitute the *GasLog Saratoga* for the *GasLog Skagen*. The substitution took effect subsequent to the end of the *GasLog Skagen's* dry-docking in September 2018.

⁽⁵⁾ On March 22, 2018, a new charter party agreement was signed with Trafigura for either the *Methane Jane Elizabeth* or the *Methane Alison Victoria* (as nominated by the Partnership) commencing in either November or December 2019, at the Partnership's option, until November or December 2020, with the charterer having the option to extend the charter from one to four years. The charter rate for this one-year charter is lower than the current charter rates of either the *Methane Jane Elizabeth* or the *Methane Alison Victoria*.

⁽⁶⁾ The vessel began her 18-month charter with Cheniere in December 2018.

⁽⁷⁾ On February 24, 2016, GasLog's subsidiary, GAS-twenty six Ltd., completed the sale and leaseback of the *Methane Julia Louise* with Lepta Shipping. Lepta Shipping has the right to on-sell and lease back the vessel. The vessel was sold to Lepta Shipping for a total consideration approximately equivalent to its book value at the time of the sale. GasLog has leased back the vessel under a bareboat charter from Lepta Shipping for a period of up to 20 years. GasLog has the option to re-purchase the vessel on pre-agreed terms no earlier than the end of year ten and no later than the end of year 17 of the bareboat charter. The vessel remains on its eleven-year charter with MSL, a subsidiary of Shell.

Newbuilds

Vessel Name	Expected Delivery ⁽¹⁾	Cargo Capacity (cbm)	Charterer	Propulsion	Charter Expiration ⁽²⁾	Optional Period ⁽³⁾
1 <i>Hull No. 2131</i>	Q1 2019	174,000	Shell	LP-2S	2029	2032 - 2035
2 <i>Hull No. 2212</i>	Q3 2019	180,000	—	LP-2S	—	—
3 <i>Hull No. 2213</i>	Q2 2020	180,000	Centrica	LP-2S	2027	2029 - 2033
4 <i>Hull No. 2274</i>	Q2 2020	180,000	—	LP-2S	—	—
5 <i>Hull No. 2262</i>	Q3 2020	180,000	Centrica	LP-2S	2027	2029 - 2033
6 <i>Hull No. 2300</i>	Q4 2020	174,000	Cheniere	LP-2S	2027	2030 - 2034
7 <i>Hull No. 2301</i>	Q4 2020	174,000	Cheniere	LP-2S	2027	2030 - 2034
8 <i>Hull No. 2311</i>	Q2 2021	180,000	Cheniere	LP-2S	2028	2031 - 2035
9 <i>Hull No. 2312</i>	Q3 2021	180,000	Cheniere	LP-2S	2028	2031 - 2035

⁽¹⁾ Expected delivery quarters are presented.

⁽²⁾ Indicates the expiration of the initial term.

⁽³⁾ The charterer of Hull No. 2131 has the right to extend the charter by two consecutive periods of three years each, provided that the charterer provides us with advance notice of declaration. The charterer of Hull No. 2213 and Hull No. 2262 has the right to extend the charters by three consecutive periods of two years each at the charterer's option. The charterer of

Hull Nos. 2300, 2301, 2311 and 2312 has the right to extend the charters by three consecutive periods of three years, two years and two years, respectively, each at the charterer's option.

Charter Expirations

The *GasLog Saratoga*, the *Methane Jane Elizabeth*, the *Methane Alison Victoria*, the *Methane Rita Andrea*, the *GasLog Sydney*, the *Methane Shirley Elisabeth*, the *Methane Lydon Volney* and the *Methane Heather Sally* are due to come off charter in September 2019, October 2019, December 2019, April 2020, April 2020, June 2020, June 2020 and December 2020, respectively, each plus or minus 30 days. GasLog Partners has already secured a one-year charter for either *Methane Jane Elizabeth* or *Methane Alison Victoria* (as nominated by the Partnership), commencing in either November or December 2019 at the Partnership's option. The charter rate for this one-year charter is lower than the current charter rates of either the *Methane Jane Elizabeth* or the *Methane Alison Victoria*. In addition, GasLog Partners and GasLog continue to pursue opportunities for new multi-year charters with third parties and, on an interim basis, may consider trading the vessels in the spot market, pursuing the most advantageous redeployment depending on evolving market conditions.

GasLog Partners Existing Vessel Interests Purchase Options

Under the omnibus agreement entered into with GasLog Partners and certain of its subsidiaries in connection with the Partnership's initial public offering, as amended, GasLog Partners has the option to purchase from us the *GasLog Glasgow* within 36 months after we notify the Partnership's board of directors of the vessel's acceptance by her charterer and the *GasLog Houston* within 30 days following receipt of notice from GasLog that the vessel has commenced its multi-year charter (being at least five years in length). GasLog Partners' option to purchase is at fair market value as determined pursuant to the omnibus agreement.

Key Fleet Characteristics

The key characteristics of our current owned and bareboat fleet include the following:

- each ship is sized at between approximately 145,000 cbm and 180,000 cbm capacity, which places our ships in the medium- to large-size class of LNG carriers; we believe this size range maximizes their efficiency and operational flexibility, as these ships are compatible with most existing LNG terminals around the world;
- each ship is double-hulled, which is standard in the LNG industry;
- each ship has a membrane containment system incorporating current industry construction standards, including guidelines and recommendations from Gaztransport and Technigaz (the designer of the membrane system) as well as updated standards from our classification society;
- each of our ships is equipped with a modern steam turbine or has TFDE or LP-2S engine propulsion technology;
- Bermuda is the flag state of each ship;
- each of our delivered ships has received, and each of our newbuildings is expected to receive, an ENVIRO+ notation from our classification society, which denotes compliance with its published guidelines concerning the most stringent criteria for environmental protection related to design characteristics, management and support systems, sea discharges and air emissions; and
- upon delivery of the last of our nine contracted newbuildings in 2021, our owned fleet will have an average age of 6.9 years, making it one of the youngest in the industry, compared to a current average age of 9.89 years for the global LNG carrier fleet including LNG carriers of all sizes as of December 31, 2018.

In addition to our owned and bareboat fleet, we have a 25.0% ownership interest in Egypt LNG, an entity whose principal asset is the *Methane Nile Eagle*. The *Methane Nile Eagle* is a 145,000 cbm LNG carrier that was built in 2007. It is currently chartered to MSL under a 20-year time charter, which is subject to extension for up to 10 years at the charterer's option.

We continually evaluate short-term and multi-year charter opportunities for our vessels, including the newbuildings for which we do not currently have charters fixed. Our discussions with potential charterers are at various stages of advancement; however, we cannot provide assurance that we will conclude any particular charter or, if concluded, as to the charter rate that will apply.

Managed Fleet

Through GasLog LNG Services, we provide technical ship management services for one LNG carrier owned by a third party in addition to management of the 25 LNG carriers currently operating in our owned and bareboat fleet (the *Solaris* is managed by a subsidiary of Shell). We supervised the construction by Samsung or Hyundai of each LNG carrier in our managed fleet, and each ship has operated under our technical management since its delivery from the shipyard with the exception of the *Solaris*.

The following table provides information about our managed, third party owned ship (not including the bareboat vessel):

<u>Vessel Name</u>	<u>Year Built</u>	<u>Cargo Capacity (cbm)</u>	<u>Propulsion</u>	<u>GasLog Ownership</u>	<u>Ship Owner</u>
1 <i>Methane Nile Eagle</i> ⁽¹⁾	2007	145,000	Steam	25.0%	Egypt LNG ⁽¹⁾

⁽¹⁾ The *Methane Nile Eagle* is owned by Egypt LNG in which we indirectly hold a 25.0% equity interest. Shell Integrated Gas Thailand PTE. Ltd., a subsidiary of Shell, and Eagle Gas Shipping Co. E.S.A., an entity affiliated with the government of Egypt, have 25.0% and 50.0% equity interests, respectively, in Egypt LNG.

Ship Time Charters

We provide the services of our ships under time charters. A time charter is a contract for the use of the ship for a specified term at a daily hire rate. Under a time charter, the ship owner provides crewing and other services related to the ship's operation, the cost of which is covered by the hire rate, and the customer is responsible for substantially all of the ship voyage costs (including bunker fuel, port charges, canal fees and LNG boil-off).

We entered into master time charters with MSL that established the general terms under which the *GasLog Greece*, the *GasLog Glasgow*, the *GasLog Geneva*, the *GasLog Gibraltar*, the *GasLog Houston*, the *GasLog Genoa* and the newbuilding identified by Hull No. 2131 will be chartered to MSL. We enter into separate confirmation memorandums for each ship in order to supplement the master time charter and specify the charter term, extension options (if any), hire rate and other provisions applicable to each ship's charter. For the six vessels acquired from MSL in 2014, the two vessels acquired in 2015 and the *GasLog Savannah*, we entered into separate time charters for each vessel.

We have entered into time charter agreements with a subsidiary of Shell, establishing the terms under which the *GasLog Seattle* and the *Solaris* will be chartered to Shell.

The *GasLog Chelsea*, the *GasLog Skagen*, the *GasLog Salem*, the *GasLog Singapore*, the *GasLog Savannah* and the *GasLog Shanghai* are operating in the Cool Pool and from time to time enter into short-term time charters.

We have entered into a time charter agreement with a subsidiary of Total, establishing the terms under which the *GasLog Hong Kong* will be chartered to Total.

We have entered into time charter agreements with Centrica establishing the terms under which Hull Nos. 2213 and 2262 will be chartered to Centrica.

We have entered into time charter agreements with Cheniere establishing the terms under which Hull Nos. 2300, 2301, 2311 and 2312 will be chartered to Cheniere.

The following discussion describes the material terms of the time charters for our owned and bareboat ships.

Initial Term, Extensions and Redelivery

The initial term of the time charters for the *Methane Lydon Volney*, the *Methane Rita Andrea*, the *Methane Jane Elizabeth*, the *Methane Shirley Elisabeth*, the *Methane Alison Victoria* and the *Methane Heather Sally* began upon delivery to GasLog following their acquisition from MSL in 2014, and will terminate on various dates in 2019 and 2020.

The initial term of the time charter for the *GasLog Greece*, the *GasLog Glasgow*, the *GasLog Geneva* and the *GasLog Gibraltar* began upon delivery of the ships and will terminate in 2026, 2026, 2023 and 2023, respectively. For the *GasLog Greece* and the *GasLog Glasgow*, MSL has options to extend the terms of the charters for up to five years and for the *GasLog Geneva* and the *GasLog Gibraltar*, MSL has the option to extend the terms of the charters for up to 8 years.

The *GasLog Houston* was delivered from the shipyard in January 2018 and delivered into her time charter with MSL in January 2019. The initial charter term for the ship will terminate in 2028. MSL has options to extend the terms of the charter for two consecutive periods of three years each, all at specified hire rates.

Our time charter to MSL for the *GasLog Genoa* began when the ship was delivered from the shipyard in March 2018. The initial charter term for the ship will terminate in 2027. The time charter to MSL for Hull No. 2131 will begin shortly after the delivery of the vessel in 2019. The initial charter term for Hull No. 2131 will terminate in 2029. MSL has options to extend terms of the charters for the *GasLog Genoa* and Hull No. 2131 for two consecutive periods of three years each, all at specified hire rates.

The initial term of the time charter for the *GasLog Seattle* and the *Solaris* began upon delivery of the ships following an initial period during which the ships operated under maiden voyage time charters, the purpose of which was to facilitate completion by Shell of an operational discharge inspection of the ships. The time charters for the *GasLog Seattle* and the *Solaris* will terminate in 2020 and 2021, respectively.

The initial term of the time charter for the *Methane Julia Louise* began upon delivery to GasLog and will terminate in 2026. MSL has the option to extend the long-term bareboat charter of the *Methane Julia Louise* which is now owned by Lepta Shipping and leased back to GasLog, for an additional period of either three or five years beyond the initial charter expiration date.

Our time charter to Total for the *GasLog Hong Kong* began when the ship was delivered from the shipyard in March 2018. The initial charter term will terminate in 2025. Total has the option to extend the term of the charter by a three-year period at the charterer's option at a specified hire rate.

Our time charters to Centrica for Hull No. 2213 and Hull No. 2262 will begin upon delivery of the vessels in 2020. The initial charter terms will terminate in 2027. Centrica has the option to extend the term of the charters by three consecutive periods of two years each at the charterer's option.

Our time charters to Cheniere for Hull Nos. 2300, 2301, 2311 and 2312 will begin upon delivery of the vessels from the shipyard in 2020, 2020, 2021 and 2021, respectively. The initial charter terms will terminate in 2027 (Hull Nos. 2300 and 2301) and 2028 (Hull Nos. 2311 and 2312). Cheniere has the

option to extend the term of each of the charters by three consecutive periods of three years, two years and two years, respectively.

The terms and period for fixtures of the *GasLog Singapore*, the *GasLog Savannah*, the *GasLog Chelsea*, the *GasLog Skagen*, the *GasLog Salem* and the *GasLog Shanghai* vary from charter to charter, as is the nature of trading in the spot market.

Our time charters provide for redelivery of the ship to us at the expiration of the term, as such term may be extended upon the charterer's exercise of its extension options, or upon earlier termination of the charter (as described below) plus or minus 30 days. Under all of our charters, the charterer has the right to extend the term for most periods in which the ship is off-hire. Our charter contracts do not provide the charterers with options to purchase our ships during or upon expiration of the charter term.

Hire Rate Provisions

"Hire rate" refers to the basic payment from the customer for use of the ship. Under all of our time charters, the hire rate is payable to us monthly in advance in U.S. dollars. Depending on the time charter contract, there are three methods by which the daily hire rate for our owned ships is determined:

- Under the first method, the hire rate includes two components: a capital cost component and an operating cost component. The capital cost component relates to the total cost of the ship's construction and is a fixed daily amount that is structured to provide a return on our invested capital. Some of the charters provide for the capital cost component to increase by a specified amount during any option period. The operating cost component is a fixed daily amount that increases annually at a fixed percentage. Although the daily amount of the operating cost component is fixed (subject to a specified annual increase), it is intended to correspond to the costs of operating the ship and related expenses. In the event of a material increase or decrease in the actual costs we incur in operating the ship, a clause in the charter provides each party the right in certain circumstances to seek a review and potential adjustment of the operating cost component.
- Under the second method, the hire rate includes only one component that is a fixed daily amount that will either remain the same, increase or decrease by a specified amount during any option period as compared to the firm period.
- Under the third method, the hire rate for an initial period of up to two years, at the charterer's option, will be set at the prevailing market rate for a comparable ship, subject to a cap and a floor. Following such initial period, the hire rate will be calculated based on three components—a capital cost component, an operating cost component and a ship management fee. The capital cost component is a fixed daily amount which will increase by a specified amount during any option period. The daily amount of the operating cost component, which is intended to fully pass-through to the charterer the costs of operating the ship, is set annually and adjusted at the end of each year to compensate us for the actual costs we incur in operating the ship. Dry-docking expenses are budgeted in advance and are reimbursed by the charterers immediately following a dry-docking. The ship management fee is a daily amount set in line with industry practice for fees charged by ship managers and is intended to compensate us for management of the ship.

The hire rates for each of our ships may be reduced if the ship does not perform to certain of its specifications or if we breach our obligations under the charter. We have had no instances of hire rate reductions since the first two of our owned ships commenced operations in 2010.

Off-Hire

When a ship is “off-hire”—or not available for service—a time charterer generally is not required to pay the hire rate, and we remain responsible for all costs, including the cost of any LNG cargo lost as boil-off during such off-hire periods. Our time charters provide an annual allowance period for us to schedule preventative maintenance work on the ship. A ship generally will be deemed off-hire under our time charters if there is a specified time outside of the annual allowance period when the ship is not available for the charterer’s use due to, among other things, operational deficiencies (including the failure to maintain a certain guaranteed speed), dry-docking for repairs, maintenance or inspection, equipment breakdowns, deficiency of personnel or neglect of duty by the ship’s officers or crew, deviation from course, or delays due to accidents, quarantines, ship detentions or similar problems. We have obtained loss of hire insurance to protect us against loss of income as a result of a ship being off-hire. See “—Risk of Loss, Insurance and Risk Management—Loss of Hire Insurance”.

All ships are dry-docked at least once every five years for a special survey as required by the ship’s classification society. Our ships are considered to be off-hire under our time charters during such periods.

Termination and Cancellation

Under our existing time charters, each party has certain termination rights which include, among other things, the automatic termination of a charter upon loss of the relevant ship. Either party may elect to terminate a charter upon the occurrence of specified defaults or upon the outbreak of war or hostilities involving two or more major nations, such as the United States or the People’s Republic of China, if such war or hostilities materially and adversely affect the trading of the ship for a period of at least 30 days. In addition, our charterers have the option to terminate a charter if the relevant ship is off-hire for any reason other than scheduled dry-docking for a period exceeding 90 consecutive days, or for more than 90 days or 110 days, depending on the charter, in any one-year period. Certain of our charters give the charterer a termination option for shorter periods of off-hire, if such off-hire is due to an uncured breach of our obligations to maintain the applicable ship.

In addition to its termination rights, Shell has the right to convert the time charter with respect to the relevant ship into a bareboat charter upon the occurrence of specified defaults or in the event that Shell’s quality assurance review is not successfully completed upon delivery of the ship.

All of the time charters applicable to our newbuildings permit the charterer to cancel the charter in the event of a prolonged delay in the delivery of the ship from the shipyard, and in certain circumstances obligate us to pay liquidated damages to the charterer in the event of a less significant delivery delay. However, the cancellation and liquidated damages provisions in our charters are structured to mirror the provisions of our contracts with the shipyard, giving us the right to receive liquidated damages from the shipyard or cancel the shipbuilding contract in the same circumstances that would trigger the charterer’s right to cancel the charter contract or receive liquidated damages because of delivery delays.

The Cool Pool

Six of our vessels are operating as part of the Cool Pool established in October 2015 with Dynagas and Golar. The Cool Pool was established to market certain of each company’s vessels which are currently operating in the LNG shipping spot market. The Cool Pool allows the participating owners to optimize the operation of the pool vessels through improved scheduling ability, cost efficiencies and common marketing. The objective of the Cool Pool is to serve the transportation requirements of a rapidly growing LNG shipping market by providing customers with reliable, flexible and innovative solutions to meet their increasingly complex shipping requirements. In June and July 2018, Dynagas removed its three vessels from the Cool Pool and renounced its 33% ownership in the Cool Pool.

As of February 27, 2019, the Cool Pool consists of 16 modern high quality and essentially equivalent vessels powered by fuel efficient TFDE propulsion technology. The two owners' vessels eligible for participation in the Cool Pool are as follows: GasLog: six vessels; and Golar: ten vessels. Each vessel owner continues to be fully responsible for the manning and technical management of its respective vessels.

The Cool Pool focuses on charters of 12 months' duration or less. The scheduling of employment opportunities in excess of 12 months will remain the mandate of the respective vessel owner. If a Cool Pool vessel is scheduled by an owner for a charter that exceeds 12 months in duration, such vessel will cease to be part of the Cool Pool. Gross pool revenues represent time charter revenues earned by GasLog vessels participating in the pool under charter agreements where GasLog contracts directly with charterers. Revenue is recognised on a monthly basis given that, when the vessel is made available and services are provided to the charterer during the period, the amount can be estimated reliably and collection of the related revenue is reasonably assured.

Voyage expenses and commissions include the net allocation from the pool which represents GasLog's share of the net revenues earned from the other pool participants' vessels less the other participants' share of the net revenues earned by GasLog's vessels included in the pool. Each participant's share of the net pool revenues is based on the number of pool points attributable to its vessels and the number of days such vessels participated in the pool.

The Bareboat Charter

On February 24, 2016, GasLog's subsidiary, GAS-twenty six Ltd., completed the sale and leaseback of the *Methane Julia Louise* with Lepta Shipping. Lepta Shipping has the right to on-sell and lease back the vessel. The vessel was sold to Lepta Shipping for a total consideration approximately equivalent to its book value at the time of the sale. GasLog has leased back the vessel under a bareboat charter from Lepta Shipping for a period of up to 20 years. GasLog has the option to re-purchase the vessel on pre-agreed terms no earlier than the end of year ten and no later than the end of year 17 of the bareboat charter. The vessel remains on its 11 year charter with MSL.

Shipbuilding Contracts

We have entered into shipbuilding contracts with Samsung in respect of nine newbuildings which have an aggregate contract price of approximately \$1.7 billion. As of December 31, 2018, the aggregate outstanding balance was \$1.6 billion, which will be paid in installments upon steel cutting, keel laying and launching of the ship, with the largest portion of the purchase price for each ship coming due upon its delivery. All of our obligations under the shipbuilding contracts are payable in U.S. dollars.

As of December 31, 2018, our remaining payment obligations under the shipbuilding contracts were as follows:

	As of December 31, 2018⁽¹⁾
	(in thousands of U.S. dollars)
Amounts due in less than one year	430,600
Amounts due in one to three years	1,122,465
Total	<u>1,553,065</u>

⁽¹⁾ Amounts do not reflect installments of \$11.2 million paid in 2019 to date.

The shipbuilding contracts provide for the nine newbuildings to be delivered and ready for immediate operation on various dates in 2019 through 2021. The shipbuilding contracts require

Samsung to pay us liquidated damages in the event of certain delays in the delivery of a ship unless such delays are attributable to a force majeure event, and in the event of a prolonged delay, we would have the right to cancel the contract and receive a refund of any installment payments previously made on the ship.

In the event that we fail to meet our payment obligations under a shipbuilding contract, we would be in default under the applicable contract and would be obligated to pay interest under the contract. If such a default by us were to continue for more than five business days, the delivery date of the applicable ship would be delayed by one day for each day that we remain in default, and if a default by us were to continue for more than 15 business days, Samsung would have the option of cancelling the applicable shipbuilding contract and retaining any installment payments previously funded by us under the contract.

Ship Management Services and Construction Supervision

Except for the *Solaris*, which is managed by a subsidiary of Shell, management of our owned fleet, which includes plan approval for new ship orders, supervision of ship construction and planning and supervision of dry-dockings, as well as technical operations, crewing, training, maintenance, regulatory and classification compliance and HSSE management and reporting, is provided in-house by our wholly owned subsidiary, GasLog LNG Services, an entity incorporated in Bermuda with an office in Piraeus, Greece. In addition to management of our owned and bareboat fleet, through GasLog LNG Services we provide technical ship management services for the *Methane Nile Eagle*, a ship in which we have a 25.0% ownership interest. During the year ended December 31, 2018, ship management services provided to external customers accounted for approximately 0.1% of our consolidated revenues.

Construction Supervision

We supervise and manage the construction of our newbuildings through GasLog LNG Services. We have employees on-site in South Korea whose responsibilities include inspecting the ships under construction for non-conformities, attending trials of the ship and its machinery and equipment, consulting with the shipyard in the event of any modifications to the ship's specifications, reviewing the shipyard's choice of suppliers and sub-contractors and keeping our management informed of the progress of the construction. Through GasLog LNG Services, we also supervised the construction of three LNG carriers in Shell's owned fleet and the *Methane Nile Eagle*, all of which were constructed at Samsung.

Technical and Operational Management

Pursuant to ship management agreements, through GasLog LNG Services we manage the day-to-day aspects of ship operations for our owned and bareboat fleet (with the exception of the *Solaris*) and for the *Methane Nile Eagle* owned by Egypt LNG. The services provided include crewing, training, employing armed guards for transport in certain high-risk areas, insurance, maintenance and repair, procurement of supplies and equipment, regulatory and classification compliance and HSSE management and reporting, as well as dry-docking under certain charters. We utilize certain third-party sub-contractors and suppliers in carrying out our technical management responsibilities.

In the case of the *Methane Nile Eagle* owned by Egypt LNG the crewing and other operational costs are fully passed-through to the ship owner, and the customers pay us a management fee per ship per month for our technical management services. In connection with our ship management services provided to the *Methane Nile Eagle*, we have entered into a consultant service agreement pursuant to which we provide specialized services relating to the management of the LNG carrier. These services include the development and installation of a ship's ship management system, which includes installing onboard hardware and software systems and providing related training to the ship's personnel. The

terms of the *Methane Nile Eagle* ship management agreement and related contracts permit the customer to terminate our services for any reason upon a short period of advance notice and both parties have termination rights upon the occurrence of specified defaults. In the event of the loss of a ship, or the owner's sale of a ship to a third party, the ship management agreement in respect of the ship would terminate automatically.

Competition

We operate in markets that are highly competitive and based primarily on supply and demand. Generally, competition for LNG time charters is based primarily on charter party terms including price, ship availability, size, age, technical specifications and condition, LNG shipping experience, quality and efficiency of ship operations, shipping industry relationships and reputation for customer service, and technical ability and reputation for operation of highly specialized ships. In addition, through the *GasLog Singapore*, the *GasLog Chelsea*, the *GasLog Savannah*, the *GasLog Skagen*, the *GasLog Salem* and the *GasLog Shanghai*, a GasLog Partners vessel, we operate in the spot market that covers short-term charters of less than one year.

Although we believe that we are one of a small number of large independent owners who focus primarily on newly-built, technically advanced LNG carriers, a growing number of other independent shipping companies also own and operate, and in some cases manage, LNG carriers and have new ships under construction. Several of these other ship owners and managers have decided to enter, or to expand their presence in, the LNG market with newbuilding vessels over the last year, and potentially others may also attempt to participate in the LNG market in the future. We believe that our strategy of focusing primarily on charter contracts with initial terms of seven to ten years, as well as the scale of our technical ship management operations, differentiates us to some extent from other independent owners.

In addition to independent owners, some of the major oil and gas producers own LNG carriers and, in the recent past, they have contracted for the construction of new LNG carriers. Certain national oil and gas and shipping companies also have large fleets of LNG carriers that have expanded and may continue to expand. Some of these companies, as well as other market participants such as trading companies who have LNG shipping capacity contracted on multi-year charters, may compete with independent owners by using their fleets to carry LNG for third parties.

Seagoing and Shore-Based Employees

As of December 31, 2018, we had 160 full-time employees and contractors based in our offices in Greece, Monaco, London, New York, Singapore and the newbuildings site in South Korea. In addition to our shore-based employees and contractors, we had approximately 1,517 seafaring staff serving on our owned and managed ships. These seafarers are retained through crewing agencies based in Ukraine, the Philippines and Spain or, in the case of Greek seafarers, through direct hire. As we take delivery of our newbuildings, we expect to recruit a significant number of additional seafarers qualified to staff and operate our new ships, as well as a small number of additional shore-based personnel. We intend to focus our seafarer hiring efforts in the Ukraine, the Philippines and Spain, where we have crewing agency agreements in place, and in Greece.

LNG marine transportation is a specialized area requiring technically skilled officers and personnel with specialized training. Attracting and retaining motivated, well-qualified seagoing and shore-based personnel is a top priority, and we offer our people competitive compensation packages and training and development opportunities. In addition, we provide intensive onboard training for our officers and crews to instill a culture focused on the highest operational and safety standards. As a result, we have historically enjoyed high retention rates. In 2018, our retention rate was 96% for senior seagoing officers, 98% for other seagoing officers and 94% for shore staff.

Although we have historically experienced high employee retention rates, the demand for technically skilled officers and crews to serve on LNG carriers and FSRU vessels has been increasing as the global fleet of LNG vessels continues to grow. This increased demand has and may continue to put inflationary cost pressure on ensuring qualified and well-trained crew are available to GasLog. However, we expect that the impact of cost increases would be mitigated to some extent by certain provisions in some of our time charters, including automatic periodic adjustment and cost review provisions.

Classification, Inspection and Maintenance

Every large, commercial seagoing ship must be “classed” by a classification society. The classification society certifies that the ship is “in class”, signifying that the ship has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the ship’s country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake them on application or by official order, acting on behalf of the authorities concerned. The classification society also undertakes on request other surveys and checks that are required by regulations and requirements of the flag state. These surveys are subject to agreements made in each individual case and/or to the regulations of the country concerned.

To ensure each ship is maintained in accordance with classification society standards and for maintenance of the class certificate, regular and extraordinary surveys of hull and machinery, including the electrical plant, and any special equipment classes are required to be performed periodically. Surveys are based on a five-year cycle that consists of annual surveys, intermediate surveys that are typically completed between the second and third years of every five-year cycle, and comprehensive special surveys (also known as class renewal surveys) that are completed at each fifth anniversary of the ship’s delivery.

All areas subject to surveys as defined by the classification society, are required to be surveyed at least once per five-year class cycle, unless shorter intervals between surveys are mandated. All ships are also required to be dry-docked at least once during every five-year class cycle for inspection of their underwater parts and for repairs related to inspections. If any defects are found, the classification surveyor will issue a “recommendation” which must be rectified by the ship owner within prescribed time limits. We intend to dry-dock our ships at five-year intervals that coincide with the completion of the ship’s special survey.

Most insurance underwriters make it a condition for insurance coverage that a ship be certified as “in class” by a classification society that is a member of the International Association of Classification Societies. All but two of our delivered ships are certified by the American Bureau of Shipping, or “ABS”; the other delivered ships are certified by the Det Norske Veritas. Each ship has been awarded International Safety Management (“ISM”) certification and is currently “in class”. Under our shipbuilding contracts, all of our contracted newbuildings must be certified prior to delivery to us.

The following table lists the years in which we expect to carry out the next or initial dry-dockings and special surveys for our owned fleet and the bareboat vessel as of February 27, 2019:

<u>Ship Name</u>	<u>Dry-docking and Special Survey</u>
<i>Solaris</i>	2019
<i>Methane Lydon Volney.</i>	2019
<i>GasLog Saratoga</i>	2019
<i>Methane Jane Elizabeth</i>	2019
<i>GasLog Savannah</i>	2020
<i>Methane Alison Victoria</i>	2020
<i>Methane Shirley Elisabeth</i>	2020
<i>Methane Heather Sally</i>	2020
<i>Methane Julia Louise</i>	2020
<i>GasLog Chelsea</i>	2020
<i>GasLog Singapore</i>	2020
<i>Methane Becki Anne</i>	2020
<i>GasLog Salem.</i>	2020
<i>Methane Rita Andrea</i>	2021
<i>GasLog Greece</i>	2021
<i>GasLog Glasgow</i>	2021
<i>GasLog Geneva</i>	2021
<i>GasLog Gibraltar.</i>	2021
<i>GasLog Shanghai</i>	2023
<i>GasLog Houston</i>	2023
<i>GasLog Hong Kong</i>	2023
<i>GasLog Genoa</i>	2023
<i>GasLog Skagen</i>	2023
<i>GasLog Seattle</i>	2023
<i>GasLog Santiago</i>	2023
<i>GasLog Sydney</i>	2023
<i>Hull No. 2131</i>	2024
<i>Hull No. 2212</i>	2024
<i>Hull No. 2213</i>	2025
<i>Hull No. 2262</i>	2025
<i>Hull No. 2274</i>	2025
<i>Hull No. 2300</i>	2025
<i>Hull No. 2301</i>	2025
<i>Hull No. 2311</i>	2026
<i>Hull No. 2312</i>	2026

Risk of Loss, Insurance and Risk Management

The operation of any ship has inherent risks. These risks include mechanical failure, personal injury, collision, property loss or damage, ship or cargo loss or damage and business interruption due to a number of reasons, including mechanical failure, a cyber event, political circumstances in foreign countries, hostilities and labor strikes. In addition, there is always an inherent possibility of marine disaster, including explosion, spills and other environmental mishaps, and the liabilities arising from owning and operating ships in international trade.

We maintain hull and machinery insurance on all our owned and bareboat ships against marine and war risks in amounts that we believe to be prudent to cover such risks, as well as loss of hire insurance against loss of income as a result of a ship being off-hire or otherwise suffering a loss of operational time for events falling under our hull and machinery insurance. In addition, we maintain protection and indemnity insurance on all our owned and bareboat ships up to the maximum insurable limit available at any given time. We also maintain ship manager insurance in respect of our managed vessel and cyber insurance coverage for all our owned and bareboat ships. While we believe that our insurance coverage will be adequate, not all risks can be insured, and there can be no guarantee that we will always be able to obtain adequate insurance coverage at reasonable rates or at all, or that any specific claim we may make under our insurance coverage will be paid.

Hull & Machinery Marine Risks Insurance and Hull & Machinery War Risks Insurance

We maintain hull and machinery marine risks insurance and hull and machinery war risks insurance on our owned and bareboat ships, which cover loss of or damage to a ship due to marine perils such as collisions, fire or lightning, and loss of or damage to a ship due to war perils such as acts of war, terrorism or piracy. Each of our ships is insured under these policies for a total amount that exceeds what we believe to be its fair market value. We also maintain hull disbursements and increased value insurance policies covering each of our owned ships, which provide additional coverage in the event of the total or constructive loss of a ship. Our marine risks insurance policies contain deductible amounts for which we will be responsible, but there are no deductible amounts under our war risks policies or our total loss policies.

Loss of Hire Insurance/Delay Insurance

We maintain loss of hire insurance to protect us against loss of income as a result of a ship being off-hire or otherwise suffering a loss of operational time for events falling under the terms of our hull and machinery insurance or hull and machinery/war risks insurance. Under our loss of hire policy, our insurer will pay us the hire rate agreed in respect of each ship for each day, in excess of a certain number of deductible days, for the time that the ship is out of service as a result of damage, up to a maximum of 180 days. The number of deductible days for the ships in our fleet is 14 days per ship. In addition to the loss of hire insurance, we also have in place delay insurance which, like loss of hire, covers all of our owned and bareboat vessels for time lost due to events falling under the terms of our hull and machinery insurance, plus additional protection and indemnity related incidents. The policy has a deductible of two days with a maximum of 12 days (which brings it in line with the loss of hire deductible of 14 days) and a daily rate per vessel of \$40,000 for our wholly owned and bareboat vessels or the hire rate agreed as per the loss of hire insurance policy for the Partnership's vessels.

Additionally, we buy piracy, loss of hire and kidnap and ransom insurance when our ships are ordered to sail through the Indian Ocean to insure against potential losses relating to the hijacking of a ship and its crew by pirates.

Protection and Indemnity Insurance

Protection and indemnity insurance is typically provided by a protection and indemnity association, or "P&I association", and covers third-party liability, crew liability and other related expenses resulting from injury to or death of crew, passengers and other third parties, loss of or damage to cargo, third-party claims arising from collisions with other ships (to the extent not recovered by the hull and machinery policies), damage to other third-party property, pollution arising from oil or other substances and salvage, towing and other related costs, including wreck removal.

Our protection and indemnity insurance covering our owned and bareboat ships is provided by P&I associations that are members of the International Group of Protection and Indemnity Clubs, or “International Group”. The thirteen P&I associations that comprise the International Group insure approximately 90% of the world’s commercial tonnage and have entered into a pooling agreement to reinsure each association’s liabilities. Insurance provided by a P&I association is a form of mutual indemnity insurance.

Our protection and indemnity insurance is currently subject to limits of \$3.0 billion per ship per event in respect of liability to passengers and seamen, \$2.0 billion per ship per event in respect of liability to passengers and \$1.0 billion per ship per event in respect of liability for oil pollution.

As a member of a P&I association, we will be subject to calls, payable to the P&I association based on the International Group’s claim records as well as the claim records of all other members of the P&I association of which we are a member.

Cyber Insurance

We have insurance coverage for cyber related risks. The policy covers physical damage to any of our vessels up to \$50.0 million per vessel with a fleet aggregate limit of \$150 million for each of the GasLog and GasLog Partners fleets.

Safety Performance

We provide intensive onboard training for our officers and crews to instill a culture of the highest operational and safety standards. During 2018, GasLog’s fleet experienced three recordable injuries and six first aid cases.

Permits and Authorizations

We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, financial assurances and certificates with respect to our ships. The kinds of permits, licenses, financial assurances and certificates required will depend upon several factors, including the waters in which the ship operates, the nationality of the ship’s crew and the age of the ship. We have obtained all permits, licenses, financial assurances and certificates currently required to operate our ships. Additional laws and regulations, environmental or otherwise, may be adopted which could limit our ability to do business or increase our cost of doing business.

Environmental and Other Regulation

The carriage, handling, storage and regasification of LNG are subject to extensive laws and regulations relating to the protection of the environment, health and safety and other matters. These laws and regulations include international conventions and national, state and local laws and regulations in the countries where our ships now or in the future will operate, or where our ships are registered. Compliance with these laws and regulations may entail significant expenses and may impact the resale value or useful lives of our ships. Our ships may be subject to both scheduled and unscheduled inspections by a variety of governmental, quasi-governmental and private organizations, including the local port authorities, national authorities, harbor masters or equivalent, classification societies, flag state administrations (countries of registry) and charterers. Failure to maintain permits, licenses, certificates or other authorizations required by some of these entities could require us to incur substantial costs or result in the temporary suspension of the operation of one or more of our ships or lead to the invalidation of our insurance coverage reduction.

We believe that our ships operate in material compliance with applicable environmental laws and regulations and that our ships in operation have all material permits, licenses, certificates or other

authorizations necessary for the conduct of our operations. In fact, each of our ships have an ENVIRO, an ENVIRO+ or a CLEAN notation from our classification societies, which denote compliance with their published guidelines concerning stringent criteria for environmental protection related to design characteristics, management and support systems, sea discharges and air emissions. Because environmental laws and regulations are frequently changed and may impose increasingly strict requirements, however, it is difficult to accurately predict the ultimate cost of complying with these requirements or the impact of these requirements on the resale value or useful lives of our ships. Moreover, additional legislation or regulation applicable to the operation of our ships that may be implemented in the future could negatively affect our profitability.

International Maritime Regulations

The IMO, the United Nations agency for maritime safety and the prevention of pollution by ships, has adopted several international conventions that regulate the international shipping industry, including the International Convention for the Safety of Life at Sea (“SOLAS”), the International Convention on Civil Liability for Oil Pollution Damage, the International Convention on Civil Liability for Bunker Oil Pollution Damage, the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (“STCW”) and the International Convention for the Prevention of Pollution From Ships (“MARPOL”). Ships that transport gas, including LNG carriers, are also subject to regulations under amendments to SOLAS, including the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention, or the “ISM Code”. The ISM Code requires, among other things, that the party with operational control of a ship develop an extensive safety management system, including the adoption of a policy for safety and environmental protection setting forth instructions and procedures for operating its ships safely and also describing procedures for responding to emergencies. We rely on GasLog LNG Services for the development and maintenance of a safety management system for our ships that meets these requirements. The GasLog fleet is also subject to the International Code for Construction and Equipment of Ships Carrying Liquefied Gases in Bulk (the “IGC Code”), which prescribes design and construction standards for ships involved in the transport of gas. Compliance with the IGC Code must be evidenced by a Certificate of Fitness for the Carriage of Liquefied Gases of Bulk which is issued per vessel. Non-compliance with the IGC Code or other applicable IMO regulations may subject a ship owner or a bareboat charterer to increased liability, may lead to decreases in available insurance coverage for affected ships and may result in the denial of access to, or detention in, some ports.

SOLAS is an international maritime law which sets minimum safety standards in the construction, equipment and operation of merchant ships. The convention requires signatory flag states to ensure that ships flagged by them comply with at least these standards. The current version of SOLAS is the 1974 version, known as SOLAS 1974, which came into force on May 25, 1980. As of January 2019, SOLAS 1974 had 164 contracting states, which flag about 99% of merchant ships around the world in terms of gross tonnage. SOLAS in its successive forms is generally regarded as the most important of all international maritime laws concerning the safety of merchant ships.

STCW, 1978 was adopted on July 7, 1978 and entered into force on April 28, 1984. The main purpose of the Convention is to promote safety of life and property at sea and the protection of the marine environment by establishing in common agreement on international standards of training, certification and watchkeeping for seafarers. The Manila amendments to the STCW Convention and Code were adopted on June 25, 2010, marking a major revision of the STCW Convention and Code. The 2010 amendments entered into force on January 1, 2012 under the tacit acceptance procedure and were aimed at bringing the Convention and Code up to date with developments since they were initially adopted and to enable them to address issues that were anticipated to emerge in the foreseeable future.

The MARPOL Convention establishes environmental standards relating to oil leakage or spilling, garbage management, sewage, air emissions, handling and disposal of noxious liquids and the handling of harmful substances in packaged form. In September 1997, the IMO adopted Annex VI to MARPOL to address air pollution from ships. Annex VI came into force on May 19, 2005. It sets limits on sulfur oxide and nitrogen oxide emissions from ship exhausts and prohibits deliberate emissions of ozone depleting substances, such as chlorofluorocarbons. Annex VI also includes a global cap on the sulfur content of fuel oil and allows for special areas to be established with more stringent controls on sulfur emissions. Annex VI has been ratified by many, but not all, IMO member states. In October 2008, the Marine Environment Protection Committee, or “MEPC”, of the IMO approved amendments to Annex VI regarding particulate matter, nitrogen oxide and sulfur oxide emissions standards. These amendments became effective in July 2010. These requirements establish a series of progressive standards to further limit the sulfur content in fuel oil, which are being phased in between 2012 and 2020, and by establishing new tiers of nitrogen oxide emission standards for new marine diesel engines, depending on their date of installation. Additionally, more stringent emission standards could apply in coastal areas designated as Emission Control Areas, or “ECAs”. For example, “Tier III” emission standards apply in North American and U.S. Caribbean Sea ECAs to all marine diesel engines installed on a ship constructed on or after January 1, 2016. The European Union Directive 2005/EC/33, which became effective on January 1, 2010, parallels Annex VI and requires ships to use reduced sulfur content fuel for their main and auxiliary engines. Our owned ships currently in operation comply with the relevant legislation and have the relevant certificates including certificates evidencing compliance with Annex VI of the MARPOL Convention.

Although the United States is not a party, many countries have ratified the International Convention on Civil Liability for Oil Pollution Damage, 1969, as amended, or the “CLC”. Under this convention a ship’s registered owner is strictly liable for pollution damage caused in the territorial waters of a contracting state by discharge of persistent oil, subject under certain circumstances to certain defenses and limitations. Ships carrying more than 2,000 gross tons of oil, and trading to states that are parties to this convention, must maintain evidence of insurance in an amount covering the liability of the owner. In jurisdictions where the CLC has not been adopted, various legislative schemes or common law impose liability either on the basis of fault or in a manner similar to the CLC. P&I Clubs in the International Group issue the required Bunker Convention (defined below) “Blue Cards” to provide evidence of insurance meeting the liability requirements. Where applicable, all of our vessels have received “Blue Cards” from their P&I Club and are in possession of a CLC State-issued certificate attesting that the required insurance coverage is in force.

The IMO also has adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage, or the “Bunker Convention”, which imposes liability on ship owners for pollution damage in jurisdictional waters of ratifying states caused by discharges of bunker fuel and requires registered owners of ships over 1,000 gross tons to maintain insurance for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime. We maintain insurance in respect of our owned ships that satisfies these requirements. Non-compliance with the ISM Code or other IMO regulations may subject a shipowner or bareboat charterer to increased liability, may lead to decreases in available insurance coverage for affected ships and may result in the denial of access to, or detention in, some ports, including ports in the United States and Europe.

The Maritime Labour Convention (MLC) 2006 was adopted by the International Labour Conference at its 94th (Maritime) Session (2006), establishing minimum working and living conditions for seafarers. The convention entered into force August 20, 2013, whilst amendments were approved by the International Labour Conference at its 103rd Session (2014). The convention establishes a single, coherent instrument embodying all up-to-date standards of existing international maritime labour

conventions and recommendations, as well as the fundamental principles to be found in other international labour conventions.

United States

Oil Pollution Act and CERCLA

Our operations are subject to the U.S. Pollution Act of 1990, or “OPA”, which establishes an extensive regulatory and liability regime for environmental protection and cleanup of oil spills, and the Comprehensive Environmental Response, Compensation and Liability Act, or “CERCLA”, which imposes liability on owners and operators of ships for cleanup and natural resource damage from the release of hazardous substances (other than oil). Under OPA, ship owners, operators and bareboat charterers are responsible parties who are jointly, severally and strictly liable (unless the spill results solely from the act or omission of a third party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from oil spills from their ships. OPA currently limits the liability of responsible parties with respect to ships over 3,000 gross tons to the greater of \$2,200 per gross ton or \$18,796,800 per double hull ship and permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries. Some states have enacted legislation providing for unlimited liability for discharge of pollutants within their waters. Liability under CERCLA is limited to the greater of \$300 per gross ton or \$5.0 million for ships carrying a hazardous substance as cargo and the greater of \$300 per gross ton or \$0.5 million for any other ship.

These limits of liability do not apply under certain circumstances, however, such as where the incident is caused by violation of applicable U.S. Federal safety, construction or operating regulations, or by the responsible party’s gross negligence or willful misconduct. In addition, a marine incident that results in significant damage to the environment could result in amendments to these limitations or other regulatory changes in the future. We maintain the maximum pollution liability coverage amount of \$1 billion per incident for our owned ships. We also believe that we will be in substantial compliance with OPA, CERCLA and all applicable state regulations in the ports where our ships will call.

OPA also requires owners and operators of ships over 300 gross tons to establish and maintain with the National Pollution Fund Center of the U.S. Coast Guard evidence of financial responsibility sufficient to meet the limit of their potential strict liability under the act. Such financial responsibility can be demonstrated by providing a guarantee from an appropriate guarantor, who can release the required guarantee to the National Pollution Fund Center against payment of the requested premium. We have purchased such a guarantee in order to provide evidence of financial responsibility and have received the mandatory certificates of financial responsibility from the U.S. Coast Guard in respect of all of our delivered ships and we intend to obtain such certificates in the future for each of our vessels, if they are required to have them.

Clean Water Act

The U.S. Clean Water Act of 1972, or “CWA”, prohibits the discharge of oil, hazardous substances and ballast water in U.S. navigable waters unless authorized by a duly-issued permit or exemption, and imposes strict liability in the form of penalties for any unauthorized discharges. The CWA also imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under OPA and CERCLA. Furthermore, most U.S. states that border a navigable waterway have enacted environmental pollution laws that impose strict liability on a person for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. These laws may be more stringent than U.S. Federal law.

The United States Environmental Protection Agency, or “EPA”, has enacted rules requiring ballast water discharges and other discharges incidental to the normal operation of certain ships within United

States waters to be authorized under the Ship General Permit for Discharges Incidental to the Normal Operation of Ships, or the “VGP”. To be covered by the VGP, owners of certain ships must submit a Notice of Intent, or “NOI”, at least 30 days before the ship operates in United States waters. Compliance with the VGP could require the installation of equipment on our ships to treat ballast water before it is discharged or the implementation of other disposal arrangements, and/or otherwise restrict our ships from entering United States waters. In March 2013, the EPA published a new VGP that includes numeric effluent limits for ballast water expressed as the maximum concentration of living organisms in ballast water. The VGP also imposes a variety of changes for non-ballast water discharges including more stringent Best Management Practices for discharges of oil-to-sea interfaces in an effort to reduce the toxicity of oil leaked into U.S. waters. The 2013 VGP was issued with an effective period of December 19, 2013 to December 18, 2018. The Vessel Incidental Discharge Act, or “VIDA”, enacted on December 4, 2018, requires the EPA and Coast Guard to develop new performance standards and enforcement regulations and extends the 2013 VGP provisions until new regulations are final and enforceable. We have submitted NOIs for our fleet and intend to submit NOIs for our ships in the future, where required, and do not believe that the costs associated with obtaining and complying with the VGP will have a material impact on our operations.

Clean Air Act

The U.S. Clean Air Act of 1970, as amended by the Clean Air Act Amendments of 1977 and 1990, or the “CAA”, requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. Our ships may be subject to vapor control and recovery requirements for certain cargoes when loading, unloading, ballasting, cleaning and conducting other operations in regulated port areas and emission standards for so-called “Category 3” marine diesel engines operating in U.S. waters. The marine diesel engine emission standards are currently limited to new engines beginning with the 2004 model year. On April 30, 2010, the EPA adopted final emission standards for Category 3 marine diesel engines equivalent to those adopted in the amendments to Annex VI to MARPOL. However, our TFDE LNG carriers have the ability to burn natural gas as fuel to power the ship, which can significantly reduce relevant emissions compared with steam-powered ships.

The CAA also requires states to adopt State Implementation Plans, or “SIPs”, designed to attain national health-based air quality standards in primarily major metropolitan and/or industrial areas. Several SIPs regulate emissions resulting from ship loading and unloading operations by requiring the installation of vapor control equipment. The MEPC has designated as an ECA the area extending 200 miles from the territorial sea baseline adjacent to the Atlantic/Gulf and Pacific coasts and the eight main Hawaiian Islands and the Baltic Sea, North Sea and Caribbean Sea, under the Annex VI amendments. Fuel used by vessels operating in the ECA cannot exceed 0.1% (mass by mass) sulfur. As of January 1, 2016, NOx after-treatment requirements also apply. Our vessels can store and burn low-sulfur fuel oil or alternatively burn natural gas which contains no sulfur. Additionally, burning natural gas will ensure compliance with IMO Tier III NOx emission limitations without the need for after-treatment. Charterers must supply compliant fuel for the vessels before ordering vessels to trade in areas where restrictions apply. As a result, we do not expect such restrictions to have a materially adverse impact on our operations or costs.

Other Environmental Initiatives

U.S. Coast Guard regulations adopted under the U.S. National Invasive Species Act, or “NISA”, impose mandatory ballast water management practices for all ships equipped with ballast water tanks entering U.S. waters, which could require the installation of equipment on our ships to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures, and/or otherwise restrict our ships from entering U.S. waters. In June 2012, the U.S. Coast

Guard rule establishing standards for the allowable concentration of living organisms in ballast water discharged in U.S. waters and requiring the phase-in of Coast Guard approved ballast water management systems, or “BWMS”, became effective. The rule requires installation of Coast Guard approved BWMS by new vessels constructed on or after December 1, 2013 and existing vessels as of their first dry-docking after January 1, 2016. Several states have adopted legislation and regulations relating to the permitting and management of ballast water discharges.

At the international level, the IMO adopted an International Convention for the Control and Management of Ships’ Ballast Water and Sediments in February 2004, or the “BWM Convention”. The BWM Convention’s implementing regulations call for a phased introduction of mandatory ballast water exchange requirements, to be replaced in time with mandatory concentration limits. The threshold ratification requirements for the convention to enter into force were met in 2016, and the convention became effective on September 8, 2017. All our newly delivered ships from 2016 onwards have compliant equipment installed. We have selected one manufacturer to supply the required equipment to be installed at the first dry-dock of all remaining ships. The programme and required funds have been included in our future planning to ensure the fleet remains compliant at all times.

Our vessels may also become subject to the International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, 1996 as amended by the Protocol to the HNS Convention, adopted in April 2010, or “HNS Convention”, if it is entered into force. The HNS Convention creates a regime of liability and compensation for damage from hazardous and noxious substances, or “HNS”, including a two-tier system of compensation composed of compulsory insurance taken out by shipowners and an HNS Fund which comes into play when the insurance is insufficient to satisfy a claim or does not cover the incident. To date, the HNS Convention has not been ratified by a sufficient number of countries to enter into force.

Greenhouse Gas Regulations

The MEPC of IMO adopted two new sets of mandatory requirements to address greenhouse gas emissions from ships at its July 2011 meeting. The Energy Efficiency Design Index requires a minimum energy efficiency level per capacity mile and is applicable to new vessels, and the Ship Energy Efficiency Management Plan is applicable to currently operating vessels. The requirements, which entered into force in January 2013, were fully implemented by GasLog as of December 31, 2012. The IMO is also considering the development of a market-based mechanism for greenhouse gas emissions from ships, but it is difficult to predict the likelihood that such a standard might be adopted or its potential impact on our operations at this time.

The European Union has indicated in the past that it intends to propose an expansion of the existing European Union emissions trading scheme to include emissions of greenhouse gases from marine ships. The EU MRV Regulation (Monitoring, Reporting, Verification), entered into force on July 1, 2015, requires large vessels entering European Union ports to monitor, report and verify their carbon dioxide emissions as of January 1, 2018. In the United States, the EPA has adopted regulations under the CAA to limit greenhouse gas emissions from certain mobile sources, although these requirements do not currently apply to greenhouse gas emissions from ships. In addition, the International Paris Agreement, which entered into force on November 4, 2016, establishes a framework for reducing global greenhouse gas emissions designed to take effect by 2020, with the goal of holding the increase in global average temperature to well below 2 degrees Celsius and pursuing efforts to limit the increase to 1.5 degrees Celsius. Although the Paris Agreement does not specifically require controls on shipping or other industries, it is possible that countries or groups of countries will seek to impose such controls as they implement the Paris Agreement. Any passage of climate control legislation or other regulatory initiatives by the IMO, the European Union, the United States or other countries where we operate, or any treaty adopted or amended at the international level that restricts emissions

of greenhouse gases, could require us to make significant expenditures that we cannot predict with certainty at this time.

We believe that LNG carriers, which have the inherent ability to burn natural gas to power the ship, and in particular LNG carriers like certain of our vessels that utilize fuel-efficient diesel electric and low pressure two-stroke propulsion, can be considered among the cleanest of large ships in terms of emissions.

Ship Security Regulations

A number of initiatives have been introduced in recent years intended to enhance ship security. On November 25, 2002, the Maritime Transportation Security Act of 2002, or “MTSA”, was signed into law. To implement certain portions of the MTSA, the U.S. Coast Guard issued regulations in July 2003 requiring the implementation of certain security requirements aboard ships operating in waters subject to the jurisdiction of the United States. Similarly, in December 2002, amendments to SOLAS created a new chapter of the convention dealing specifically with maritime security. This new chapter came into effect in July 2004 and imposes various detailed security obligations on ships and port authorities, most of which are contained in the newly created International Ship and Port Facilities Security Code, or “ISPS Code”. Among the various requirements are:

- on-board installation of automatic information systems to enhance ship-to-ship and ship-to-shore communications;
- on-board installation of ship security alert systems;
- the development of ship security plans; and
- compliance with flag state security certification requirements.

The U.S. Coast Guard regulations, intended to align with international maritime security standards, exempt non-U.S. ships from MTSA ship security measures, provided such ships have on board a valid “International Ship Security Certificate” that attests to the ship’s compliance with SOLAS security requirements and the ISPS Code. We have implemented the various security measures required by the IMO, SOLAS and the ISPS Code and have approved ISPS certificates and plans certified by the applicable flag state on board all our ships.

C. Organizational Structure

GasLog is a holding company incorporated in Bermuda. As of February 27, 2019, it has 50 subsidiaries which are incorporated in the British Virgin Islands, Monaco, Bermuda, the Marshall Islands, the United States, Singapore, Cyprus and England and Wales. Of our subsidiaries, 34 either own vessels in our fleet or are parties to contracts to obtain newbuild vessels. Of our subsidiaries, 35 are wholly owned by us and 16 are 27.5% owned by us. A list of our subsidiaries is set forth in Exhibit 8.1 to this annual report.

D. Property, Plant and Equipment

Other than our ships, we do not own any material property. Our vessels are subject to priority mortgages, which secure our obligations under our various credit facilities. For information on our vessels, see “Item 4. Information on the Company—B. Business Overview—Our Fleet”. For further details regarding our credit facilities, refer to “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Credit Facilities”.

We occupy office space at 7 Rue du Gabian, MC 98000, Monaco, which is provided pursuant to a lease agreement between our subsidiary, GasLog Monaco S.A.M., and a third-party property owner. We also occupy office space at: (i) 69 Akti Miaouli, Piraeus, GR 185 37, Greece, which we lease through

our subsidiary, GasLog LNG Services, from an entity controlled by Ceres Shipping; the lease agreement is disclosed and filed with the Greek authorities, and has been entered into at market rates; (ii) 81 Kings Road, London SW3 4NX, United Kingdom, which we lease through our subsidiary, GasLog Services UK Ltd.; (iii) ~24-02B Asia Square Tower 2, Singapore, which we lease through our subsidiary, GasLog Asia PTE. Ltd.; and (iv) 2187 Atlantic Street, 5th Floor, Stamford CT, 06902, USA which we lease through our subsidiary, GasLog Services U.S. Inc.

For more information about the contractual arrangements for our office space in Piraeus, see “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions”.

ITEM 4.A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion of our financial condition and results of operations should be read in conjunction with the financial statements and the notes to those statements included elsewhere in this annual report. This discussion includes forward-looking statements that involve risks and uncertainties. As a result of many factors, such as those set forth under “Item 3. Key Information—D. Risk Factors” and elsewhere in this annual report, our actual results may differ materially from those anticipated in these forward-looking statements. Please see the section “Forward-Looking Statements” at the beginning of this annual report.

We are an international owner, operator and manager of LNG carriers. As of February 27, 2019, our wholly owned fleet consists of 20 LNG carriers, including 11 ships in operation and nine LNG carriers on order at Samsung. GasLog is also the general and controlling partner in GasLog Partners, which owns 14 LNG carriers, and GasLog has leased back for a period of up to 20 years one vessel sold to Lepta Shipping in February 2016. We currently manage and operate 26 LNG carriers including 11 of our wholly owned vessels in operation, 13 ships contributed or sold to the Partnership (the *Solaris* is managed by a subsidiary of Shell), the bareboat vessel and one additional LNG carrier in which we have a 25.0% interest. We are also supervising the construction of our newbuildings. We have secured multi-year time charter contracts for six of our operating ships, 13 of the 14 ships owned by the Partnership, the bareboat vessel and seven of our nine newbuildings on order, while six of our ships, including one of the ships owned by the Partnership, are operating in the spot market. As of December 31, 2018, our contracts are expected to provide total contracted revenue of \$3.6 billion during their initial terms, which expire between 2019 and 2029.

The additional LNG carrier in which we also have a 25.0% interest is the *Methane Nile Eagle*, a 2007-built LNG carrier owned by Egypt LNG and technically managed by us. It is currently operating under a 20-year time charter to a subsidiary of Shell. The information about our owned fleet presented in this report does not include our ownership interest in the *Methane Nile Eagle*.

We generate revenues by chartering our ships to customers on multi-year time charters and short-term charters and by providing technical ship management services, including crewing, training, maintenance, regulatory and classification compliance and HSSE management and reporting through our wholly owned subsidiary GasLog LNG Services. The Group’s chief operating decision maker, being the Chief Executive Officer, reviews the Group’s operating results on a consolidated basis as one operating segment.

Industry Overview and Trends

Energy Prices

As referenced in “Item 3. Key Information—Risk Factors”, oil prices exhibited significant volatility during the final months of 2018. Oil prices had risen steadily during 2018, pushed higher by an encouraging macroeconomic backdrop and positive supply and demand fundamentals. Oil prices subsequently posted multi-year highs in October 2018. However, oil prices then declined significantly on concerns of a global economic slow down and its potential impact on the oil markets, as well as perceptions of oversupply as a result of growing inventories.

After a period of strength during the third quarter of 2018 following strong demand in both Asia and Europe, global gas prices, as measured by the Title Transfer Facility (“TTF”) and the Japan Korea Marker (“JKM”) price indices in North West Europe and North Asia respectively, were also weaker in the fourth quarter of 2018 as a result of the fall in oil prices, ample gas inventory levels and warmer than normal temperatures at the start of the winter in both regions. On the contrary, spot U.S. natural gas prices rose sharply towards the end of 2018, reflecting inventory drawdowns during a colder than normal start to the winter in the U.S.

The concerns over oil market oversupply and deteriorating macroeconomic fundamentals seen in late 2018 have partially reversed in early 2019, resulting in a modest recovery in oil prices. However, international gas prices have continued to fall due to weaker than normal winter demand, healthy inventory levels in key demand regions and ample supply of both piped gas and LNG. As of February 21, 2019, Brent crude oil was quoted at approximately \$67.1 per barrel compared to approximately \$65.4 per barrel at this time last year, while international natural gas prices were quoted at approximately \$5.9 per million British thermal units (“MMBtu”) for TTF compared to \$5.8 per MMBtu at the same time last year, and at approximately \$6.9 per MMBtu for JKM compared to \$8.3 per MMBtu at the same time last year. In the U.S., spot Henry Hub natural gas price at \$2.7 per MMBtu as of February 21, 2019 was unchanged year-on-year. We believe that the differential between Asian market gas prices and those in the Atlantic Basin and U.S. markets, where Henry Hub gas pricing averaged (on a volume weighted basis) \$3.26 per MMBtu in 2018, is a significant driver of spot global LNG trade, as the differential incentivizes natural gas marketers and buyers to ship LNG over longer distances, such as between sources of LNG in the Atlantic Basin and markets in Asia. The recent declines in Asian and European gas prices referenced above have resulted in a differential not currently wide enough to incentivize inter-basin trade. However, gas price futures imply that the inter-basin arbitrage opportunity will exist periodically in coming years, potentially leading to longer voyages for LNG cargoes and, all else equal, increasing the demand for spot LNG shipping.

LNG Supply

The global seaborne trade of LNG was 326 mtpa in 2018, with LNG output projected by Wood Mackenzie to rise 12% to approximately 366 mtpa in 2019. This expected growth is driven by the ramp-up of new supply commissioned in 2018 and new capacity scheduled onstream in 2019. During the second half of 2018, the Ichthys, Corpus Christi Train 1, Sabine Pass Train 5 and Yamal Train 3 projects were brought onstream with a combined production capacity size of 23.7 mtpa. According to Wood Mackenzie, new supply additions during 2019 will come mainly from the U.S., including Elba Island, Cameron Trains 1 and 2, Freeport Trains 1 and 2 (combined total of 26.5 mtpa), new projects in Australia (Prelude 3.6 mtpa) and Russia (2.2 mtpa).

During 2018, there was renewed momentum in the planning and approval of new LNG production capacity. A total of 21 mtpa of capacity from the LNG Canada, Corpus Christi Train 3 and the Greater Tortue Ahmeyim projects reached FID in 2018. In February 2019, the Golden Pass (16 mtpa) project in the U.S. also reached FID. Based on Wood Mackenzie data and our estimates, approximately 57 mtpa of new capacity is expected to come onstream between 2020 and 2024. This includes the third trains at

both Cameron and Freeport in the U.S., first LNG production from Mozambique's Coral project, Corpus Christi Train 3, LNG Canada, Tangguh Train 3, Greater Tortue Ahmeyim and Golden Pass.

LNG Demand

Demand for LNG continued to grow strongly in 2018, primarily as a result of economic growth, energy and environmental policy, energy security considerations and declines in domestic natural gas production in certain countries. In total, LNG demand increased by 9%, from 288 mtpa in 2017 to 313 mtpa in 2018. China's LNG imports registered another year of significant growth, rising by 41% to 54 mtpa in 2018 following 44% growth in 2017. During 2018, China overtook Japan as the largest importer of piped natural gas and LNG globally. Other established markets where LNG demand grew strongly in 2018 included India, South Korea, Pakistan and Turkey. During 2018, Bangladesh, Panama and Russia (Kaliningrad) also began importing LNG, bringing the total number of LNG importing countries to 43.

The increase in the total number of importing nations has been facilitated by the versatility in energy demand, declining domestic natural gas production in certain countries, energy policies resulting in a switch to natural gas from fuels with higher carbon emissions, a desire to enhance energy security through diversification of supply and the versatility and attractive economics of FSRUs. These are either custom-built vessels or LNG carriers that have been converted to operate as FSRUs and offer cheaper and quicker access to LNG markets. FSRUs remain a growing sector of the LNG trade and they increase the number of potential LNG markets and trade routes. In 2018, Bangladesh inaugurated its first FSRU terminal. Several other countries are steadily progressing FSRU projects, including Greece, Hong Kong and Australia.

According to Poten, there are currently 30 FSRUs on the water, with a further ten being delivered over the next two to three years. However, the availability of on-the-water FSRUs without charters and increasingly competitive tenders are putting FSRU charter rates and financial returns under pressure. In addition, newbuild FSRU costs are at historical lows, with a comparable all-in cost to a modern TFDE conversion. While this continues to be the case, the competitive advantage of an FSRU conversion is predominantly 'speed-to-market', targeting projects where permanent land-based LNG regasification terminals cannot be delivered in time to meet import requirements.

During 2018 there was a significant increase in the number of long-term LNG off-take contracts announced, a positive indicator for future LNG demand. According to Wood Mackenzie and company disclosures, 95 mtpa of long-term (defined as greater than 5 years duration) off-take commitments have been agreed since the beginning of 2018, compared to 25 mtpa in 2017. The nature of the LNG marketplace continued to evolve in 2018. According to the Financial Times, the top three independent commodity traders increased their delivered LNG volumes by almost 40% to 31 million tonnes in 2018, taking market share from traditional participants such as national oil companies and major integrated oil companies.

The agreements signed in 2018 and early 2019 included Trafigura purchasing 1 mtpa from Cheniere Marketing, LLC for 15 years beginning in 2019. Tokyo Gas Co. Ltd. and Centrica LNG Company Limited entered into a Heads of Agreement for a combined 2.6 mtpa over 20 years from the Area 1 Project in Mozambique. Polish Oil and Gas Company has contracted to receive 2.0 mtpa over 20 years from both Venture Global LNG's proposed Calcasieu Pass and Plaquemines LNG export facilities and Port Arthur LNG, LLC. Taiwan's state owned oil and gas company, CPC Corporation, has contracted to take 2.0 mtpa over 25 years from Cheniere commencing in 2021. In September 2018, Qatargas announced an agreement to sell approximately 3.4 mtpa of LNG to PetroChina International Company Limited over 22 years. Sumitomo Corporation of the Americas contracted to receive 2.2 mtpa over 20 years from the Freeport project (FLNG Liquefaction 4) in the U.S. The partners in the LNG Canada project (Korea Gas Corporation, Mitsubishi Corporation, Petronas, PetroChina

Company Limited and Shell) are expected to market LNG production from the project either as portfolio volumes or market for onward sale, with Toho Gas Co., Ltd. and Tokyo Gas signing for a combined 0.9 mtpa over 15 and 13 years, respectively, from Mitsubishi Corporation. Vitol Asia Pte. Ltd. recently signed for 0.8 mtpa of LNG supply over 15 years from Petronas LNG Ltd., which is primarily expected to be sourced from the LNG Canada project. Petronas LNG Ltd. announced in December 2018 an agreement to purchase 1.1 mtpa from Cheniere Energy Partners, L.P. for a term of 20 years. In late 2018, the Rovuma LNG project offshore Mozambique secured off-take commitments from its joint venture partners, a key milestone ahead of a probable FID in 2019. In early 2019, the Mozambique Area 1 partners announced long-term offtake agreements with CNOOC (1.5 mtpa over 13 years), Shell (2 mtpa for 13 years), Bharat Petroleum (1 mtpa over 15 years) and Pertamina (1 mtpa over 20 years). Finally, the Golden Pass project in the U.S. reached FID in February 2019, with its partners Qatar Petroleum and ExxonMobil expected to market LNG production from the project as portfolio volumes.

Several of these projects and others continue to make progress towards taking FID. Should any further projects take FID, incremental LNG shipping capacity is likely to be required to transport the LNG produced by these projects. Nonetheless, there can be no assurance that any of these projects will take FID or, if one or more FIDs are taken, that incremental shipping will be contracted or that GasLog will be successful in securing renewed or new charters at attractive rates and durations to meet such LNG shipping requirements.

LNG Shipping Rates and Chartering Activity

At the beginning of 2018, spot rates for TFDE LNG carriers, as quoted by Clarksons, stood at \$82,000 per day, displaying continued strength following significant demand for spot LNG cargoes during a colder than anticipated Northern Hemisphere winter and strong demand growth in North Asia, especially China and South Korea. Rates subsequently declined, reaching a low of \$38,000 per day in April 2018, as the seasonal fall in Northern Hemisphere gas demand coincided with new LNG carrier capacity entering the market, unexpected supply outages from existing LNG plants and a delay in commissioning new LNG supply capacity. Spot rates increased counter-seasonally in mid-2018 and strengthened further in the second half of the year. Warmer than anticipated temperatures during the Northern Hemisphere summer led to increased gas demand for power generation, driving an increase in LNG imports. In addition, China sought to front load its LNG imports during the third quarter of 2018 to avoid a repeat of the 2017/2018 winter, when a significant number of LNG cargoes were procured at short notice to meet high demand. The combination of these factors, as well as high levels of utilization across the global LNG fleet, saw an unprecedented spike in rates for available spot LNG vessels in the final months of 2018, resulting in all-time highs of \$190,000 per day for a TFDE carrier. Rates started to moderate late in the year and continued to fall in early 2019 as prompt shipping availability increased following a weaker than normal winter demand in the later stages of the Northern Hemisphere winter and the delivery of 53 new LNG carriers in 2018. As at February 27, 2019 Clarksons estimates spot rates for TFDEs at \$52,000/day.

The number of spot charterers increased during 2018, with Poten estimating that 58 companies chartered at least one ship in 2018, compared to 55 in 2017. However, many charterers fixed vessels on multi-month and/or multi-voyage terms ahead of anticipated tightness in LNG shipping markets during the Northern Hemisphere winter. As a result, average charter durations rose from 32 days in 2017 to 45 days in 2018. Consequently, the total number of spot fixtures declined in 2018, with Poten estimating that 326 spot fixtures (defined as 180 days or less in duration) of LNG vessels in the year, compared with 339 in 2017. However, short and medium term fixtures (defined by Poten as 181 days to seven years in duration) increased from 19 in 2017 to 77 in 2018. Structural medium-term tightness in the LNG carrier market combined with a recent increase in spot vessel availability could result in this trend continuing.

Looking ahead, in our view, further LNG demand growth, new sources of supply coming onstream and a slower pace of LNG carrier fleet growth in 2019 compared to 2018 should combine to create the potential for LNG shipping spot rates to stage a strong recovery from recent seasonal falls. However, there is no guarantee that LNG shipping spot rates will stay at or near current levels or return to the levels experienced in the fourth quarter of 2018, which could harm our business, financial condition, results of operations and cash flows, including cash available for dividends to shareholders. Over the longer term, if construction and commissioning of the new LNG production facilities referenced above in “*LNG Supply*” proceed as expected by Wood Mackenzie, the incremental supply of LNG will increase the demand for LNG shipping capacity. Although some of the shipping required to transport this additional volume has been contracted and is currently under construction, encouraging levels of tendering activity are being noted and consensus LNG demand forecasts continue to suggest a potential shortfall of LNG shipping capacity during the middle of the next decade. However, 2018 newbuild order activity has reduced the potential shortfall in shipping capacity we had previously identified for the early next decade.

While there is a broad consensus that the LNG shipping market will be tight over the next two to three years, delays to start-up, or unexpected downtime, of LNG supply projects or significant further orders of new LNG carriers may weaken the supply/demand balance for LNG shipping. Reduced demand for LNG or LNG shipping, or any reduction or limitation in LNG production capacity, or significant increases in LNG shipping capacity could have a material adverse effect on our ability to secure future time charters at attractive rates and durations for new ships we may order or acquire, or upon expiration or early termination of our current charter arrangements, which could harm our business, financial condition, results of operations and cash flows, including cash available for dividends to shareholders, as well as our ability to meet certain of our debt covenants. A sustained decline in charter rates could also adversely affect the market value of our ships, on which certain of the ratios and financial covenants with which we are required to comply are based.

Global LNG Fleet

According to Poten, as of February 11, 2019, the global fleet of dedicated LNG carriers (>65,000 cbm) consisted of 493 vessels, with 105 LNG carriers on order, of which 66 have long-term charters. Poten estimates that a total of 38 LNG carriers are due to be delivered in 2019, with 24 of these in the first half of the year.

In 2018, 61 orders for LNG carriers were placed, as estimated by Poten. Newbuild ordering saw a significant increase in 2018 relative to previous years, as industry participants reacted to the positive outlook for LNG demand and supply, the increase in long-term chartering activity referenced above, and attractive shipyard prices for newbuild vessels, although these prices have started to increase while still being relatively low by historical standards. We believe that the growing global demand for natural gas, especially in Asia, increasing supply from the U.S. and other regions, and other LNG market trends, including increased trading of LNG leading to transportation inefficiencies with cargoes spending more time on the water, should support the existing order backlog for vessels and should also drive a need for additional LNG carrier newbuildings. Finally, the scrapping of older and less efficient vessels, the conversion of existing vessels to FSRUs or floating storage units and/or employing LNG carriers for short-term storage purposes in order to exploit arbitrage opportunities could reduce the availability of LNG carriers on the water today. However, various factors, including changes in prices of and demand for LNG, can materially affect the competitive dynamics that currently exist and there can be no assurance that this need for additional carriers will materialize or that GasLog will be successful in securing renewed or new charters at attractive rates and durations to meet such LNG shipping requirements. The statements in this “Industry Overview and Trends” section are forward-looking statements based on management’s current expectations and certain material assumptions and, accordingly, involve risks and uncertainties that could cause actual results, performance and outcomes

to differ materially from those expressed herein. See “Item 3. Key Information—D. Risk Factors” of this annual report.

A. Operating Results

Factors Affecting Our Results of Operations

We believe the principal factors that will affect our future results of operations include:

- the supply and demand for LNG shipping services and the number of vessels available in the short-term or spot LNG carrier charter market;
- the number of LNG carriers in our owned and managed fleets;
- the timely delivery of our ships under construction;
- our ability to obtain acceptable financing in respect of our capital and refinancing commitments;
- our ability to maintain good working relationships with our existing customers and our ability to increase the number of our customers through the development of new working relationships;
- the performance of our charterers;
- the supply-demand relationship for LNG shipping services, including the impact of greater competition in the LNG shipping market;
- our ability to employ the ships we own and the bareboat vessel, including our LNG carriers on order, that currently do not have charters at economically attractive rates;
- the effective and efficient technical management of the ships under our management;
- our ability to maintain the recruitment and retention of appropriately qualified seafarers and shore staff;
- our ability to obtain and maintain regulatory approvals and to satisfy technical, health, safety and compliance standards that meet our customers’ requirements; and
- economic, regulatory, political and governmental conditions that affect the LNG market and LNG shipping industries, which include geopolitical factors such as the imposition of trade tariffs and changes in the number of new LNG importing countries and regions, as well as structural LNG market changes impacting LNG supply and demand.

In addition to the general factors discussed above, we believe certain specific factors have impacted, or will impact, our results of operations. These factors include:

- the hire rate earned by our owned ships;
- unscheduled off-hire days;
- the fees we receive for technical ship management services;
- the level of our ship operating expenses, including the costs of crewing, insurance and maintenance;
- our level of debt, the related interest expense and the timing of required payments of principal;
- mark-to-market changes in derivative financial instruments and foreign currency fluctuations; and
- the level of our general and administrative expenses, including salaries and costs of consultants.

See “Item 3. Key Information—D. Risk Factors” for a discussion of certain risks inherent in our business.

Principal Components of Revenues and Expenses

Revenues

Our revenues are driven primarily by the number of LNG carriers in our owned fleet, the amount of daily charter hire that they earn under time charters and the number of operating days during which they generate revenues. These factors, in turn, are affected by our decisions relating to ship acquisitions and disposals, the amount of time that our ships spend in dry-dock undergoing repairs, maintenance and upgrade work, the age, condition and technical specifications of our ships as well as the relative levels of supply and demand in the LNG carrier charter market. Under the terms of some of our time charter arrangements, the operating cost component of the daily hire rate is intended to correspond to the costs of operating the ship. Accordingly, we will receive additional revenue under certain of our time charters through an annual escalation of the operating cost component of the daily hire rate and, in the event of more material increases in a ship’s operating costs, we may be entitled to receive additional revenues under those charters. Under some of the other time charter arrangements, most of our operating costs are passed-through to the charterer in the form of an adjustment to the operating cost component of the daily hire rate. We believe these adjustment provisions provide substantial protection against significant operating cost increases. See “Item 4. Information on the Company—B. Business Overview—Ship Time Charters—Hire Rate Provisions” for a more detailed discussion of the hire rate provisions of our charter contracts.

Our LNG carriers are employed through time charter or spot charter contracts. The charter hire revenue is recognized as earned on a straight-line basis over the term of the relevant time charter starting from the vessel’s delivery to the charterer. Except for the off-hire period, when a charter agreement exists, the vessel is made available and services are provided to the charterer and collection of the related revenue is reasonably assured. Unearned revenue includes cash received prior to the balance sheet date relating to services to be rendered after the balance sheet date.

The table below provides additional information about our contracted charter revenues based on contracts in effect as of December 31, 2018 for (a) the six ships in our wholly owned fleet, the 13 ships in the GasLog Partners’ fleet and the bareboat vessel for which we have secured time charters and (b) seven of our nine newbuildings on order. Other than the assumptions reflected in the footnotes to the table, including our assumption that our newbuildings are delivered on schedule, the table does not reflect events, including charter party agreements signed or amended, occurring after December 31, 2018. The table reflects only our contracted charter revenues for the ships in our owned fleet for which we have secured time charters, and it does not reflect the costs or expenses we will incur in fulfilling our obligations under the charters, nor does it include other revenues we may earn, such as revenues for technical management of customer-owned ships. In particular, the table does not reflect any revenues from the *GasLog Singapore*, the *GasLog Chelsea*, the *GasLog Savannah*, the *GasLog Skagen*, the *GasLog Salem* and the *GasLog Shanghai* that are operating in the Cool Pool, our two newbuild vessels without charters, or any additional ships we may acquire in the future; nor does it reflect the options under our time charters that permit our charterers to extend the time charter terms for successive multi-year periods. The entry into time charter contracts for the *GasLog Singapore*, the *GasLog Chelsea*, the *GasLog Savannah*, the *GasLog Skagen*, the *GasLog Salem*, the *GasLog Shanghai* or one or both of our uncontracted newbuild vessels and any additional ships we may acquire or the exercise of options extending the terms of our existing charters, would result in an increase in the number of contracted days and the contracted revenue for our fleet in the future. Although the contracted charter revenues are based on contracted charter hire rate provisions, they reflect certain assumptions, including assumptions relating to future ship operating costs. We consider the assumptions to be reasonable as of the date of this report but, if these assumptions prove to be incorrect, our actual

time charter revenues could differ from those reflected in the table. Furthermore, any contract is subject to various risks, including performance by the counterparties or an early termination of the contract pursuant to its terms. If the charterers are unable or unwilling to make charter payments to us, or if we agree to renegotiate charter terms at the request of a charterer or if contracts are prematurely terminated for any reason, we would be exposed to prevailing market conditions at the time and our results of operations and financial condition may be materially adversely affected. Please see “Item 3. Key Information—D. Risk Factors”. For these reasons, the contracted charter revenue information presented below is not fact and should not be relied upon as being necessarily indicative of future results and readers are cautioned not to place undue reliance on this information. Neither the Company’s independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the information presented in the table, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and they assume no responsibility for, and disclaim any association with, the information in the table.

Contracted Charter Revenues and Days from Time Charters as of December 31, 2018

	For the Year Ending December 31,					
	2019	2020	2021	2022	2023 - 2029	Total
	(in millions of U.S. dollars, except days and percentages)					
Contracted time charter revenues ⁽¹⁾	\$548.1	\$ 480.9	\$ 459.6	\$ 453.7	\$1,681.5	\$3,623.8
Total contracted days ⁽¹⁾	7,429	6,565	6,029	5,840	21,967	47,830
Total available days ⁽²⁾	9,874	10,697	12,202	12,775	88,085	133,633
Total unfixed days ⁽³⁾	2,445	4,132	6,173	6,935	66,118	85,803
Percentage of total contracted days/total available days	75.2%	61.4%	49.4%	45.7%	24.9%	35.8%

⁽¹⁾ Reflects time charter revenues and contracted days for six of our wholly owned ships, the 13 of the 14 ships owned by the Partnership, the bareboat vessel and seven of our nine newbuildings on order for which we have secured time charters. Does not include charter revenues for the vessels operating in the spot/short-term market under the Cool Pool agreement, the two newbuild vessels without charters and the *Methane Nile Eagle*, in which we hold a 25.0% minority interest. Contracted revenue calculations assume: (a) 365 revenue days per annum, with 30 off-hire days when the ship undergoes scheduled dry-docking (every five years); (b) all LNG carriers on order are delivered on schedule; and (c) no exercise of any option to extend the terms of charters. For time charters that include a fixed operating cost component subject to annual escalation, revenue calculations include that fixed annual escalation. For time charters that give the charterer the option to set the charter hire rate at prevailing market rates during an initial portion of the time charter’s term, revenue calculations assume that the charterer does not elect such option. Revenue calculations for such charters include an estimate of the amount of the operating cost component and the management fee component.

⁽²⁾ Available days represent total calendar days after deducting 30 off-hire days when the ship undergoes scheduled dry-docking. The available days for the vessels operating in the spot/short-term market are included.

⁽³⁾ Represents available days for ships after the expiration of existing charters (assuming charterers do not exercise any option to extend the terms of the charters) and the available days for the vessels operating in the spot/short-term market and the two uncommitted newbuild vessels.

The revenues of GasLog LNG Services, our wholly owned subsidiary, are driven primarily by the number of ships operating under our technical management and the amount of the fees we earn for each of these ships as well as the amount of fees that we may earn for plan approval and construction supervision of newbuilding LNG carriers. In addition to revenues from external customers, GasLog LNG Services receives revenues for technical management, plan approval and construction supervision services provided to our owned fleet, which are eliminated on consolidation.

Revenue from vessel management and vessel construction project supervision contracts is recognized when earned and when it is probable that future economic benefits will flow to the Group and such a benefit can be measured reliably.

Net Pool Allocation

In relation to the vessels participating in the Cool Pool, net pool allocation represents GasLog's share of the net revenues earned from the other pool participants' vessels less the other participants' share of the net revenues earned by GasLog's vessels included in the pool. Each participant's share of the net pool revenues is based on the number of pool points attributable to its vessels and the number of days such vessels participated in the pool.

Voyage Expenses and Commissions

Under our time charter arrangements, charterers bear substantially all voyage expenses, including bunker fuel, port charges and canal tolls, but not commissions, which we have historically paid to unaffiliated ship brokers based on a flat fee per ship. Commissions are recognized as expenses on a pro rata basis over the duration of the period of the time charter.

Vessel operating costs and voyage expenses and commissions are expensed as incurred, with the exception of commissions, which are recognized on a pro-rata basis over the duration of the period of the time charter. Bunkers consumption represents mainly bunkers consumed during vessels' unemployment and off-hire.

Vessel Operating and Supervision Costs

We are generally responsible for ship operating expenses, which include costs for crewing, insurance, repairs, modifications and maintenance, including dry-docking, lubricants, spare parts and consumable stores and other miscellaneous expenses, as well as the associated cost of providing these items and services. However, as described above, the hire rate provisions of our time charters are intended to reflect the operating costs borne by us. Certain of our charters contain provisions that significantly reduce our exposure to increases in operating costs, including review provisions and cost pass-through provisions. Ship operating expenses are recognized as expenses when incurred.

In addition, we pay fees to GasLog LNG Services in connection with our own newbuildings on order for plan approval and construction supervision services provided by GasLog LNG Services and to cover third-party expenses incurred by GasLog LNG Services in respect of the newbuildings. These fees, other than any intercompany profit, are capitalized as part of the asset value of our ships. The fees paid for technical ship management services, which are considered vessel operating and supervision costs of our owned fleet (and corresponding revenues of GasLog LNG Services), are eliminated on consolidation.

Vessel operating and supervision costs of GasLog LNG Services include staff costs, such as salaries, social security and training for the technical management team and project specialists, and project-related expenses.

Depreciation

The majority of our consolidated depreciation expenses relate to the cost of our ships. We depreciate the cost of our ships on the basis of two components: a vessel component and a dry-docking component. The vessel component is depreciated on a straight-line basis over the expected useful life of each ship, based on the cost of the ship less its estimated residual value. We estimate the useful lives of our ships to be 35 years from the date of delivery from the shipyard. Secondhand vessels are depreciated from the date of their acquisition through their remaining estimated useful life. Management estimates residual value of its vessels to be equal to the product of its lightweight tonnage ("LWT"), and an estimated scrap rate per LWT, which represents our estimate of the market value of the ship at the end of its useful life. We review scrap rates on an annual basis.

We must periodically dry-dock each of our ships for inspection, repairs and maintenance and any modifications to comply with industry certification or governmental requirements. All our ships are required to be dry-docked for these inspections at least once every five years. At the time of delivery of a ship, we estimate the dry-docking component of the cost of the ship, which represents the estimated cost of the ship's first dry-docking based on our historical experience with similar types of ships. The dry-docking component of the ship's cost is depreciated over five years, in case of new ships, and until the next dry-docking for secondhand ships, which is performed within five years from the vessel's last dry-docking unless we determine to dry-dock the ships at an earlier date. In the event a ship is dry-docked at an earlier date, the unamortized dry-docking component is written off immediately.

General and Administrative Expenses

General and administrative expenses consist principally of personnel costs for administrative and support staff, board of directors fees, expense recognized in connection with share-based compensation, rent, utilities, travel expenses, legal expenses, information and computing equipment and services, other professional services and consultants, training for crew familiarization and other advisor costs.

Financial Costs

We incur interest expense on the outstanding indebtedness under our existing credit facilities, bonds and our swap arrangements that qualify for treatment as cash flow hedges for financial reporting purposes, which we include in our financial costs. Financial costs also include amortization of other loan issuance costs incurred in connection with establishing our credit facilities. We will incur additional interest expense and other borrowing costs in the future on our outstanding borrowings and under the undrawn or future borrowings and commitments. For a description of our credit facilities, including our loan agreements, see "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Credit Facilities".

Interest expense and the amortization of loan issuance costs that relate directly to a specific loan to finance an LNG carrier under construction and are incurred during the construction period are capitalized as part of the cost of the ship. Otherwise, interest expense and amortization of loan issuance costs are expensed as incurred.

Financial Income

Financial income consists of interest income, which will depend on the level of our cash deposits, investments and prevailing interest rates. Interest income is recognized on an accrual basis.

(Loss)/Gain on Derivatives

(Loss)/gain on derivatives consist of the ineffective portion of changes in the fair value of the derivatives that meet hedge accounting criteria, net interest on derivative financial instruments held for trading, the movement in the fair value of the derivative financial instruments that have not been designated as hedges and the amortization of the cumulative unrealized loss for the derivative contracts in respect of which hedge accounting was discontinued.

Share of Profit of Associates

The share of profit of associates consists of our share of profits from (a) our 25.0% ownership interest in Egypt LNG, a Bermuda exempted company whose principal asset is the LNG carrier *Methane Nile Eagle* and (b) our 20.0% ownership in Gastrade, a Greek private limited company licensed to develop an independent natural gas system offshore Alexandroupolis in Northern Greece utilizing a FSRU along with other infrastructure.

Results of Operations

Year Ended December 31, 2017 Compared to Year Ended December 31, 2018

	Year ended December 31,		
	2017	2018	Change
Amounts are in thousands of U.S. Dollars			
Revenues	\$ 525,229	\$ 618,344	\$ 93,115
Net pool allocation	7,254	17,818	10,564
Voyage expenses and commissions	(15,404)	(20,374)	(4,970)
Vessel operating and supervision costs	(122,486)	(128,084)	(5,598)
Depreciation	(137,187)	(153,193)	(16,006)
General and administrative expenses	(39,850)	(41,993)	(2,143)
Profit from operations	217,556	292,518	74,962
Financial costs	(139,181)	(166,627)	(27,446)
Financial income	2,650	4,784	2,134
Gain/(loss) on derivatives	2,025	(6,077)	(8,102)
Share of profit of associate	1,159	1,800	641
Total other expenses, net	(133,347)	(166,120)	(32,773)
Profit for the year	84,209	126,398	42,189
Non-controlling interests	68,703	78,715	10,012
Profit attributable to owners of the Group	\$ 15,506	\$ 47,683	\$ 32,177

During the year ended December 31, 2018, we had an average of 26.0 ships operating in our owned and bareboat fleet (including ships owned by the Partnership), having 9,030 operating days and an average of 25.5 ships operating under our technical management (including 25.0 of our owned and bareboat ships). During the year ended December 31, 2017, we had an average of 23.0 ships operating in our owned and bareboat fleet having 8,317 operating days and an average of 23.4 ships operating under our technical management (including 22.0 of our owned ships).

Revenues: Revenues increased by 17.7%, or \$93.1 million, from \$525.2 million during the year ended December 31, 2017 to \$618.3 million during the year ended December 31, 2018. The increase in revenues is mainly attributable to an increase of \$64.2 million in revenues from our vessels operating in the spot market due to the significant increase in LNG shipping spot rates during the year. There was also an increase in revenues of \$63.7 million due to the deliveries of the *GasLog Houston*, the *GasLog Hong Kong* and the *GasLog Genoa* (which were delivered on January 8, 2018, March 20, 2018 and March 29, 2018, respectively). These deliveries resulted in an increase in operating days. These increases were partially offset by a decrease of \$25.4 million due to the expiration of the initial time charters of the *GasLog Shanghai*, the *GasLog Santiago* and the *GasLog Sydney*. Following the expiration of their initial charters, the *GasLog Shanghai* has been trading in the spot market through the Cool Pool, the *GasLog Santiago* began a new, multi-year charter with Trafigura and the *GasLog Sydney* began a new 18-month charter with Cheniere. There was also a decrease of \$8.4 million due to increased off-hire days for four scheduled dry-dockings in the year ended December 31, 2018 compared to only one scheduled dry-docking in the same period of 2017 and a decrease of \$0.7 million due to increased off-hire days from the remaining vessels. The average daily hire rate increased from \$63,006 for the year ended December 31, 2017 to \$68,392 for the year ended December 31, 2018. Furthermore, there was a decrease of \$0.3 million in revenues from technical management services mainly due to the decrease in the average number of the managed vessels owned by third parties.

Net Pool Allocation: Net pool allocation increased by \$10.5 million, from \$7.3 million during the year ended December 31, 2017 to \$17.8 million during the year ended December 31, 2018. The increase in net pool allocation was attributable to the movement in the adjustment of the net pool results earned by the GasLog vessels in accordance with the pool distribution formula. GasLog recognized gross revenues and gross voyage expenses and commissions of \$102.3 million and \$10.2 million, respectively, from the operation of its vessels in the Cool Pool during the year ended December 31, 2018 (December 31, 2017: \$38.0 million and \$9.1 million, respectively). The increase in GasLog’s total net pool performance was driven by higher spot rates and higher utilization achieved by all vessels trading in the Cool Pool. GasLog’s total net pool performance is presented below:

	<u>For the year ended</u>	
	<u>2017</u>	<u>2018</u>
<i>Amounts in thousands of U.S. Dollars</i>		
Pool gross revenues (included in Revenues)	38,046	102,253
Pool gross voyage expenses and commissions (included in Voyage expenses and commissions)	(9,122)	(10,154)
GasLog’s adjustment for net pool allocation (included in Net pool allocation)	<u>7,254</u>	<u>17,818</u>
GasLog’s total net pool performance	<u>36,178</u>	<u>109,917</u>

Voyage Expenses and Commissions: Voyage expenses and commissions increased by 32.5%, or \$5.0 million, from \$15.4 million during the year ended December 31, 2017 to \$20.4 million during the year ended December 31, 2018. The increase in voyage expenses and commissions is mainly attributable to an increase of \$3.6 million in bunkers consumed and voyage expenses during certain unchartered and off-hire periods, an increase of \$0.3 million in voyage expenses of the vessels operating in the spot market and an increase of \$1.1 million in brokers’ commissions.

Vessel Operating and Supervision Costs: Vessel operating and supervision costs increased by 4.6%, or \$5.6 million, from \$122.5 million during the year ended December 31, 2017 to \$128.1 million during the year ended December 31, 2018. The increase in vessel operating and supervision costs is primarily attributable to the increase in ownership days due to the deliveries of the *GasLog Houston*, the *GasLog Hong Kong* and the *GasLog Genoa* (which were delivered on January 8, 2018, March 20, 2018 and March 29, 2018, respectively, which caused an increase in crew costs, partially offset by a decrease in taxes. The average daily operating cost per vessel decreased from \$15,254 per day in 2017 to \$14,306 per day in 2018.

Depreciation: Depreciation increased by 11.7%, or \$16.0 million, from \$137.2 million during the year ended December 31, 2017 to \$153.2 million during the year ended December 31, 2018. The increase in depreciation resulted mainly from the increase in the average number of vessels in our fleet in the year ended December 31, 2018 compared to 2017.

General and Administrative Expenses: General and administrative expenses increased by 5.3%, or \$2.1 million, from \$39.9 million during the year ended December 31, 2017 to \$42.0 million during the year ended December 31, 2018. The increase in general and administrative expenses is mainly attributable to an increase of \$2.2 million in employee costs mainly due to the unfavorable movement of the United States Dollar (“USD”) against the Euro (“EUR”) and the British Pound (we have entered into forward foreign exchange contracts to hedge economically part of this exposure and the associated realized gains are recorded in Gain/(loss) on derivatives, which is discussed below).

Financial Costs: Financial costs increased by 19.7%, or \$27.4 million, from \$139.2 million during the year ended December 31, 2017 to \$166.6 million during the year ended December 31, 2018. The increase in financial costs is attributable to an increase of \$28.7 million in interest expense on loans,

bonds and cash flow hedges, an increase of \$0.3 million in the other financial costs and an increase of \$0.2 million in the amortization of deferred loan issuance costs. The above increases were partially offset by a decrease of \$1.5 million in losses arising upon the repurchase in 2017 of the NOK denominated bonds at a premium and a decrease of \$0.3 million in finance lease charges. During the year ended December 31, 2018, we had an average of \$2,886.3 million of outstanding indebtedness, with a weighted average interest rate of 4.8%, while during the year ended December 31, 2017, we had an average of \$2,688.2 million of outstanding indebtedness, with a weighted average interest rate of 4.1%. These weighted average interest rates include interest expense on loans and cash flow hedges and interest expense on bonds and CCSs.

(Gain)/loss on Derivatives: Gain on derivatives decreased by \$8.1 million, from a gain of \$2.0 million for the year ended December 31, 2017 to a loss of \$6.1 million for the year ended December 31, 2018. The decrease is mainly attributable to a decrease of \$18.5 million in the gain from mark-to-market valuation of our derivative financial instruments carried at fair value through profit or loss and an increase of \$0.2 million in the ineffective portion of cash flow hedges, partially offset by a decrease of \$6.2 million in realized loss from derivative financial instruments held for trading and a decrease of \$4.4 million in loss that was reclassified from equity to the statement of profit or loss.

Profit for the Year: Profit increased by 50.1%, or \$42.2 million, from \$84.2 million for the year ended December 31, 2017 to \$126.4 million for the year ended December 31, 2018 as a result of the aforementioned factors.

Profit/(Loss) Attributable to Owners of the Group: Profit Attributable to Owners of the Group increased by \$32.2 million, from a profit of \$15.5 million for the year ended December 31, 2017 to a profit of \$47.7 million for the year ended December 31, 2018. The increase in profit attributable to the owners of GasLog resulted from the increase in profit mentioned above, partially offset by the increase in profit attributable to the non-controlling interests (non-controlling unitholders of GasLog Partners) as a result of the issuances under the GasLog Partners' ATM Programme, the preference unit issuances in January 2018 and November 2018 and the sale of three vessels to GasLog Partners in 2017 and another two vessels in 2018.

Year Ended December 31, 2016 Compared to Year Ended December 31, 2017

	Year ended December 31,		
	2016	2017	Change
Amounts are in thousands of U.S. Dollars			
Revenues	\$ 466,059	\$ 525,229	\$ 59,170
Net pool allocation	(4,674)	7,254	11,928
Voyage expenses and commissions	(10,510)	(15,404)	(4,894)
Vessel operating and supervision costs	(112,632)	(122,486)	(9,854)
Depreciation	(122,957)	(137,187)	(14,230)
General and administrative expenses	(38,642)	(39,850)	(1,208)
Profit from operations	176,644	217,556	40,912
Financial costs	(137,316)	(139,181)	(1,865)
Financial income	720	2,650	1,930
(Loss)/gain on derivatives	(13,419)	2,025	15,444
Share of profit of associates	1,422	1,159	(263)
Total other expenses, net	(148,593)	(133,347)	15,246
Profit for the year	28,051	84,209	56,158
Non-controlling interests	49,537	68,703	19,166
(Loss)/profit attributable to owners of the Group .	\$ (21,486)	\$ 15,506	\$ 36,992

During the year ended December 31, 2017, we had an average of 23 ships operating in our owned and bareboat fleet (including ships owned by the Partnership), having 8,317 operating days and an average of 23.4 ships operating under our technical management (including 22 of our owned and bareboat ships). During the year ended December 31, 2016, we had an average of 20.7 ships operating in our owned and bareboat fleet (including ships owned by the Partnership), having 7,439 operating days and an average of 23.6 ships operating under our technical management (including 19.7 of our owned and bareboat ships).

Revenues: Revenues increased by 12.7%, or \$59.1 million, from \$466.1 million during the year ended December 31, 2016 to \$525.2 million during the year ended December 31, 2017. The increase is attributable to an increase in revenues of \$69.3 million from the full operation of the *GasLog Greece*, the *GasLog Glasgow*, the *GasLog Geneva* and the *GasLog Gibraltar*, which were delivered on March 29, 2016, June 30, 2016, September 30, 2016 and October 31, 2016, respectively. These deliveries resulted in an increase in operating days. There was also an increase of \$14.8 million in revenues from our vessels operating in the spot market and an increase of \$1.1 million due to decreased off-hire days for scheduled dry-dockings in the year ended December 31, 2017 compared to the same period in 2016. These increases were partially offset by a decrease of \$24.7 million due to the expiration of two time charter party agreements during 2016 (with the vessels operating in the spot market thereafter) and a decrease of \$0.8 million in revenues from the remaining vessels. The average daily hire rate increased from \$62,400 for the year ended December 31, 2016 to \$63,004 for the year ended December 31, 2017. Furthermore, there was a decrease of \$0.6 million in revenues from technical management services mainly due to the decrease in the average number of the managed vessels owned by third parties.

Net Pool Allocation: Net pool allocation increased by \$12.0 million, from a \$4.7 million loss during the year ended December 31, 2016 to a \$7.3 million gain during the year ended December 31, 2017. The increase was attributable to the movement in the adjustment of the net pool results earned by the GasLog vessels in accordance with the pool distribution formula. GasLog recognized gross revenues and gross voyage expenses and commissions of \$38.0 million and \$9.1 million, respectively, from the

operation of its vessels in the Cool Pool during the year ended December 31, 2017 (December 31, 2016: \$19.8 million and \$3.3 million, respectively). The increase in GasLog's total net pool performance was driven by higher spot rates and higher utilization achieved by all vessels trading in the Cool Pool. GasLog's total net pool performance is presented below:

	<u>For the year ended</u>	
	<u>2016</u>	<u>2017</u>
<i>Amounts in thousands of U.S. Dollars</i>		
Pool gross revenues (included in Revenues)	19,789	38,046
Pool gross voyage expenses and commissions (included in Voyage expenses and commissions)	(3,332)	(9,122)
GasLog's adjustment for net pool allocation (included in Net pool allocation)	(4,674)	7,254
GasLog's total net pool performance	<u>11,783</u>	<u>36,178</u>

Voyage Expenses and Commissions: Voyage expenses and commissions increased by 46.7%, or \$4.9 million, from \$10.5 million during the year ended December 31, 2016 to \$15.4 million during the year ended December 31, 2017. The increase in voyage expenses and commissions is attributable to an increase of \$4.0 million in bunkers' consumption of the vessels operating in the spot market and an increase of \$0.9 million in brokers' commissions following the increase in revenues.

Vessel Operating and Supervision Costs: Vessel operating and supervision costs increased by 8.8%, or \$9.9 million, from \$112.6 million during the year ended December 31, 2016 to \$122.5 million during the year ended December 31, 2017. The increase in vessel operating and supervision costs is primarily attributable to the increase in ownership days due to the full operation of the 2016 deliveries mentioned above. The average daily operating cost per vessel marginally decreased from \$15,253 per day in 2016 to \$15,254 per day in 2017.

Depreciation: Depreciation increased by 11.5%, or \$14.2 million, from \$123.0 million during the year ended December 31, 2016 to \$137.2 million during the year ended December 31, 2017. The increase in depreciation resulted mainly from the increase in the average number of vessels in our fleet in the year ended December 31, 2017 compared to 2016.

General and Administrative Expenses: General and administrative expenses increased by 3.4%, or \$1.3 million, from \$38.6 million during the year ended December 31, 2016 to \$39.9 million during the year ended December 31, 2017. The increase in general and administrative expenses is mainly attributable to an increase of \$1.8 million in employee costs and an increase of \$0.7 million in non-cash share-based compensation expense, partially offset by a decrease of \$1.2 million in net foreign exchange losses.

Financial Costs: Financial costs increased by 1.4%, or \$1.9 million, from \$137.3 million during the year ended December 31, 2016 to \$139.2 million during the year ended December 31, 2017. The increase in financial costs is attributable to an increase of \$17.2 million in interest expense on our 8.875% Senior Notes, the increase of \$9.3 million in interest expense on loans mainly due to the increased weighted average debt outstanding and the increased weighted average interest rate and an increase of \$1.5 million in finance lease charges in 2017. The above increases were partially offset by (a) a decrease of \$22.7 million in the amortization of deferred loan issuance costs and premium mainly driven by (i) a write-off of \$18.2 million of unamortized loan fees associated with the six legacy facilities that were refinanced by the Legacy Facility Refinancing in July 2016, (ii) a write-off of \$2.1 million of unamortized bond fees and premium as a result of the NOK denominated bond repurchases in June 2016 and June 2017 and (iii) a write-off and accelerated amortization of \$2.2 million due to the termination or scheduled prepayments of certain facilities, (b) a decrease of

\$1.8 million in interest expense on the NOK denominated bonds and realized losses on CCSs (on which we apply hedge accounting), (c) a decrease of \$0.9 million in other financial costs and (d) a decrease of \$0.7 million in loss arising upon the repurchase of the NOK denominated bonds at a premium. During the year ended December 31, 2017, we had an average of \$2,688.2 million of outstanding indebtedness, with a weighted average interest rate of 4.1%, while during the year ended December 31, 2016, we had an average of \$2,452.9 million of outstanding indebtedness, with a weighted average interest rate of 3.5%. These weighted average interest rates include interest expense on loans and cash flow hedges and interest expense on bonds and CCSs.

(Loss)/gain on Derivatives: Loss on derivatives decreased by 114.9%, or \$15.4 million, from a \$13.4 million loss for the year ended December 31, 2016 to a \$2.0 million gain for the year ended December 31, 2017. The decrease in loss on derivatives is mainly attributable to a decrease of \$19.1 million in loss that was reclassified from equity to the statement of profit or loss (\$17.2 million of which related to the cumulative loss from the period during which the hedges of the interest rate swaps terminated in July 2016 were effective and \$1.2 million of which related to the decrease from the CCS agreements terminations/ modification in June 2016 and June 2017) and a decrease of \$4.3 million in realized loss from derivative financial instruments held for trading, partially offset by a decrease of \$8.0 million in the gain from mark-to-market valuation of our derivative financial instruments carried at fair value through profit or loss.

Profit for the Year: Profit increased by 199.6%, or \$56.1 million, from \$28.1 million for the year ended December 31, 2016 to \$84.2 million for the year ended December 31, 2017 as a result of the aforementioned factors.

Profit/(Loss) Attributable to Owners of the Group: Profit Attributable to Owners of the Group increased by \$37.0 million, from a loss of \$21.5 million for the year ended December 31, 2016 to a profit of \$15.5 million for the year ended December 31, 2017. The increase in profit attributable to the owners of GasLog resulted from the increase in profit mentioned above, partially offset by the increase in profit attributable to the non-controlling interests (non-controlling unitholders of GasLog Partners) as a result of GasLog Partners' equity offerings in August 2016, January and May 2017, its ATM Programme implemented in May 2017 and the associated dropdowns of the *GasLog Seattle*, the *GasLog Greece*, the *GasLog Geneva* and the *Solaris* on November 1, 2016, May 3, 2017, July 3, 2017 and October 20, 2017, respectively.

Customers

For the year ended December 31, 2018, we received 74.2% of our revenues from Shell, 16.5% of our revenues from various charterers in the spot/short-term market, 9.2% from major LNG producers and 0.1% of our revenues from Egypt LNG. For the year ended December 31, 2017, we received 92.6% of our revenues from Shell, 7.2% of our revenues from various charterers in the spot/short-term market and 0.2% of our revenues from Egypt LNG.

Seasonality

Since our owned ships are mainly employed under multi-year, fixed-rate charter arrangements, seasonal trends do not materially impact the revenues earned during the year by our vessels under multi-year charters. Seasonality also does not have a significant impact on revenues earned by our management services, as we provide technical ship management and ship construction supervision services under fixed-rate agreements. However, our vessels trading in the spot market are subject to seasonality in spot rates which has been evident in the LNG shipping market during 2018.

Additionally, our business is not subject to seasonal borrowing requirements.

B. Liquidity and Capital Resources

As of December 31, 2018, GasLog has financed its capital requirements with contributions from its pre-IPO shareholders, proceeds from our IPO and the GasLog Partners' IPO, proceeds from the 2014, 2015, 2016, 2017 and 2018 follow-on common and preference equity offerings by GasLog and GasLog Partners, the 2017 debt offering and the private placements, operating cash flows and long-term financings including bank loans and bond offerings. Our primary liquidity needs are to fund our ship-operating and general and administrative expenses, finance the purchase and construction of our newbuildings, purchase secondhand vessels, service our existing debt and pay dividends. In monitoring our working capital needs, we project our charter hire income and ships' maintenance and running expenses, as well as debt service obligations, and seek to maintain adequate cash reserves in order to address any budget overruns, if any.

We anticipate that our primary sources of funds will be available cash, cash from operations and borrowings under existing and new loan agreements. We may seek to raise additional common or other forms of equity, subject in each case to market conditions. We believe that these sources of funds will be sufficient to meet our liquidity needs, although there can be no assurance that we will be able to obtain future debt and equity financing on terms acceptable to us.

Our funding and treasury activities are intended to provide return of capital while balancing investment returns in order to maintain appropriate liquidity. Cash and cash equivalents are held primarily in U.S. dollars.

As of December 31, 2018, we had \$342.6 million of cash and cash equivalents, of which \$121.9 million was held in time deposits and \$0.6 million was held in ship management client accounts. The funds in the ship management client accounts were held on behalf of customers of GasLog LNG Services in order to cover obligations of third party vessels under management. Moreover, as of December 31, 2018, GasLog had \$25.0 million held in time deposits with an initial duration of more than three months but less than a year that have been classified as short-term investments.

As of December 31, 2018, we had an aggregate of \$2.8 billion of indebtedness outstanding under our credit agreements and bonds, of which \$520.6 million was repayable within one year, and a \$206.1 million finance lease liability related to the sale and leaseback of the *Methane Julia Louise*, of which \$6.7 million was repayable within one year.

We have entered into three CCSs to exchange interest payments and principal on maturity on the same terms as the NOK 2021 Bonds and designated the CCSs as hedges of the variability of the USD functional currency equivalent cash flows on the NOK 2021 Bonds. Refer to Note 26 to our audited consolidated financial statements included elsewhere in this annual report for details on our derivative arrangements.

As of December 31, 2018, we had available amounts not yet drawn of \$165.8 million under the October 2015 Facility. Additionally, there was an undrawn amount of \$100.0 million under the revolving credit facility of the Legacy Facility Refinancing, which is available to be drawn, repaid and redrawn at any time until January 2021 and is to be repaid in July 2021.

The total contract price for our nine newbuildings on order as of December 31, 2018 is approximately \$1.7 billion, of which \$141.9 million was paid as of December 31, 2018. The balance is payable under each shipbuilding contract in installments upon the attainment of certain specified milestones, with the largest portion of the purchase price for each ship coming due upon its delivery. We are scheduled to take delivery of these newbuildings on various dates in 2019, 2020 and 2021. As of December 31, 2018, the total remaining balance of the contract prices for the nine newbuildings was \$1.6 billion, of which \$430.6 million is due within 12 months which will be funded with existing undrawn debt, available cash, cash from operations and other financings we may enter into.

On May 16, 2017, GasLog Partners commenced its ATM Programme under which the Partnership may, from time to time, raise equity through the issuance and sale of new common units having an aggregate offering price of up to \$100.0 million in accordance with the terms of an equity distribution agreement (the “Equity Distribution Agreement”) entered into on the same date. Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse Securities (USA) LLC and Morgan Stanley & Co. LLC agreed to act as sales agents. On November 3, 2017, the Partnership entered into the Amended and Restated Equity Distribution Agreement to increase the size of the ATM Programme to \$144.0 million and to include UBS Securities LLC as a sales agent. On February 26, 2019, the Partnership entered into a Third Amended and Restated Equity Distribution Agreement to further increase the size of the ATM Programme from \$144.0 million to \$250.0 million.

From establishment of the ATM Programme through December 31, 2018, GasLog Partners issued and received payment for 5,291,304 common units at a weighted average price of \$23.33 per common unit for total gross proceeds of \$123.4 million and total net proceeds of \$121.2 million, after broker commissions of \$1.0 million and other expenses of \$1.2 million. In connection with the issuance of common units under the ATM Programme during this period, the Partnership also issued 107,987 general partner units to its general partner in order for GasLog to retain its 2.0% general partner interest. The net proceeds from the issuance of the general partner units were \$2.5 million.

On January 5, 2018, GasLog prepaid the remaining \$29.8 million of the Five Vessel Refinancing which would have been originally due in April 2018. The prepaid debt was associated with the Junior Tranche of the Five Vessel Facility, which was terminated on January 5, 2018.

On January 17, 2018, the Partnership completed a public offering of 4,600,000 of its 8.200% Series B Cumulative Redeemable Perpetual Fixed to Floating Rate Preference Units (the “Partnership’s Series B Preference Units”) (including 600,000 units issued upon the exercise in full by the underwriters of their option to purchase additional Partnership’s Series B Preference Units), liquidation preference \$25.00 per unit, at a price to the public of \$25.00 per preference unit. The net proceeds from the offering after deducting underwriting discounts, commissions and other offering expenses were \$111.2 million. The Partnership’s Series B Preference Units are listed on the NYSE under the symbol “GLOP PR B”.

On March 23, 2018, the Partnership prepaid and terminated the \$45.0 million term loan provided by GasLog under the New Sponsor Facility, which would have been due in March 2022.

On November 15, 2018, the Partnership completed a public offering of its 4,000,000 8.500% Series C Cumulative Redeemable Perpetual Fixed to Floating Rate Preference Units (the “Partnerships’ Series C Preference Units”), liquidation preference \$25.00 per unit, at a price to the public of \$25.00 per preference unit. The net proceeds from the offering after deducting underwriting discounts, commissions and other offering expenses were \$96.3 million. The Partnership’s Series C Preference Units are listed on the New York Stock Exchange under the symbol “GLOP PR C”.

As our fleet expands, we will evaluate changes to the quarterly dividend consistent with our cash flow and liquidity position. Our policy is to pay dividends in amounts that will allow us to retain sufficient liquidity to fund our obligations as well as to execute our business plan going forward. Our board of directors will determine the timing and amount of all dividend payments, based on various factors, including our earnings, financial condition, cash requirements and availability, restrictions in our credit facilities and the provisions of Bermuda law. Accordingly, we cannot guarantee that we will be able to pay quarterly dividends. See “Item 3. Key Information—D. Risk Factors” and “Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Common Shares Dividend Policy” for a discussion of risks related to our ability to pay dividends.

Working Capital Position

We anticipate that our primary sources of funds will be available cash, cash from operations and borrowings under existing and new loan agreements. We may seek to raise additional common or other forms of equity. We believe that these sources of funds will be sufficient to fund our operations, including our working capital requirements, and to make the required principal and interest payments on our indebtedness during the next 12 months; however, there can be no assurance that we will be able to obtain future debt and equity financing on terms acceptable to us.

As of December 31, 2018, our current assets totaled \$438.9 million while current liabilities totaled \$669.4 million, resulting in a negative working capital position of \$230.5 million. Current liabilities include \$360.0 million from the outstanding indebtedness of GAS-three Ltd., GAS-four Ltd., GAS-five Ltd., GAS-sixteen Ltd. and GAS-seventeen Ltd., due in November 2019. In February 2019, we signed a debt refinancing of up to \$450.0 million with certain financial institutions (described under “Borrowing Activities” below), in order to refinance such indebtedness.

Cash Flows

Year ended December 31, 2017 compared to the year ended December 31, 2018

The following table summarizes our net cash flows from operating, investing and financing activities for the years indicated:

	Year ended December 31,		
	2017	2018	Change
Amounts in thousands of U.S. dollars			
Net cash provided by operating activities	\$223,630	\$ 283,710	\$ 60,080
Net cash used in investing activities	(74,599)	(692,999)	(618,400)
Net cash provided by financing activities	7,265	368,120	360,855

Net Cash Provided By Operating Activities

Net cash provided by operating activities increased by \$60.1 million, from \$223.6 million during the year ended December 31, 2017 to \$283.7 million during the year ended December 31, 2018. The increase was attributable to an increase in total revenues (revenues and net pool allocation) of \$103.7 million, partially offset by a decrease of \$23.5 million caused by movements in working capital accounts, an increase of \$15.3 million in cash paid for interest including the interest paid for finance leases and a net decrease of \$4.8 million from the remaining movements.

Net Cash Used In Investing Activities

Net cash used in investing activities increased by \$618.4 million, from \$74.6 million during the year ended December 31, 2017 to \$693.0 million during the year ended December 31, 2018. The increase is mainly attributable to an increase of \$591.5 million in payments for the construction costs of newbuildings and other fixed assets and a net decrease in cash from short-term investments of \$43.0 million in 2018 compared to 2017. The above movements were partially offset by \$14.0 million in payments made for the investment in Gastrade made in 2017 and an increase of \$2.1 million in cash from interest income.

Net Cash Provided By Financing Activities

Net cash provided by financing activities increased by \$360.8 million, from \$7.3 million during the year ended December 31, 2017 to \$368.1 million during the year ended December 31, 2018. The increase is mainly attributable to an increase of \$244.2 million in proceeds from our borrowings, a

decrease in bank loan and bond repayments of \$165.3 million, an increase of \$69.2 million in proceeds from the issuance of the Partnership's Series B and Series C Preference Units in 2018 as compared to the issuance of 5,750,000 of its 8.625% Series A Cumulative Redeemable Perpetual Fixed to Floating Rate Preference Units (the "Partnership's Series A Preference Units") in 2017 and an increase of \$20.6 million from payments during 2017 for CCS termination. The above movements were partially offset by a decrease of \$81.1 million in proceeds from GasLog Partners' common unit offerings and an increase of \$57.0 million in dividend payments.

Year ended December 31, 2016 compared to the year ended December 31, 2017

The following table summarizes our net cash flows from operating, investing and financing activities for the years indicated:

	Year ended December 31,		
	2016	2017	Change
Amounts in thousands of U.S. dollars			
Net cash provided by operating activities	\$ 256,532	\$223,630	\$ (32,902)
Net cash used in investing activities	(771,242)	(74,599)	696,643
Net cash provided by financing activities	439,766	7,265	(432,501)

Net Cash Provided By Operating Activities

Net cash provided by operating activities decreased by \$32.9 million, from \$256.5 million during the year ended December 31, 2016 to \$223.6 million during the year ended December 31, 2017. The decrease was mainly attributable to an increase of \$47.8 million in cash paid for interest including the interest paid for finance leases, a decrease of \$43.4 million caused by movements in working capital accounts and a net increase of \$7.9 million from the remaining movements, which were partially offset by an increase in revenues of \$59.2 million and a decrease in voyage expenses and commissions of \$7.0 million.

Net Cash Used In Investing Activities

Net cash used in investing activities decreased by \$696.6 million, from \$771.2 million during the year ended December 31, 2016 to \$74.6 million during the year ended December 31, 2017. The decrease is mainly attributable to a decrease of \$679.2 million in payments for the construction costs of newbuildings and other fixed assets, a net decrease in short-term investments of \$30.0 million in 2017 compared to 2016 and an increase of \$1.8 million in cash from interest income. The above movements were partially offset by \$14.1 million in payments made for the investment in Gastrade.

Net Cash Provided By Financing Activities

Net cash provided by financing activities decreased by \$432.5 million, from \$439.8 million during the year ended December 31, 2016 to \$7.3 million during the year ended December 31, 2017. The decrease is mainly attributable to a decrease of \$1,994.3 million in proceeds from our borrowings, a decrease of \$217.0 million in proceeds from the sale and leaseback of the *Methane Julia Louise*, a decrease of \$62.7 million in restricted cash, an increase of \$21.9 million in dividend payments and an increase of \$3.6 million in payments for finance lease liabilities. The above movements were partially offset by a decrease in bank loan and bond repayments of \$1,586.6 million, an increase of \$139.2 million in proceeds from the Partnership's Series A Preference Units issuance, an increase of \$88.7 million in proceeds from the Partnership's public common equity offerings, net payments of \$4.8 million related to the termination of our interest rate swap agreements and entering into new agreements in 2016, a decrease of \$35.3 million in payments of loan issuance costs and a decrease of

\$12.0 million in payments for CCS termination/modification and the NOK denominated bond repurchases.

Credit Facilities

The following summarizes certain terms of the four outstanding facilities as of December 31, 2018:

Facility Name	Lender(s)	Subsidiary Party (Collateral Ship)	Outstanding Principal Amount	Available Undrawn Amount	Interest Rate	Maturity	Payment of Principals Installments Schedule
GasLog Partners Credit Facility	Citibank, N.A., London Branch, Nordea Bank Finland plc, London Branch, DVB Bank America N.V., ABN Amro Bank N.V., Skandinaviska Enskilda Banken AB (publ) and BNP Paribas (GasLog Partners Credit Facility)	GAS-three Ltd. (<i>GasLog Shanghai</i>), GAS-four Ltd. (<i>GasLog Santiago</i>), GAS-five Ltd. (<i>GasLog Sydney</i>), GAS-sixteen Ltd. (<i>Methane Rita Andrea</i>), GAS-seventeen Ltd. (<i>Methane Jane Elizabeth</i>)	\$360.0 million	n/a	LIBOR + applicable margin	2019	4 consecutive quarterly installments of \$5.625 million and a balloon payment of \$337.5 million together with the final quarterly installment in November 2019.
October 2015 Facility	Citibank, N.A., London Branch, Nordea Bank AB, London Branch, The Export-Import Bank of Korea, Bank of America, National Association, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Credit Suisse AG, HSBC Bank plc, ING Bank N.V., London Branch, KEB HANA Bank, London Branch, KfW IPEX-Bank GmbH, National Australia Bank Limited, Oversea-Chinese Banking Corporation Limited, Société Générale and The Korea Development Bank	GAS-eleven Ltd. (<i>GasLog Greece</i>), GAS-twelve Ltd. (<i>GasLog Glasgow</i>), GAS-thirteen Ltd. (<i>GasLog Geneva</i>), GAS-fourteen Ltd. (<i>GasLog Gibraltar</i>), GAS-twenty two Ltd. (<i>GasLog Genoa</i>), GAS-twenty three Ltd. (<i>GasLog Gladstone</i>), GAS-twenty four Ltd. (<i>GasLog Houston</i>) and GAS-twenty five Ltd. (<i>GasLog Hong Kong</i>)	\$1,024.0 million	\$165.8 million	LIBOR + applicable margin	2028 and 2030 ⁽¹⁾	15 consecutive semi-annual installments of \$11.5 million, 16 consecutive semi-annual installments of \$11.4 million until 2026, a balloon payment due in 2026 of \$121.4 million, four consecutive semi-annual installments of \$16.9 million, 19 consecutive semi-annual installments of \$17.6 million until 2028, a balloon payment due in 2028 of \$93.4 million, and thereafter four consecutive semi-annual installments of \$13.0 million.

Facility Name	Lender(s)	Subsidiary Party (Collateral Ship)	Outstanding Principal Amount	Available Undrawn Amount	Interest Rate	Maturity	Payment of Principals Installments Schedule
Five Vessel Refinancing	ABN AMRO Bank N.V., DNB (UK) Ltd., DVB Bank America N.V., Commonwealth Bank of Australia, ING Bank N.V., London Branch, Credit Agricole Corporate and Investment Bank and National Australia Bank Limited	GAS-eighteen Ltd. (<i>Methane Lydon Volney</i>), GAS-nineteen Ltd. (<i>Methane Alison Victoria</i>), GAS-twenty Ltd. (<i>Methane Shirley Elisabeth</i>), GAS- twenty one Ltd. (<i>Methane Heather Sally</i>), GAS-twenty seven Ltd. (<i>Methane Becki Anne</i>)	Senior Tranche: \$256.6 million Junior Tranche: Nil	n/a	LIBOR + applicable margin	2021	Senior Tranche: 10 consecutive quarterly installments of \$6.2 million, 10 consecutive quarterly installments of \$1.8 million and a balloon payment of \$242.1 million together with the final quarterly installments in April 2021. Junior Tranche: On January 5, 2018, the Junior Tranche was repaid and the loan was terminated.
Legacy Facility Refinancing	Citigroup Global Market Limited, Credit Suisse AG, Nordea Bank AB, London Branch, Skandinaviska Enskilda Banken AB (publ), HSBC Bank plc, ING Bank N.V., London Branch, Danmarks Skibskredit A/S, The Korea Development Bank and DVB Bank America N.V.	GAS-one Ltd. (<i>GasLog Savannah</i>), GAS-two Ltd. (<i>GasLog Singapore</i>), GAS-six Ltd. (<i>GasLog Skagen</i>), GAS-seven Ltd. (<i>GasLog Seattle</i>), GAS-eight Ltd. (<i>Solaris</i>), GAS-nine Ltd. (<i>GasLog Saratoga</i>), GAS-ten Ltd. (<i>GasLog Salem</i>) and GAS-fifteen Ltd. (<i>GasLog Chelsea</i>)	Term loan facility: \$833.3 million, Revolving facility: \$0 million	\$100.0 million	LIBOR + applicable margin	2021	Term loan facility: 5 semi-annual installments of \$29.2 million each and a balloon repayment of \$687.5 million in July 2021. Revolving facility: Available for drawing and repayment at any time until January 2021 and July 2021, respectively. Total revolving facility amount of \$100.0 million.

⁽¹⁾ Maturity dates in 2026 and 2028 relate to drawn amounts only.

Our credit facilities are secured as follows:

- first priority mortgages over the ships owned by the respective borrowers;
- guarantees from us and our subsidiary GasLog Carriers Ltd.; in the case of the GasLog Partners Credit Facility, guarantees from GasLog Partners and GasLog Partners Holdings LLC; in the case of the Five Vessel Refinancing, a guarantee from us, guarantees up to the value of the commitments relating to the *Methane Alison Victoria*, the *Methane Shirley Elisabeth*, the *Methane Heather Sally* and the *Methane Becki Anne* from the Partnership and GasLog Partners Holdings LLC and a guarantee from GasLog Carriers Ltd. for up to the value of the commitments on the remaining vessel; in the case of the Legacy Facility Refinancing, a guarantee from us guarantees up to the value of the commitments relating to the *GasLog Seattle* and the *Solaris* from the Partnership and GasLog Partners Holdings LLC and a guarantee from GasLog Carriers Ltd. for up to the value of the commitments on the remaining vessels; in the case of the October 2015 Facility, a guarantee from us, guarantees up to the value of the commitments relating to the *GasLog Greece*, the *GasLog Geneva* and the *GasLog Gibraltar* from the Partnership and GasLog Partners Holdings LLC and a guarantee from GasLog Carriers Ltd. for up to the value of the commitments on the remaining vessels;

- for certain of our facilities, a pledge or a negative pledge of the share capital of the respective borrower; and
- for certain of our facilities, a first assignment of all earnings and insurances related to the ship owned by the respective borrower.

Our business is not subject to seasonal borrowing requirements.

Covenants and Events of Default

General

Our credit facilities impose certain operating and financial restrictions on us. These restrictions generally limit our subsidiaries' ability to, among other things:

- incur additional indebtedness, create liens or provide guarantees;
- provide any form of credit or financial assistance to, or enter into any non-arms' length transactions with, us or any of our affiliates;
- sell or otherwise dispose of assets, including our ships;
- engage in merger transactions;
- enter into, terminate or amend any charter;
- amend our shipbuilding contracts;
- change the manager of our ships;
- undergo a change in ownership; or
- acquire assets, make investments or enter into any joint venture arrangements outside of the ordinary course of business.

Our credit facilities (with the exception of the GasLog Partners Credit Facility) also impose specified financial covenants that apply to us and our subsidiaries on a consolidated basis. These financial covenants include the following:

- our net working capital (excluding the current portion of long-term debt) must be not less than \$0;
- our total indebtedness divided by our total assets must not exceed 75.0%;
- the ratio of EBITDA over our debt service obligations (including interest and debt repayments) on a trailing 12 months' basis must be not less than 110.0%;
- the aggregate amount of all unencumbered cash and cash equivalents must be not less than the higher of 3.0% of our total indebtedness and \$50.0 million after the first drawdown;
- we are permitted to pay dividends, provided that we hold unencumbered cash and cash equivalents equal to at least 4.0% of our total indebtedness, subject to no event of default having occurred or occurring as a consequence of the payment of such dividends; and
- our market value adjusted net worth must at all times be not less than \$350.0 million.

Our credit facilities also impose certain restrictions relating to us and our other subsidiaries, including restrictions that limit our ability to make any substantial change in the nature of our business or to engage in transactions that would constitute a change of control, as defined in the relevant credit facility, without repaying all of our indebtedness in full, or to allow our largest shareholders to reduce their shareholding in us below specified thresholds.

Certain of our credit facilities also contain vessel employment conditions, pursuant to which we could be required in the event of a charter termination or in certain other circumstances to deposit cash in an account held with the applicable lender until we have obtained a new time charter on terms acceptable to such lender, or under certain of our credit facilities repay the outstanding loan amount.

Our credit facilities contain customary events of default, including non-payment of principal or interest, breach of covenants or material inaccuracy of representations, default under other material indebtedness and bankruptcy. In addition, our credit facilities contain covenants requiring us and certain of our subsidiaries to maintain the aggregate of (i) the market value, on a charter exclusive basis, of the mortgaged vessel or vessels and (ii) the market value of any additional security provided to the lenders, at a total value not less than 120.0% of the then outstanding amount under the applicable facility (in the case of each individual vessel in the October 2015 Facility, 115.0% for the first two years after each drawdown and 120.0% at any time thereafter). If we fail to comply with these covenants and are not able to obtain covenant waivers or modifications, our lenders could require us to make prepayments or provide additional collateral sufficient to bring us into compliance with such covenants, and if we fail to do so our lenders could accelerate our indebtedness.

Compliance with the financial covenants is required on a semi-annual basis and we were in compliance with the respective financial covenants as of December 31, 2018.

GasLog Partners Credit Facility and the Five Vessel Refinancing

The GasLog Partners Credit Facility and the Five Vessel Refinancing are subject to specified financial covenants that apply to us and GasLog Partners on a consolidated basis. These financial covenants include the following:

- the aggregate amount of all unencumbered cash and cash equivalents must be not less than the higher of 3.0% of total indebtedness or \$15.0 million;
- total indebtedness divided by total assets must be less than 60.0%;
- the ratio of EBITDA over debt service obligations (including interest and debt repayments) on a trailing 12 months' basis must be not less than 110.0%; and
- the Partnership is permitted to declare or pay any dividends or distributions, subject to no event of default having occurred or occurring as a consequence of the payment of such dividends or distributions.

The GasLog Partners Credit Facility and the Five Vessel Refinancing contain customary events of default, including non-payment of principal or interest, breach of covenants or material inaccuracy of representations, default under other material indebtedness and bankruptcy as well as an event of default in the event of the cancellation, rescission, frustration or withdrawal of a charter agreement prior to its scheduled expiration. In addition, the GasLog Partners Credit Facility contains covenants requiring us and certain of our subsidiaries to maintain the aggregate of (i) the market value, on a charter exclusive basis, of the mortgaged vessel or vessels and (ii) the market value of any additional security provided to the lenders, at a total value not less than 120.0% of the then outstanding amount under the applicable facility. If GasLog Partners fails to comply with these covenants and is not able to obtain covenant waivers or modifications, its lenders could require it to make prepayments or provide additional collateral sufficient to bring it into compliance with such covenants, and if it fails to do so its lenders could accelerate our indebtedness.

The GasLog Partners Credit Facility and the Five Vessel Refinancing also impose certain restrictions relating to the Partnership, including restrictions that limit its ability to make any substantial change in the nature of its business or to the corporate structure without approval from the lenders.

Compliance with the financial covenants is required on a semi-annual basis. GasLog Partners was in compliance with the respective financial covenants as of December 31, 2018.

2019 GasLog Partners Facility

On February 20, 2019, GAS-three Ltd., GAS-four Ltd., GAS-five Ltd., GAS-sixteen Ltd., GAS-seventeen Ltd., GasLog Partners and GasLog Partners Holdings LLC entered into a loan agreement with Credit Suisse AG, Nordea Bank ABP, filial i Norge, and Iyo Bank, Ltd. Singapore Branch, each an original lender and Nordea acting as security agent and trustee for and on behalf of the other finance parties mentioned above, for a credit facility for up to \$450.0 million (the “2019 GasLog Partners Facility”) for the purpose of refinancing in full the existing Partnership Facility. Subsequently, on the same date, the Development Bank of Japan, Inc. entered the facility as lender via transfer certificate. The vessels covered by the 2019 GasLog Partners Facility are the *GasLog Shanghai*, the *GasLog Santiago*, the *GasLog Sydney*, the *Methane Rita Andrea* and the *Methane Jane Elizabeth*.

The agreement provides for an amortizing revolving credit facility which can be repaid and redrawn at any time, subject to the outstanding amount immediately after any drawdown not exceeding (i) 75% of the aggregate of the market values of all vessels under the agreement, or (ii) the total facility amount. The total facility amount reduces in 20 equal quarterly amounts of \$7.4 million, with a final balloon amount of \$302.9 million reducing concurrently with the last quarterly reduction in February 2024. The credit facility bears interest at LIBOR plus a margin. The facility is currently undrawn.

The obligations under the 2019 GasLog Partners Facility are secured by a first priority mortgage over the vessels, a pledge of the share capital of the respective vessel owning companies and a first priority assignment of earnings related to the vessels (excluding the *GasLog Shanghai*, which participates in the Cool Pool), including charter revenue, management revenue and any insurance and requisition compensation. The obligations under the facility are guaranteed by the Partnership and GasLog Partners Holdings LLC.

The 2019 GasLog Partners Credit Facility is subject to specified financial covenants that apply to GasLog Partners on a consolidated basis. These financial covenants include the following:

- the aggregate amount of cash and cash equivalents, short term investments and available undrawn facilities with remaining maturities of at least six months must not be less than \$45.0 million;
- total indebtedness divided by total assets must be less than 65.0%; and
- the Partnership is permitted to declare or pay any dividends or distributions, subject to no event of default having occurred or occurring as a consequence of the payment of such dividends or distributions.

The 2019 GasLog Partners Facility contains customary events of default, including non-payment of principal or interest, breach of covenants or material inaccuracy of representations, default under other material indebtedness and bankruptcy as well as an event of default in the event of the cancellation, rescission, frustration or withdrawal of a charter agreement prior to its scheduled expiration, if certain prepayment and security provisions are not met. In addition, the 2019 GasLog Partners Facility contains covenants requiring us and certain of our subsidiaries to maintain the aggregate of (i) the market value, on a charter exclusive basis, of the mortgaged vessel or vessels and (ii) the market value of any additional security provided to the lenders, at a total value not less than 120.0% of the then outstanding amount under the facility. If GasLog Partners fails to comply with these covenants and is not able to obtain covenant waivers or modifications, its lenders could require it to make prepayments or provide additional collateral sufficient to bring it into compliance with such covenants, and, if it fails to do so, its lenders could accelerate our indebtedness.

The 2019 GasLog Partners Facility also imposes certain restrictions relating to the Partnership, including restrictions that limit its ability to make any substantial change in the nature of its business or to the partnership structure without approval from the lenders.

Bonds

On June 27, 2013, we issued NOK 500.0 million (or \$83.2 million based on the exchange rate on June 27, 2013) of bonds under the bond agreement signed on June 25, 2013 between GasLog and the Bond trustee, as amended, that were due to mature on June 27, 2018 (the “NOK 2018 Bonds”). On May 2, 2014, we closed a follow-on issue of NOK 500.0 million (or \$83.6 million based on the exchange rate on closing date) of the NOK 2018 Bonds at a premium of \$4.2 million (based on the exchange rate on closing date). On June 27, 2016, we repurchased and cancelled NOK 588.0 million (or \$70.7 million) of the outstanding NOK 2018 Bonds at a price of 103% of par value. On June 27, 2017, we repurchased and cancelled the outstanding NOK 2018 Bonds, at a price of 103.0% of par value for total consideration of NOK 424.4 million (\$70.8 million at the swapped rate under the associated CCS).

On June 27, 2016, GasLog completed the issuance of NOK 750 million (equivalent to \$90.2 million) of NOK 2021 Bonds in the Norwegian bond market. The NOK 2021 Bonds will mature in May 2021 and bear interest at NIBOR plus margin. Interest payments shall be made in arrears on a quarterly basis. The carrying amount of the NOK 2021 Bonds, net of unamortized financing costs, as of December 31, 2018 was \$85.2 million. We may redeem the aforementioned bonds in whole or in part as follows: (a) with settlement date at any time from June 27, 2019 to but not including June 27, 2020 at 104.0% of par plus accrued interests on redeemed amount, (b) with settlement date at any time from June 27, 2020 to but not including December 27, 2020 at 102.5% of par plus accrued interests on redeemed amount, and (c) with settlement date at any time from December 27, 2020 to but not including the maturity date at 101.0% of par plus accrued interests on redeemed amount.

Under the terms of the NOK 2021 Bonds we are required to comply with the financial covenants listed below:

- net working capital (excluding the current portion of long-term debt) must not be less than \$0;
- total indebtedness divided by total assets must not exceed 75.0%;
- the ratio of EBITDA over debt service obligations as defined in the terms of the NOK 2021 Bonds (including interest and debt repayments) on a trailing 12 months basis must be not less than 110.0%;
- the aggregate amount of all unencumbered cash and cash equivalents must not be less than the higher of 3.0% of total indebtedness and \$50.0 million after the first drawdown; and
- the Group’s market value adjusted net worth must at all times be not less than \$350.0 million.

In addition, we are not permitted to (i) declare or make any dividend payment or distribution, whether in cash or in kind, (ii) re-purchase any of the Group’s shares or undertake other similar transactions (including, but not limited to, total return swaps related to the Group’s shares), or (iii) grant any loans or make other distributions or transactions constituting a transfer of value to the Group’s shareholders (items (i), (ii) and (iii) collectively referred to as the “Distributions”) that in aggregate exceed during any calendar year, 50% of the Group’s consolidated net profit after taxes based on the audited annual accounts for the previous financial year (any unutilized portion of the permitted Distributions pursuant to the above may not be carried forward). For the purposes of the above, the consolidated net profit after taxes of the Group shall not include any profits related to the sale of assets (and consequently any such profits shall not form the basis for Distributions). Under the terms of the NOK 2021 Bonds, GasLog is permitted to make Distributions up to a maximum amount per share per annum for the years 2017, 2018, 2019, 2020 and 2021 of \$1.10/share, \$1.10/share,

\$1.20/share, \$1.20/share and \$1.20/share, respectively, provided that GasLog can demonstrate, by delivering a compliance certificate to the bond trustee, that no event of default is continuing or would result from such Distributions.

On March 22, 2017, GasLog closed a public offering of \$250.0 million aggregate principal amount of the 8.875% Senior Notes at a public offering price of 100% of the principal amount. The net proceeds from the offering after deducting the underwriting discount and offering expenses were \$245.3 million.

Interest payment shall be made in arrears on a quarterly basis. GasLog may redeem the 8.875% Senior Notes, in whole or in part, at any time and from time to time at a redemption price equal to the greater of (a) 100% of the principal amount of such notes plus accrued and unpaid interest to the date of redemption and (b) determined by the quotation agent, the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued and unpaid as of the date of redemption) discounted to the redemption date on a quarterly basis at the adjusted treasury rate, plus 50 basis points, plus accrued and unpaid interest thereon to the date of redemption.

GasLog as issuer of the 8.875% Senior Notes is required to comply with financial covenants which include the following:

- net working capital (excluding the current portion of long-term debt) must be not less than \$0;
- total indebtedness divided by total indebtedness plus total equity must not exceed 75.0%;
- the ratio of EBITDA over debt service, on a trailing four quarter basis, shall be not less than 100.0%;
- the aggregate amount of all unencumbered cash and cash equivalents must be not less than the higher of 2.50% of total indebtedness or \$35.0 million;
- the issuer's market value adjusted net worth must at all times be not less than \$300.0 million.

Compliance with covenants under the NOK 2021 Bonds and the 8.875% Senior Notes is required at all times and we were in compliance with the respective financial covenants as of December 31, 2018.

Quantitative and Qualitative Disclosures About Market Risk

For information about our exposure to market risks, see "Item 11. Quantitative and Qualitative Disclosures About Market Risk".

Capital Expenditures

We make capital expenditures from time to time in connection with the expansion and operation of our owned fleet. In 2010 we took delivery of two LNG carriers, in 2013 we took delivery of six LNG carriers and acquired a secondhand vessel, in 2014 we took delivery of two LNG carriers and acquired six secondhand vessels, in 2015 we acquired two secondhand vessels and took delivery of one LNG carrier, in 2016 we took delivery of four LNG carriers and in 2018 we took delivery of three LNG carriers. During the years ended December 31, 2018, 2017, 2016 and 2015, we funded \$0.7 billion, \$0.1 billion, \$0.8 billion and \$0.7 billion, respectively, of acquisition, construction and delivery costs, including installment payments on newbuildings, with funds borrowed under credit facilities and the bonds, capital contributions from our pre-IPO shareholders, proceeds from our IPO and the GasLog Partners' IPO and proceeds from follow-on equity offerings and private placements.

As of December 31, 2018, our commitments for capital expenditures related primarily to nine contracted LNG carriers on order were approximately \$1,553.1 million. Amounts are payable under

each shipbuilding contract in installments upon the attainment of certain specified milestones in each ship's construction, with the largest portion of the purchase price for each ship coming due upon its delivery.

We intend to fund part of these commitments from borrowings under the October 2015 Facility which has an undrawn amount of \$165.8 million, available cash, new bank loan facilities and cash from operations.

To the extent that we are unable to draw down the amounts committed under our credit facilities, we will need to find alternative financing. If we are unable to find alternative financing, we will not be capable of funding all of our commitments for capital expenditures relating to our contracted newbuildings and secondhand vessels, which could adversely impact our ability to pay dividends to our shareholders and materially adversely affect our results of operations and financial condition.

Critical Accounting Policies

The preparation of financial statements in conformity with IFRS requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses recognized in the consolidated financial statements. GasLog's management evaluates whether estimates should be made on an ongoing basis, utilizing historical experience, consultation with experts and other methods management considers reasonable in the particular circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities in the future. Critical accounting policies are those that reflect significant judgments of uncertainties and potentially result in materially different results under different assumptions and conditions. For a description of all our principal accounting policies, see Note 2 to our consolidated financial statements included elsewhere in this annual report.

Classification of the Non-Controlling Interests

The non-controlling interests in the Partnership comprise the portion of the Partnership's common units that are not directly or indirectly held by GasLog (33,605,302 units as of December 31, 2018). Under the terms of the Partnership Agreement, the Partnership is required to distribute 100.0% of available cash (as defined in the Partnership Agreement) with respect to each quarter within 45 days of the end of the quarter to the partners. Available cash can be summarized as cash and cash equivalents less an amount equal to cash reserves established by the Partnership's board of directors to (i) provide for the proper conduct of the business of the Partnership (including reserves for future capital expenditures and for anticipated future credit needs of the Partnership) subsequent to such quarter, (ii) comply with applicable law or any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which any Partnership group member is a party or by which it is bound or its assets are subject and/or (iii) provide funds for certain distributions relating to future periods.

In reaching a judgment as to whether the non-controlling interests in the Partnership should be classified as liabilities or equity interests, management has considered the wide discretion of the Partnership's board of directors to determine whether any portion of the amount of cash available to the Partnership constitutes available cash and that it is possible that there could be no available cash. In the event that there is no available cash, as determined by the Partnership's board of directors, the Partnership does not have a contractual obligation to make a distribution. Accordingly, management has concluded that the non-controlling interests do not represent a contractual obligation on the Partnership to deliver cash and therefore should be classified as equity within the financial statements.

Impairment of Vessels

We evaluate the carrying amounts of our vessels to determine whether there is any indication that our vessels have suffered an impairment loss by considering both internal and external sources of information. If any such indication exists, the recoverable amount of vessels is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted. The projection of cash flows related to vessels is complex and requires management to make various estimates including future charter rates, earnings from the vessels and the discount rate. All of these items have been historically volatile. In assessing the fair value less cost to sell of the vessel, we obtain vessel valuations from independent and internationally recognized ship brokers on a semi-annual basis or when there is an indication that an asset or assets may be impaired. If an indication of impairment is identified, the need for recognizing an impairment loss is assessed by comparing the carrying amount of the vessels to the higher of the fair value less cost to sell and the value in use.

Our estimates of basic market value assume that the vessels are all in seaworthy condition without a need for repair and, if inspected, would be certified in class without notations of any kind. Our estimates are based on approximate market values for the vessels that have been received from shipbrokers, which are also commonly used and accepted by our lenders for determining compliance with the relevant covenants in our credit facilities. Vessel values can be highly volatile, so the estimates may not be indicative of the future basic market value of our vessels or prices that could be achieved if we were to sell them.

The table below sets forth in U.S. dollars (i) the historical acquisition cost of our vessels and (ii) the carrying value of each of our vessels as of December 31, 2017 and December 31, 2018.

Owned Fleet and Vessel Held under Finance Lease

Vessel	Acquisition Date	Cargo capacity (cbm)	Acquisition cost	Carrying values ⁽¹⁾ (in thousands of U.S. dollars)	
				December 31, 2017	December 31, 2018
<i>GasLog Savannah</i> ⁽⁵⁾ . . .	May 2010	155,000	\$ 229,795	\$ 183,635	\$ 176,985
<i>GasLog Singapore</i> ⁽⁵⁾ . . .	July 2010	155,000	227,252	182,524	175,919
<i>GasLog Shanghai</i>	January 2013	155,000	189,233	165,609	160,195
<i>GasLog Santiago</i>	March 2013	155,000	189,111	165,362	174,990
<i>GasLog Sydney</i>	May 2013	155,000	195,429	171,827	181,243
<i>GasLog Skagen</i>	July 2013	155,000	195,338	172,597	182,042
<i>GasLog Chelsea</i> ⁽²⁾	October 2013	153,600	162,338	143,777	138,678
<i>GasLog Seattle</i>	December 2013	155,000	201,198	178,064	175,713
<i>Methane Rita</i>					
<i>Andrea</i> ⁽³⁾⁽⁵⁾	April 2014	145,000	156,613	137,928	132,135
<i>Methane Jane</i>					
<i>Elizabeth</i> ⁽³⁾⁽⁵⁾	April 2014	145,000	156,613	137,733	132,066
<i>Methane Lydon</i>					
<i>Volney</i> ⁽³⁾⁽⁵⁾	April 2014	145,000	156,613	137,958	132,307
<i>Methane Alison</i>					
<i>Victoria</i> ⁽⁴⁾⁽⁵⁾	June 2014	145,000	156,610	139,128	133,656
<i>Methane Shirley</i>					
<i>Elisabeth</i> ⁽⁴⁾⁽⁵⁾	June 2014	145,000	156,599	139,266	133,648
<i>Methane Heather</i>					
<i>Sally</i> ⁽⁴⁾⁽⁵⁾	June 2014	145,000	156,599	139,499	133,975
<i>Solaris</i>	June 2014	155,000	201,849	181,739	175,948
<i>GasLog Saratoga</i> ⁽⁵⁾ . . .	December 2014	155,000	204,146	186,917	181,049
<i>Methane Julia</i>					
<i>Louise</i> ⁽²⁾⁽⁵⁾	March 2015	170,000	232,334	214,329	206,753
<i>Methane Becki</i>					
<i>Anne</i> ⁽²⁾⁽⁵⁾	March 2015	170,000	232,334	213,915	206,447
<i>GasLog Salem</i> ⁽⁵⁾	April 2015	155,000	204,573	188,918	182,997
<i>GasLog Greece</i>	March 2016	174,000	208,971	198,452	192,441
<i>GasLog Glasgow</i>	June 2016	174,000	208,471	199,397	193,403
<i>GasLog Geneva</i>	September 2016	174,000	203,867	196,204	190,352
<i>GasLog Gibraltar</i>	October 2016	174,000	203,738	196,602	190,749
<i>GasLog Houston</i>	January 2018	174,000	207,784	—	202,175
<i>GasLog Genoa</i> ⁽⁵⁾	March 2018	174,000	219,436	—	214,862
<i>GasLog Hong Kong</i> ⁽⁵⁾ . .	March 2018	174,000	214,946	—	210,277
Total			\$5,071,790	\$3,971,380	\$4,511,005

(1) Our vessels and the vessel held under finance lease are stated at carrying values (see Note 6 to our consolidated financial statements included elsewhere in this annual report). As of December 31, 2018 the value in use of the fourteen vessels described below (including the *Methane Julia Louise*, which is held under finance lease) was higher than the carrying amount of these vessels and, consequently, no impairment loss was recognized.

(2) The vessel was built in 2010.

(3) The vessels were built in 2006.

(4) The vessels were built in 2007.

(5) Indicates vessels for which we believe, as of December 31, 2018, the basic charter-free market value is lower than the vessel's carrying value. We believe that the aggregate carrying value of these vessels exceeds their aggregate basic charter-free market value by \$378.6 million as of December 31, 2018. However, as described below, the value in use for each of the fourteen vessels was higher than the carrying amount of these vessels and, consequently, no impairment loss was recognized.

Except where indicated, the market value of each vessel individually, and all vessels in the aggregate, exceeds the carrying value of that vessel, and all vessels in the aggregate, as of December 31, 2017 and December 31, 2018.

As of December 31, 2018, for the fourteen vessels with carrying amounts higher than the estimated charter-free market value, we concluded that events and circumstances triggered the existence of potential impairment of these vessels. As a result, the Group performed the impairment assessment of the Group's vessels by comparing their discounted projected net operating cash flows for these vessels to their carrying value. The significant factors and assumptions the Group used in its discounted projected net operating cash flow analysis included, among others, operating revenues, off-hire revenues, dry-docking costs, operating expenses, management fees and the discount rate. Revenue assumptions were based on contracted time charter rates up to the end of life of the current contract of each vessel as well as the estimated average time charter rates for the remaining life of the vessel after the completion of its current contract. The estimated daily time charter rates used for non-contracted revenue days are based on a combination of (i) recent charter market rates, (ii) conditions existing in the LNG market as of December 31, 2018, (iii) historical average time charter rates based on publications by independent third party maritime research services and (iv) estimated future time charter rates based on publications by independent third party maritime research services that provide such forecasts. Recognizing that the LNG industry is cyclical and subject to significant volatility based on factors beyond our control, management believes the use of revenue estimates, based on the combination of factors (i) to (iv) above, to be reasonable as of the reporting date. In addition, the Group used an annual operating expenses escalation factor and estimates of scheduled and unscheduled off-hire revenues based on historical experience. All estimates used and assumptions made were in accordance with the Group's internal budgets and historical experience of the shipping industry. The value in use for the fourteen vessels calculated as per above was higher than the carrying amount of these vessels and, consequently, no impairment loss was recognized.

In connection with the impairment testing of our vessels as of December 31, 2018, for the fourteen vessels with carrying amounts higher than the estimated charter-free market value, we performed a sensitivity analysis on the projected charter hire rate used to forecast future cash flows for non-contracted days which is the most sensitive and/or subjective assumption that has the potential to affect the outcome of the impairment exercise. The following table summarizes the average results of the sensitivity analysis that we performed.

<u>Average charter hire rate used⁽¹⁾</u>	<u>Average break-even charter hire rate⁽²⁾</u>	<u>Variance (Amount)</u>	<u>Variance (%)</u>
\$68,089	\$56,763	\$11,326	17%

(1) The average charter rate used in our impairment testing is the average charter rate based on which we estimated the revenues for the remaining useful life of the respective vessels.

(2) The average break-even charter hire rate is the average of the contracted charter rate and the break-even rechartering hire rate that, if used in the discounted projected net operating cash flows of the impairment testing, will result in discounted total cash flows being equal to the carrying value of the vessels.

Measurement of Share-based Compensation

Share-based compensation to executives and others providing similar services are measured at the fair value of the equity instruments on the grant date. Details regarding the determination of the fair value of share-based transactions are set out in Note 22 of the consolidated financial statements included elsewhere in this annual report.

The fair value determined at the grant date of the equity-settled share-based compensation is expensed over the vesting period, based on our estimate of equity instruments that will eventually vest,

with a corresponding increase in equity. At the end of each reporting period, we revise our estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the consolidated statement of profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based compensation reserve.

Impairment of Goodwill

We review goodwill for impairment at least annually. For the purpose of impairment testing, goodwill has been allocated to the cash-generating unit representing our management company, GasLog LNG Services, which was acquired by us in 2005.

Determining whether goodwill has been impaired requires an estimation of the recoverable amount, which is the higher of fair value less costs to sell and value in use, of the cash-generating unit(s) to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit(s) and a suitable discount rate in order to calculate present value. Details of the assumptions used in the impairment analysis are set out in Note 3 of the consolidated financial statements included elsewhere in this annual report. No impairment loss was recognized for any of the periods presented.

Recent Accounting Pronouncements

See Note 2 to our consolidated financial statements included elsewhere in this report.

C. Research and Development, Patents and Licenses, etc.

We incur from time to time expenditures relating to inspections for acquiring new vessels. Such expenditures are insignificant and are expensed as they are incurred.

D. Trend Information

See “Item 5. Operating and Financial Review and Prospects—Overview—Industry Overview and Trends”.

E. Off-Balance Sheet Arrangements

As of December 31, 2018, we do not have any transactions, obligations or relationships that should be considered off-balance sheet arrangements.

F. Tabular Disclosure of Contractual Obligations

Our contractual obligations as of December 31, 2018 were:

	Payments Due by Period				
	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
	(Expressed in thousands of U.S. dollars)				
Borrowing obligations	\$2,875,598	531,209	1,313,170	412,291	618,928
Interest on borrowing obligations and swaps ⁽¹⁾	443,824	104,830	207,905	56,175	74,914
Loan arrangement fees and commitments . .	1,980	1,065	915	—	—
Finance lease payments	306,836	17,849	35,746	35,697	217,544
Shipbuilding contracts	1,553,065	430,600	1,122,465	—	—
Vessels' enhancement and conversion contracts	4,174	4,174	—	—	—
Operating lease obligations	6,125	1,281	2,377	1,849	618
Purchase of depot spares ⁽²⁾	7,340	—	7,340	—	—
Total	\$5,198,942	1,091,008	2,689,918	506,012	912,004

⁽¹⁾ Our interest commitment on long-term debt is calculated based on an assumed average applicable interest rate ranging from 3.90% to 5.22%, which takes into account average LIBOR of 2.56%, and the applicable margin spreads in our various debt agreements.

⁽²⁾ Following the acquisition of the eight vessels from MSL, GasLog through its subsidiaries is guarantor for the acquisition from MSL of depot spares with an aggregate value of \$8.0 million of which depot spares with value \$0.7 million have been acquired as of December 31, 2018. The remaining spares should be acquired before March 31, 2020.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth information regarding our directors and executive officers. The business address of each of our executive officers and directors listed below is Gildo Pastor Center, 7 Rue du Gabian, MC 98000, Monaco. Our telephone number at that address is +377 97 97 51 15. Members of our board of directors are elected annually, and each director elected holds office for a one-year term. The following directors have been determined by our board of directors to be independent under the standards of the NYSE and the rules and regulations of the SEC: David P. Conner, William M. Friedrich, Dennis M. Houston, Donald J. Kintzer and Anthony S. Papadimitriou.

Officers are elected from time to time by vote of our board of directors and hold office until a successor is elected.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Peter G. Livanos	60	Chairman and Director
Paul A. Wogan	56	Chief Executive Officer and Director
Bruce L. Blythe	74	Director
David P. Conner	70	Director
William M. Friedrich	70	Director
Dennis M. Houston	67	Vice Chairman and Director
Donald J. Kintzer	71	Director
Julian R. Metherell	55	Director
Anthony S. Papadimitriou	63	Director
Graham Westgarth	64	Director
Alastair Maxwell	55	Chief Financial Officer
Richard Sadler	61	Chief Operating Officer

Certain biographical information about each of these individuals is set forth below.

Peter G. Livanos is our Chairman and a member of our board of directors. Mr. Livanos founded our subsidiary GasLog LNG Services in 2001 and has been a director of our subsidiary GasLog Partners since the closing of its initial public offering in May 2014. He has served as our Chairman since the Company was incorporated in July 2003 and he held the role of chief executive officer (“CEO”) from January 2012 until January 2013. Mr. Livanos is the chairman and sole shareholder of Ceres Shipping, an international shipping group. He also serves as chairman of several of Ceres Shipping’s subsidiaries, including DryLog Ltd., a company engaged in dry bulk shipping investments. In 1989 Mr. Livanos formed Seachem Tankers Ltd., which in 2000 combined with Odfjell ASA (later renamed Odfjell SE). He served on the board of directors of Odfjell SE until 2008. Mr. Livanos was appointed to the board of directors of Euronav NV, an independent owner and operator of oil tankers in 2005 and served until December 2015. Between April 2009 and July 2014 he was appointed Vice-Chairman of Euronav NV and from July 2014 to December 2015 he served as its Chairman. Mr. Livanos is a graduate of Columbia University.

Paul A. Wogan has served as our CEO since January 2013 and has been a member of our board of directors since our annual general meeting in May 2015. From 2008 until February 2012, Mr. Wogan served as senior independent director of Clarksons PLC. From 2000 to 2008, Mr. Wogan worked for Teekay Corporation, where from November 2003 to March 2008 he served as president of Teekay Tanker Services, with responsibility for the company’s fleet of crude and product tankers. Prior to joining Teekay Corporation, Mr. Wogan served as chief executive officer of Seachem Tankers Ltd. Mr. Wogan is also a director of The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited and from 2009 to 2014 was a non-executive director of Sure Wind Marine Ltd., a company that owns and operates vessels that provide services to the offshore wind industry. Mr. Wogan is a graduate of Exeter University and has an MBA from Cranfield School of Management.

Bruce L. Blythe has been a member of our board of directors since October 2011. Mr. Blythe has been involved in the shipping industry for over 20 years, having served as an advisor to the Livanos family since 1994. For over 30 years, Mr. Blythe has served as an advisor on finance and strategy to the chairman and chief executive officer of Ford Motor Company and to the Ford family, and prior to his service as an advisor he was employed in various strategic and financial positions at Ford Motor Company. Mr. Blythe serves as a director of Ceres Shipping, our largest shareholder, and is Vice-Chairman of the Ceres Group. Mr. Blythe holds an M.B.A. in finance and transportation and a B.A. in business administration from Pennsylvania State University.

David P. Conner has been a member of our board of directors since the 2016 AGM. Mr. Conner has a long history in the banking industry, most recently as chief executive officer of OCBC Bank Ltd. in Singapore from 2002 to 2012. Prior to OCBC, Mr. Conner worked for Citibank for 26 years. Until August 2014, Mr. Conner served as a director on the board of OCBC Bank Ltd., where he also sat on the executive committee and risk management committee. He was also a member of the board of directors of GasLog Partners and its audit committee until May 2016. Mr. Conner is also active with the board of trustees of Washington University in St. Louis where he chairs the medical finance committee. On January 1, 2016, Mr. Conner was appointed a director of Standard Chartered Bank plc. where he chairs the risk committee and sits on the audit committee, financial crime risk committee and governance and nominating committee. Mr. Conner received a Bachelor of Arts degree from Washington University in St. Louis in 1974 and an M.B.A. from Columbia University Business School in 1976.

William M. Friedrich has been a member of our board of directors since October 2011. From 1995 until his retirement in 2008, Mr. Friedrich was employed at BG Group. Mr. Friedrich held several senior executive positions during his 14 year tenure at BG Group, including serving as executive director and deputy chief executive from 2000 until 2008, with primary responsibility for BG Group's overall strategy function as well as oversight of the company's business development activities and various company-wide organizational and human resource matters. Between 2000 and 2005, his position at BG Group also included the role of General Counsel. Prior to joining BG Group, Mr. Friedrich was a partner at Shearman & Sterling LLP. He holds a J.D. from Columbia Law School and a B.A. from Union College.

Dennis M. Houston has been a member of our board of directors since June 2013 and has served as our Vice-Chairman and senior independent director since May 2016. At the time he joined our board, Mr. Houston had approximately 40 years of experience in the downstream sector of the oil and gas industry. Mr. Houston retired from Exxon Mobil on May 31, 2010, after over 35 years with Exxon and then Exxon Mobil. His positions at retirement were Executive Vice President Refining & Supply Company, Chairman and President of ExxonMobil Sales & Supply LLC, and Chairman of Standard Tankers Bahamas Limited. Mr. Houston serves as a director of Suncor Energy Inc., Argus Media Limited L.L.C. and ABS Group and is an active member of several other energy related organizations. Mr. Houston also sits on the board of the Onassis Foundation and is Honorary Counsel for Liechtenstein to the U.S. (Texas Region). He holds a B.S. in Chemical Engineering from the University of Illinois and an Honorary Doctorate of Public Administration Degree from Massachusetts Maritime Academy.

Donald J. Kintzer has been a member of our board of directors since November 2014. He is a retired partner of PricewaterhouseCoopers LLP, or "PwC", having retired in 2008 after an association of over 31 years. He was admitted to the partnership in 1988 and served in various roles and locations during his career. Mr. Kintzer is a member of the board of directors of California Bank of Commerce and a member of the board of governors of Lawrence Livermore National Security, LLC. He was also a member of the board of directors of GasLog Partners and its audit committee until March 2015, and served as a member of its conflicts committee until his appointment to our board in November 2014 and as audit committee chairman until March 2015. He is a certified public accountant (inactive) and a member of the American Institute of Certified Public Accountants and the California Society of CPAs. Mr. Kintzer received an A.B. from Lafayette College and an M.B.A. from Pennsylvania State University. Prior to graduate school, Mr. Kintzer served as an officer in the United States Air Force. Mr. Kintzer was appointed chairman of our Audit & Risk Committee in March 2015.

Julian R. Metherell has been a member of our board of directors since October 2011. Mr. Metherell was the chief financial officer and a director of Genel Energy plc, a leading independent oil and gas exploration and production company operating in the Kurdistan Region of Iraq. Genel Energy plc is the successor to Vallares Plc, a publicly listed acquisition company which Mr. Metherell

co-founded in April 2011. From 1999 to 2011, Mr. Metherell was a partner at The Goldman Sachs Group, Inc., where he served as chief executive officer of the UK investment banking division. Prior to joining Goldman Sachs, Mr. Metherell was a director in the European energy group at Dresdner Kleinwort, a London-based investment bank. Mr. Metherell is a graduate of Manchester University, where he received a B.Sc. degree, and of Cambridge University, where he received an M.B.A.

Anthony S. Papadimitriou has been a member of our board of directors since November 2011, when he was designated by the Onassis Foundation to serve as one of our directors. Mr. Papadimitriou is the managing partner of the law firm A.S. Papadimitriou and Partners, a position he has held since 1990. From 1986 until 2005, Mr. Papadimitriou served as legal counsel for Olympic Shipping & Management S.A, an affiliate of the Onassis Foundation, and since 1995 he has been the coordinator of the Executive Committee of the commercial activities controlled by the Onassis Foundation. In addition, Mr. Papadimitriou has been a member of the board of directors of the Alexander S. Onassis Public Benefit Foundation since 1988, serving as the president of the board since 2005. Mr. Papadimitriou is a graduate of the Athens University Law School and holds a postgraduate degree in maritime and transport law from the University Aix-en-Provence, a B.Sc. from the London School of Economics and a Ph.D. from the National and Kapodistrian University of Athens. Mr. Papadimitriou was appointed to the Board of GasLog Partners in May 2015 and stepped down on January 31, 2019.

Graham Westgarth served as our chief operating officer (“COO”) from June 2013 to May 2017 and COO of our subsidiary, GasLog Partners, from its inception to May 2017. In May 2017, Mr. Westgarth was appointed to our Board of Directors. He previously served as our Executive Vice President, Operations and Strategy, from January 2013 until June 2013. From 1999 through 2012, Mr. Westgarth was a member of the Senior Leadership team of Teekay Shipping, most recently serving as executive vice president of innovation, technology and projects of Teekay Shipping, which included commercial and operational responsibility for a number of floating storage and offloading vessels. From 2001 to 2010, Mr. Westgarth served as president of Teekay Marine Services with responsibility for 5,000 sea and shore staff and the technical management of 200 vessels. During this period he also served as chief executive officer of Teekay Petrojarl following its acquisition by Teekay Corporation. Mr. Westgarth was the chairman of INTERTANKO, an industry organization, which represents 80.0% of the world’s independent tanker owners and operators between 2009 and 2014. Mr. Westgarth also sits on the boards of V.Group and Seagull Maritime AS, and is the Chairman of the ABS UK Advisory Committee. He is an ex-Master Mariner and graduate of the Columbia University Senior Executive Development Program.

Alastair Maxwell joined GasLog on February 1, 2017 and was appointed Chief Financial Officer (“CFO”) on March 9, 2017. He was appointed CFO of GasLog Partners on the same date. Prior to joining GasLog, Mr. Maxwell worked in the investment banking industry for 29 years, most recently with Goldman Sachs & Co. LLC from 2010 to 2016 where he was a Partner and Co-Head of the Global Energy Group with responsibility for relationships with a wide range of corporate and other clients in the energy sector. Previously, from 1998 to 2010, he was with Morgan Stanley, most recently as Managing Director and Head of Energy in the EMEA region based in London and prior to that as Executive Director and Head of Latin America Utilities based in New York. From 1987 to 1998, he was at Dresdner Kleinwort Benson in a series of roles in the Utilities and M&A Groups based in London, Spain and Brazil. Mr. Maxwell studied Modern Languages (Spanish and Portuguese) at Worcester College, Oxford.

Richard Sadler has served as our Chief Operating Officer (“COO”) since September 20, 2017. He was appointed COO of GasLog Partners on the same date. Mr. Sadler joined GasLog from the Foresight Group, a family company with a strong global presence including Shipping, Offshore Oil Drilling & Engineering, where he served as advisor to the Chairman, family Board members and the senior management. Previously, from 2007 to 2015, Mr. Sadler served as CEO of Lloyd’s Register Group, providing compliance and consultancy services to 60,000 global clients in 78 countries. Prior to

that Mr. Sadler worked as a Director of Asset Management for the Royal Bank of Scotland in the Shipping and Offshore Energy Division and held a number of positions at Lloyd's Register including in Kuwait, Bahrain, Oman and Japan. Mr. Sadler was an Engineering Officer in the Royal Navy prior to studying Naval Architecture at the University of Newcastle-upon-Tyne. Mr. Sadler is a Fellow, Trustee and member of the Audit & Risk Committee of the Royal Academy of Engineering and holds Honorary Doctorates from the University of Southampton and the University of Newcastle-upon-Tyne. He is a visiting Professor at Dalian Maritime University and an elder Brethren and Trustee of Trinity House.

Board Leadership Structure

Our board leadership structure consists of our Chairman, the vice chairman/ senior independent director and the chairmen of our board committees. Our operational management is headed by our CEO. Mr. Wogan, as CEO, is responsible for the day-to-day operations of the Company, which includes decisions relating to the Company's general management and control of its affairs and business and works with our board in developing our business strategy. The board of directors does not have a policy mandating that the roles of CEO and Chairman be held by separate individuals, but believes that the separation of such roles at this time is appropriate and beneficial to shareholders.

Dennis M. Houston, who serves as our senior independent director, acts as a liaison to facilitate communication between independent directors and our Chairman to ensure that the board functions in an effective manner.

B. Compensation of Directors and Senior Management

Our non-executive directors receive:

- an annual fee of \$132,000;
- an additional annual fee of \$20,000 to the senior independent director;
- additional annual fees of \$100,000 to the chairman of the board, \$30,000 to the vice-chairman of the board \$50,000 to the chairman of the audit and risk committee and \$20,000 to the chairmen of the compensation committee and HSSE committee;
- additional annual fees of \$25,000 to each member of the audit and risk committee and \$20,000 to each member of the compensation committee and HSSE committee (in each case other than the chairmen of such committees); and
- additional annual fees of \$20,000 to each board member who also serves as a board member of GasLog Partners (in lieu of direct compensation from GasLog Partners for such service).

The aggregate annual fees paid to non-executive directors in 2018 was \$1.55 million.

The board of directors may determine that a portion of the above fees will be paid in shares rather than cash.

In addition, our directors receive reimbursement for their out-of-pocket expenses including travel costs. We do not have any service contracts with our directors that provide for benefits upon termination of their services.

For 2018, our executive officers were Paul Wogan, Alastair Maxwell and Richard Sadler. Compensation for our executive officers in 2018 consisted of base salary and employee benefits that are generally provided to employees, including eligibility to receive a cash incentive bonus pursuant to our Management Incentive Plan, or "MIP". The MIP provides all shore-based personnel (which includes our executive officers) an opportunity to earn a cash incentive payment based on a target percentage of the participant's annual base salary, subject to the achievement of pre-established individual and

Company performance objectives, as well as a component based on Company discretion. Each participant's target percentage of annual base salary and the weightings assigned to the individual and Company performance objectives and the Company discretionary component are dependent on the participant's organization (band) level. No amounts will be paid under the MIP to any participant who fails to achieve 50.0% of his or her target individual performance objectives. In 2018, the Company performance objectives were measured against three equally-weighted key business indicators ("KBI"): The Financial KBI is measured against a Free Cash Flow per Share target and an Absolute Return on Invested Capital target; the Operational KBI is defined by a basket of operational KBIs including Fleet Uptime, Vetting Performance and Terminal Feedback targets; and three-year rolling average Relative Total Shareholder Return performance compared to a peer group. In addition, Company performance is evaluated against a safety factor based on Personal Safety, Significant Incidents and Leading Indicators, in which falling short of the safety target may result in a corresponding reduction of the Company performance payout factor. Under the individual and Company performance objectives, stretch goals are established which determine the level of pay-out. The Board may exercise discretion to increase an individual's payment to no more than 200.0% of his or her target payout. The amounts paid to our executive officers in 2018 pursuant to the MIP were determined based on the following weightings: individual performance (30.0%), Company performance (50.0%) and Company discretion (20.0%).

The aggregate amount of cash compensation, including cash incentive compensation, paid to our executive officers for the year ended December 31, 2018 was \$2.61 million.

In addition, our executive officers received equity-based compensation awards in accordance with the 2013 Omnibus Incentive Compensation Plan, or the "Plan", and also received awards via the GasLog Partners LP 2015 Long-Term Incentive Plan or the "the GasLog Partners LTIP Plan". On April 1, 2018, we granted our executive officers an aggregate of 111,821 stock options and 36,361 restricted stock units under the Plan. Furthermore, on April 1, 2018, we granted our executive officers an aggregate of 5,612 restricted stock units and 5,612 phantom performance common units under the GasLog Partners Plan. The aggregate fair value for all equity compensation granted as of the grant date is \$1.45 million. At the time of grant, the stock options had an exercise price per share of \$16.30, which was subsequently adjusted to \$15.90 on December 17, 2018 in response to the announcement of an extraordinary dividend of \$0.40 and will vest in three equal annual installments, beginning on the first anniversary of the grant date, subject to the recipient's continued service. The restricted stock units vest on the third anniversary of the grant date, subject to the recipient's continued service. Vesting of the phantom performance common units is also subject to the achievement of certain performance targets. The stock options, the restricted stock units and the phantom performance common units may be settled in cash or common shares, or a combination thereof, at our discretion. We generally determine during the March meeting of the board of the directors each year which individuals, if any, will be eligible to receive equity-based compensation awards under the Plan for such year and the amount of awards each participant will be eligible to receive. In addition, we intend to grant such awards on April 1 of such year (or, should April 1 of such year fall on a weekend or bank holiday, on the first business day thereafter).

We did not set aside or accrue any amounts in the year ended December 31, 2018 to provide pension, retirement or similar benefits to our directors or executive officers.

C. Board Practices

Our board of directors consists of ten members. The board of directors may change the number of directors to not less than three, nor more than fifteen. Each director shall be elected to serve until the next annual meeting of shareholders or until his successor is elected or appointed, except in the event of removal, death, disability, disqualification or resignation. A vacancy on the board created by

removal, death, disability, disqualification or resignation of a director, or as a result of an increase in the size of the board, may be filled by the shareholders or by the board of directors.

We are a “foreign private issuer” under the securities laws of the United States and the rules of the NYSE. Under the securities laws of the United States, “foreign private issuers” are subject to different disclosure requirements than U.S. domiciled registrants, as well as different financial reporting requirements. Under the NYSE rules, a “foreign private issuer” is subject to less stringent corporate governance requirements. Subject to certain exceptions, the rules of the NYSE permit a “foreign private issuer” to follow its home country practice in lieu of the listing requirements of the NYSE, including (i) the requirement that a majority of the board of directors consist of independent directors, (ii) the requirement that a nominating/corporate governance committee be established, (iii) the requirement that the compensation committee be composed entirely of independent directors and have a written charter addressing the committee’s purpose and responsibilities and (iv) the requirement of an annual performance evaluation of the compensation committee. Five of our ten directors qualify as independent. We have one or more non-independent directors serving as committee members on our compensation committee and we complete biennial performance evaluation of the compensation committee. As a result, non-independent directors may, among other things, participate in setting the compensation of our management, making share and option awards and resolving governance issues regarding our Company. Accordingly, in the future you may not have the same protections afforded to shareholders of companies that are subject to all of the NYSE corporate governance requirements.

Our board of directors meets regularly throughout the year. In 2018, the board met 12 times. As part of our board meetings, our independent directors meet without the non-independent directors in attendance. In addition, the board regularly holds sessions without the CEO and executive officers present.

Committees of the Board of Directors

Audit and Risk Committee

Our audit and risk committee consists of Messrs. Conner, Houston and Kintzer with Mr. Kintzer serving as the committee chairman. Our board of directors has affirmatively determined that each of these individuals meets the definition of “independent director” for purposes of serving on an audit committee under applicable SEC and NYSE rules. Mr. Conner and Mr. Kintzer each qualifies as an “audit committee financial expert”. The audit and risk committee is responsible for:

- the appointment and compensation (subject to any required shareholder approval or authorization) and retention and oversight of independent auditors and determining whether any non-audit services will be performed by such auditor;
- assisting the board of directors in overseeing our financial reporting process, the integrity of our financial statements, the independent auditors’ qualifications, independence and performance, the performance of our internal audit and financial risk management groups and our compliance with legal and regulatory requirements;
- annually reviewing the independent auditors’ report describing the auditing firm’s internal quality-control procedures, and any material issues raised by the most recent internal quality-control review, or peer review, of the auditing firm;
- discussing with management and the independent auditors, and making recommendations to our board regarding the approval of, the annual audited financial statements and any periodic financial statements;
- discussing earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies, with management and the independent auditors;

- discussing policies with respect to financial risk assessment and risk management and monitoring our financial risk and risk management systems;
- meeting periodically and separately with management, our internal audit group and the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's responses;
- setting clear hiring policies for employees or former employees of the independent auditors;
- annually reviewing the adequacy of the audit and risk committee's written charter;
- periodically reviewing the budget, responsibilities and organizational structure of the internal audit department;
- establishing procedures for the consideration of all related-party transactions, including matters involving potential conflicts of interest;
- reporting regularly to the full board of directors; and
- handling such other matters that are specifically delegated to the audit and risk committee by the board of directors from time to time.

Compensation Committee

Our compensation committee consists of Messrs. Blythe, Papadimitriou and Metherell, with Mr. Metherell serving as the committee chairman. The compensation committee is responsible for:

- making recommendations to the full board of directors with respect to the compensation of directors, senior management, the head of internal audit and other managerial employees reporting to the CEO;
- overseeing and making recommendations to the full board of directors with respect to any of the Company's long-term incentive plans, including any equity-based compensation plans to be adopted; and
- handling such other matters that are specifically delegated to the compensation committee by the board of directors from time to time.

HSSE Committee

Our HSSE, committee consists of Messrs. Friedrich, Livanos and Westgarth, with Mr. Friedrich serving as the committee chairman. The HSSE committee is responsible for:

- overseeing the Company's top-level HSSE policies (including those relating to operational risks);
- reviewing the Company's HSSE policies (including those relating to operational risks) on an annual basis and recommending changes to such policies to the Company's management team;
- based on reports from management, evaluating the effectiveness of the Company's systems to achieve the established HSSE policies;
- receiving reports from management relating to any serious accidents or fatalities and reviewing recommended actions to be taken by management in connection therewith;
- overseeing whether the Company's HSSE policies take appropriate account of internal and external developments and expectations;

- evaluating and overseeing the quality of reporting systems required by third parties on HSSE related matters; and
- assessing the systems within the Company for ensuring compliance with HSSE related laws, regulations and policies.

Senior Independent Director

Mr. Houston, an independent director, currently serves as our senior independent director. Our senior independent director is responsible for:

- presiding at board and shareholder meetings if the Chairman of the board is absent;
- meeting with the other members of the board without the Chairman present on at least an annual basis in order to evaluate and appraise the performance of the Chairman;
- chairing meetings of the Board when considering succession to the role of the Chairman of the board;
- chairing meetings of our independent directors;
- liaising with management and reporting to the Board on corporate governance and nominating matters;
- acting as a liaison, if required, to facilitate communication between independent directors and our Chairman, Chief Executive Officer and any member of senior management; and
- performing such other functions as the board may direct or request from time to time.

Corporate Governance

The board of directors and our Company's management engage in an ongoing review of our corporate governance practices in order to oversee our compliance with the applicable corporate governance rules of the NYSE and the SEC.

We have adopted a Code of Business Conduct and Ethics for all directors, officers, employees and agents of the Company.

This document and other important information on our governance are posted on our website and may be viewed at <http://www.gaslogltd.com>. The information contained on or connected to our website is not a part of this annual report. We will also provide a paper copy of any of these documents upon the written request of a shareholder at no cost. Shareholders may direct their requests to the attention of our General Counsel, c/o GasLog Monaco S.A.M., Gildo Pastor Center, 7 Rue du Gabian, MC 98000, Monaco.

Exemptions from NYSE Corporate Governance Rules

Because we qualify as a foreign private issuer under SEC rules, we are permitted to follow the corporate governance practices of Bermuda (the jurisdiction in which we are incorporated) in lieu of certain NYSE corporate governance requirements that would otherwise be applicable to us. The NYSE rules do not require a listed company that is a foreign private issuer to have a board of directors that is comprised of a majority of independent directors. Under Bermuda law, we are not required to have a board of directors comprised of a majority of directors meeting the independence standards described in the NYSE rules. Accordingly, our board of directors is not required to be and is not comprised of a majority of independent directors.

The NYSE rules do not require foreign private issuers like us to establish a nominating/corporate governance committee. Similarly, under Bermuda law, we are not required to have a nominating/

corporate governance committee. Accordingly, we do not have a nominating/corporate governance committee.

D. Employees

As of December 31, 2018, we had 160 full-time employees and contractors based in our offices in Greece, Monaco, London, New York, Singapore and the newbuildings site in South Korea. In addition to our shore-based employees and contractors, we had approximately 1,517 seafaring staff serving on our owned and managed ships. These seafarers are retained through crewing agencies based in Ukraine, the Philippines and Spain or, in the case of Greek seafarers, through direct hire. As we take delivery of our newbuildings, we expect to retain a significant number of additional seafarers qualified to staff and operate our new ships, as well as additional shore-based personnel. We intend to focus our seafarer hiring efforts in the Ukrainian, Philippine and Spanish markets, where we have crewing agency agreements in place, and in Greece.

LNG marine transportation is a specialized area requiring technically skilled officers and personnel with specialized training. We regard attracting and retaining motivated, well-qualified seagoing and shore-based personnel as a top priority and we offer our people competitive compensation packages. In addition, we provide intensive onboard and shore-based training for our officers and crew to instill a culture of the highest operational and safety standards. As a result, we have historically enjoyed high retention rates. In 2018, our retention rate was 96% for senior seagoing officers, 98% for other officers and 94% for shore staff.

Although we have historically experienced high employee retention rates, the demand for technically skilled officers and crews to serve on LNG carriers and FSRU vessels has been increasing as the global fleet of LNG vessels continues to grow. This increased demand has, and may continue to, put inflationary cost pressure on ensuring qualified and well-trained crew are available to us. However, we expect that the impact of cost increases would be mitigated to some extent by certain provisions in certain of our time charters, including automatic periodic adjustment and cost review provisions.

E. Share Ownership

The common shares beneficially owned by our directors and executive officers and/or entities affiliated with these individuals is disclosed in “Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders” below. For information regarding arrangements for involving the employees in the capital of the Company, see “Item 6. Directors, Senior Management and Employees—B. Compensation of Directors and Senior Management”.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth certain information regarding the beneficial ownership of our outstanding common shares as of February 27, 2019 held by:

- each of our executive officers;
- each of our directors;
- all our directors and officers as a group; and
- each holder known to us to beneficially own 5.0% or more of our shares;

Beneficial ownership is determined in accordance with SEC rules. Percentage computations are based on 80,861,246 common shares outstanding as of February 27, 2019. Each issued and outstanding common share will entitle the shareholder to one vote. Information for certain holders is based on

their latest filings with the SEC or information delivered to us. Except as noted below, the address of all shareholders, officers and directors identified in the table and the accompanying footnotes below is in care of our principal executive offices.

<u>Name of Beneficial Owner</u>	<u>Common Shares Beneficially Owned</u>	
	<u>Number</u>	<u>Percent</u>
<i>Directors and officers</i>		
Peter G. Livanos ⁽¹⁾	32,415,159	40.1%
Paul A. Wogan	*	*
Bruce L. Blythe	850,000	1.1%
David P. Conner	*	*
William M. Friedrich	*	*
Dennis M. Houston	*	*
Donald J. Kintzer	*	*
Alastair J.C. Maxwell	*	*
Julian R. Metherell	*	*
Anthony S. Papadimitriou	*	*
Richard Sadler	*	*
Graham Westgarth	*	*
All directors and officers as a group	33,547,766	41.5%
<i>Other 5.0% beneficial owners</i>		
Alexander S. Onassis Foundation ⁽²⁾	7,099,904	8.8%

⁽¹⁾ By virtue of common shares held (a) directly, (b) indirectly through Blenheim Holdings, in which Mr. Livanos has a majority ownership interest, (c) indirectly through several entities whose share capital is owned by Mr. Livanos and (d) by several entities of which Mr. Livanos and/or members of his family are beneficiaries and for which Mr. Livanos serves as an officer and/or a board member. Mr. Livanos disclaims beneficial ownership of the shares held by the entities referenced in (d). Mr. Livanos can effectively control the Company through direct and indirect ownership interests. Mr. Livanos's ownership interest changed in connection with the purchase by Blenheim Holdings of certain outstanding manager shares in January 2012, a transfer by Blenheim Holdings of 657,090 shares to one of its minority shareholders in March 2014 in exchange for such shareholder's interest in Blenheim Holdings, and the vesting of 30,527 Restricted Stock Units in April 2017.

⁽²⁾ By virtue of common shares held indirectly through its wholly owned subsidiary, Olympic LNG Investments Ltd. A portion of the shares were acquired from the Company in a private placement in January 2014. The Alexander S. Onassis Public Benefit Foundation is the sole beneficiary of the assets and income of the Onassis Foundation, and as a result may be deemed to have indirect beneficial ownership of the shares.

* Less than 1.0%.

In March 2012, we completed a registered public offering of our common shares and our common shares began trading on the NYSE. Our major shareholders have the same voting rights as our other shareholders. As of February 27, 2019, we had approximately 11,420 shareholders.

B. Related Party Transactions

Relationship with GasLog Partners

GasLog Partners was formed by us in January 2014 to own, operate and acquire LNG carriers engaged in LNG transportation under long-term charters, which we define as charters of five full years or more. In May 2014, the Partnership completed its initial public offering and its common units began trading on the NYSE. The Partnership conducts its operations through its vessel-owning subsidiaries and as of February 27, 2019, had a fleet of 14 LNG carriers. As of February 27, 2019, we hold a 27.5% interest in the Partnership and, as a result of our ownership of the general partner and the fact that the general partner elects the majority of the Partnership's directors in accordance with the Partnership Agreement, we have the ability to control the Partnership's affairs and policies.

Quarterly Cash Dividends

We are entitled to distributions on our general and limited partner interests in GasLog Partners. These interests consist of common units, incentive distribution rights and general partner interests.

The amount of the minimum quarterly distribution is \$0.375 per unit or \$1.50 per unit on an annualized basis.

We currently hold all of the incentive distribution rights in GasLog Partners. Incentive distribution rights represent the right to receive an increasing percentage of quarterly distributions of available cash from operating surplus after the minimum quarterly distribution and the target distribution levels have been achieved.

If for any quarter:

- GasLog Partners has distributed available cash from operating surplus to the common unitholders in an amount equal to the minimum quarterly distribution; and
- GasLog Partners has distributed available cash from operating surplus on outstanding common units in an amount necessary to eliminate any cumulative arrearages in payment of the minimum quarterly distribution;

then GasLog Partners will distribute any additional available cash from operating surplus for that quarter among the unitholders and the general partner in the following manner:

- first, 98.0% to all common unitholders, pro rata, and 2.0% to the general partner, until each unitholder receives a total of \$0.43125 per unit for that quarter;
- second, 85.0% to all common unitholders, pro rata, 2.0% to the general partner and 13.0% to the holders of the incentive distribution rights, pro rata, until each unitholder receives a total of \$0.46875 per unit for that quarter; and
- thereafter, 75.0% to all common unitholders, pro rata, 2.0% to the general partner and 23.0% to the holders of the incentive distribution rights, pro rata.

In each case, the amount of the target distribution set forth above is exclusive of any distributions to common unitholders to eliminate any cumulative arrearages in payment of the minimum quarterly distribution. The percentage interests set forth above assume that the general partner maintains its 2.0% general partner interest and that the Partnership does not issue additional classes of equity securities.

As holder of the 2.0% general partner interest in GasLog Partners, we are entitled to 2.0% of all distributions made by GasLog Partners prior to its liquidation. The general partner, our wholly owned subsidiary, has the right, but not the obligation, to contribute a proportionate amount of capital to GasLog Partners to maintain its 2.0% general partner interest if the Partnership issues additional units.

We received total distributions from GasLog Partners of \$30.1 million in 2018.

Omnibus Agreement

On May 12, 2014, we entered into an omnibus agreement with GasLog Partners and certain of its subsidiaries. The following discussion describes certain provisions of the omnibus agreement.

Noncompetition; Five-Year Vessel Restricted Business Opportunities

Under the omnibus agreement, we have agreed, and have caused our controlled affiliates (other than GasLog Partners, its general partner and its subsidiaries) to agree, not to acquire, own, operate or charter any LNG carrier with a cargo capacity greater than 75,000 cbm engaged in oceangoing LNG

transportation under a charter for five full years or more without, within 30 calendar days after the consummation of the acquisition or the commencement of the operations or charter of such a vessel, notifying and offering GasLog Partners the opportunity to purchase such a vessel at fair market value. For purposes of this section, we refer to these vessels, together with any related charters, as “Five-Year Vessels” and to all other LNG carriers, together with any related charters, as “Non-Five-Year Vessels”. The restrictions in this paragraph will not prevent us or any of our controlled affiliates (other than GasLog Partners and its subsidiaries) from:

- (1) acquiring, owning, operating or chartering Non-Five-Year Vessels;
- (2) acquiring one or more Five-Year Vessels if we promptly offer to sell the vessel to GasLog Partners for the acquisition price plus any administrative costs (including re-flagging and reasonable legal costs) associated with the transfer to GasLog Partners at the time of the acquisition;
- (3) putting a Non-Five-Year Vessel under charter for five full years or more if we offer to sell the vessel to GasLog Partners for fair market value (x) promptly after the time it becomes a Five-Year Vessel and (y) at each renewal or extension of that charter for five full years or more;
- (4) acquiring one or more Five-Year Vessels as part of the acquisition of a controlling interest in a business or package of assets and owning, operating or chartering those vessels; provided, however, that:
 - (a) if less than a majority of the value of the business or assets acquired is attributable to Five-Year Vessels, as determined in good faith by our board of directors, we must offer to sell such vessels to GasLog Partners for their fair market value plus any additional tax or other similar costs that we incur in connection with the acquisition and the transfer of such vessels to GasLog Partners separate from the acquired business; and
 - (b) if a majority or more of the value of the business or assets acquired is attributable to Five-Year Vessels, as determined in good faith by our board of directors, we must notify GasLog Partners of the proposed acquisition in advance. Not later than 30 days following receipt of such notice, GasLog Partners will notify us if it wishes to acquire such vessels in cooperation and simultaneously with us acquiring the Non-Five-Year Vessels. If GasLog Partners does not notify us of its intent to pursue the acquisition within 30 days, we may proceed with the acquisition and then offer to sell such vessels to GasLog Partners as provided in (a) above;
- (5) acquiring a non-controlling equity ownership, voting or profit participation interest in any company, business or pool of assets;
- (6) acquiring, owning, operating or chartering any Five-Year Vessel if GasLog Partners does not fulfill its obligation to purchase such vessel in accordance with the terms of any existing or future agreement;
- (7) acquiring, owning, operating or chartering a Five-Year Vessel subject to the offers to GasLog Partners described in paragraphs (2), (3) and (4) above pending its determination whether to accept such offers and pending the closing of any offers it accepts;
- (8) providing ship management services relating to any vessel;
- (9) owning or operating any Five-Year Vessel that we owned on the closing date of GasLog Partners’ IPO and that was not part of its fleet as of such date; or
- (10) acquiring, owning, operating or chartering a Five-Year Vessel if GasLog Partners has previously advised us that it consents to such acquisition, ownership, operation or charter.

If we or any of our controlled affiliates (other than GasLog Partners, its general partner or its subsidiaries) acquires, owns, operates or charters Five-Year Vessels pursuant to any of the exceptions described above, we may not subsequently expand that portion of our business other than pursuant to those exceptions. However, such Five-Year Vessels could eventually compete with GasLog Partners' vessels upon their re-chartering.

In addition, under the omnibus agreement GasLog Partners has agreed, and has caused its subsidiaries to agree, to acquire, own, operate or charter Five-Year Vessels only. The restrictions in this paragraph will not:

- (1) prevent GasLog Partners or any of its subsidiaries from owning, operating or chartering any Non-Five-Year Vessel that was previously a Five-Year Vessel while owned by GasLog Partners or any of its subsidiaries;
- (2) prevent GasLog Partners or any of its subsidiaries from acquiring Non-Five-Year Vessels as part of the acquisition of a controlling interest in a business or package of assets and owning, operating or chartering those vessels; provided, however, that:
 - (a) if less than a majority of the value of the business or assets acquired is attributable to Non-Five-Year Vessels, as determined in good faith by GasLog Partners, the Partnership must offer to sell such vessels to us for their fair market value plus any additional tax or other similar costs that GasLog Partners incurs in connection with the acquisition and the transfer of such vessels to us separate from the acquired business; and
 - (b) if a majority or more of the value of the business or assets acquired is attributable to Non-Five-Year Vessels, as determined in good faith by GasLog Partners, the Partnership must notify us of the proposed acquisition in advance. Not later than 30 days following receipt of such notice, we must notify GasLog Partners if we wish to acquire the Non-Five-Year Vessels in cooperation and simultaneously with GasLog Partners acquiring the Five-Year Vessels. If we do not notify GasLog Partners of our intent to pursue the acquisition within 30 days, the Partnership may proceed with the acquisition and then offer to sell such vessels to us as provided in (a) above;
- (3) prevent GasLog Partners or any of its subsidiaries from acquiring, owning, operating or chartering any Non-Five-Year Vessels subject to the offer to us described in paragraph (2) above, pending our determination whether to accept such offer and pending the closing of any offer we accept; or
- (4) prevent GasLog Partners or any of its subsidiaries from acquiring, owning, operating or chartering Non-Five-Year Vessels if we have previously advised the Partnership that we consent to such acquisition, ownership, operation or charter.

If GasLog Partners or any of its subsidiaries acquires, owns, operates or charters Non-Five-Year Vessels pursuant to any of the exceptions described above, neither the Partnership nor any subsidiary may subsequently expand that portion of its business other than pursuant to those exceptions.

During the 30-day period after our notice and offer of an opportunity to purchase a Five-Year Vessel, we and GasLog Partners will negotiate in good faith to reach an agreement on the fair market value (and any applicable break-up costs) of the relevant vessel. If we do not reach an agreement within such 30-day period, a mutually-agreed upon investment banking firm, ship broker or other expert advisor will be engaged to determine the fair market value (and any applicable break-up costs) of the relevant vessel and other outstanding terms, and GasLog Partners will have the option, but not the obligation, to purchase the relevant vessel on such terms. GasLog Partners' ability to consummate the acquisition of such Five-Year Vessel from us will be subject to obtaining any consents of governmental authorities and other non-affiliated third parties and to all agreements existing with respect to such

Five-Year Vessel. Under the omnibus agreement, we will indemnify GasLog Partners against losses arising from the failure to obtain any consent or governmental permit necessary to own or operate the fleet in substantially the same manner that the vessels were owned and operated by us immediately prior to the Partnership's acquisition of such vessels. See "—Indemnification".

Upon a change of control of GasLog Partners or its general partner, the noncompetition provisions of the omnibus agreement will terminate immediately. Upon a change of control of GasLog, the noncompetition provisions of the omnibus agreement applicable to us will terminate on the date of the change of control. On the date on which a majority of GasLog Partners' directors ceases to consist of directors that were (1) appointed by the Partnership's general partner prior to its first annual meeting of unitholders and (2) recommended for election by a majority of the Partnership's appointed directors, the noncompetition provisions applicable to us shall terminate immediately.

LNG Carrier Purchase Options

Under the omnibus agreement entered into with GasLog Partners and certain of its subsidiaries in connection with the Partnership's initial public offering, GasLog Partners has the option to purchase from us: (i) the *GasLog Glasgow* within 36 months after we notify the Partnership's board of directors of the vessel's acceptance by her charterer, (and (ii) the *GasLog Houston* within 30 days after we notify the Partnership's board of directors of the vessel's acceptance by her charterer. In addition, on April 21, 2015, we signed an agreement with MSL for newbuilding Hull No. 2131 to be chartered to MSL upon delivery in 2019, for an initial term of approximately 9 years and 10 months. Within 30 days of the commencement of the charter, we will be required to offer GasLog Partners an opportunity to purchase the vessel at fair market value as determined pursuant to the omnibus agreement.

On October 20, 2016, we signed an agreement with Centrica for newbuilding Hull No. 2212 to be chartered to Centrica upon delivery in 2019 for an initial term of seven years. However, we have amended the shipbuilding contract for newbuilding Hull No. 2212, such that it becomes a GasLog uncommitted vessel, a 180,000 cbm GTT Mark III Flex Plus, to be delivered on or before July 31, 2019, and which is currently without charter. Newbuilding Hull No. 2213 was ordered in January 2018 and becomes a committed Centrica vessel, a 180,000 cbm GTT Mark III Flex, to be delivered on or before April 1, 2020 for an initial term of seven years. Within 30 days of the commencement of the charter of Hull No. 2213, we will be required to offer GasLog Partners the opportunity to purchase the vessel at fair market value as determined pursuant to the omnibus agreement.

On May 30, 2018, we signed an agreement with Centrica for newbuilding Hull No. 2262 to be chartered to Centrica upon delivery in 2020 for an initial term of seven years. Within 30 days of the commencement of the charter of Hull No. 2262, we will be required to offer GasLog Partners the opportunity to purchase the vessel at fair market value as determined pursuant to the omnibus agreement. On August 16, 2018, we signed an agreement with Cheniere for newbuildings Hull Nos. 2300 and 2301 to be chartered to Cheniere upon delivery in 2020 for initial terms of seven years. Furthermore, on December 21, 2018, we signed two additional agreements with Cheniere for newbuildings Hull Nos. 2311 and 2312 to be chartered to Cheniere upon delivery in 2021 for initial terms of seven years. Within 30 days of the commencement of each of the charters, we will be required to offer GasLog Partners the opportunity to purchase the vessel at fair market value as determined pursuant to the omnibus agreement.

On December 21, 2018, we signed an agreement with Cheniere for newbuildings Hull Nos. 2311 and 2312 to be chartered to Cheniere upon delivery in 2021 for initial terms of seven years. Within 30 days of the commencement of each of the charters, we will be required to offer GasLog Partners the opportunity to purchase the vessels at fair market value as determined pursuant to the omnibus agreement.

In each case, GasLog Partners' option to purchase is at fair market value as determined pursuant to the omnibus agreement. If we and GasLog Partners are unable to agree upon the fair market value of any of these optional vessels, the respective fair market values will be determined by a mutually acceptable investment banking firm, ship broker or other expert advisor, and GasLog Partners will have the right, but not the obligation, to purchase the vessel at such price. GasLog Partners' ability to consummate the acquisition of such vessels from us will be subject to obtaining any consents of governmental authorities and other non-affiliated third parties and to all agreements existing as of the closing date in respect of such vessels.

On the date on which a majority of GasLog Partners' directors ceases to consist of directors that were (1) appointed by the Partnership's general partner prior to its first annual meeting of unitholders and (2) recommended for election by a majority of the Partnership's appointed directors, the LNG carrier purchase options shall terminate immediately.

Rights of First Offer

Under the omnibus agreement, we and our subsidiaries have granted to GasLog Partners a right of first offer on any proposed sale, transfer or other disposition of any Five-Year Vessels or Non-Five-Year Vessels owned by us. Under the omnibus agreement, GasLog Partners and its subsidiaries have agreed to grant a similar right of first offer to us for any Five-Year Vessels they might own. These rights of first offer will not apply to a (i) sale, transfer or other disposition of vessels between any affiliated subsidiaries or pursuant to the terms of any current or future charter or other agreement with a charter party or (ii) merger with or into, or sale of substantially all of the assets to, an unaffiliated third party.

Prior to engaging in any negotiation regarding any vessel disposition with respect to a Five-Year Vessel with an unaffiliated third party or any Non-Five-Year Vessel, we or GasLog Partners, as the case may be, will deliver a written notice to the other relevant party setting forth the material terms and conditions of the proposed transaction. During the 30-day period after the delivery of such notice, we and GasLog Partners, as the case may be, will negotiate in good faith to reach an agreement on the transaction. If we do not reach an agreement within such 30-day period, we or GasLog Partners, as the case may be, will be able within the next 180 calendar days to sell, transfer, dispose or re-charter the vessel to a third party (or to agree in writing to undertake such transaction with a third party) on terms generally no less favorable to us or GasLog Partners, as the case may be, than those offered pursuant to the written notice. Our ability to consummate the acquisition of such Five-Year Vessel from GasLog Partners will be subject to obtaining any consents of governmental authorities and other non-affiliated third parties and to all agreements existing in respect of such Five-Year Vessel.

Upon a change of control of GasLog Partners or its general partner, the right of first offer provisions of the omnibus agreement will terminate immediately. Upon a change of control of us, the right of first offer provisions applicable to GasLog under the omnibus agreement will terminate on the date of the change of control. On the date on which a majority of GasLog Partners' directors ceases to consist of directors that were (i) appointed by the Partnership's general partner prior to its first annual meeting of unitholders and (ii) recommended for election by a majority of the Partnership's appointed directors, the provisions related to the rights of first offer granted to the Partnership by us shall terminate immediately.

For purposes of the omnibus agreement, a "change of control" means, with respect to any "applicable person", any of the following events: (a) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the applicable person's assets to any other person, unless immediately following such sale, lease, exchange or other transfer such assets are owned, directly or indirectly, by the applicable person; (b) the consolidation or merger of the applicable person with or into another person pursuant to a transaction in which the outstanding voting securities of the applicable person are changed into or exchanged for cash, securities or other property,

other than any such transaction where (i) the outstanding voting securities of the applicable person are changed into or exchanged for voting securities of the surviving person or its parent and (ii) the holders of the voting securities of the applicable person immediately prior to such transaction own, directly or indirectly, not less than a majority of the outstanding voting securities of the surviving person or its parent immediately after such transaction; and (c) a “person” or “group” (within the meaning of Sections 13(d) or 14(d)(2) of the Securities Exchange Act of 1934, or the “Exchange Act”), other than us or our affiliates with respect to the general partner, being or becoming the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of more than 50.0% of all of the then outstanding voting securities of the applicable person, except in a merger or consolidation which would not constitute a change of control under clause (b) above.

Indemnification

Under the omnibus agreement, we will indemnify GasLog Partners after the closing of its IPO for a period of five years (and we will indemnify the Partnership for a period of at least three years after its purchase of any vessels subject to purchase options, if applicable) against certain environmental and toxic tort liabilities with respect to the vessels that are contributed or sold to the Partnership to the extent arising prior to the time such vessels were contributed or sold to the Partnership. Liabilities resulting from a change in law after the closing of the IPO are excluded from the environmental indemnity. There is an aggregate cap of \$5 million on the amount of indemnity coverage provided by us for environmental and toxic tort liabilities. No claim may be made unless the aggregate dollar amount of all claims exceeds \$500,000, in which case we are liable for claims only to the extent such aggregate amount exceeds \$500,000.

We will also indemnify GasLog Partners for liabilities related to:

- certain defects in title to GasLog Partners’ initial fleet and any failure to obtain, prior to the time they were contributed to the Partnership, certain consents and permits necessary to conduct the Partnership’s business, which liabilities arise within three years after the closing of the Partnership’s IPO; and
- certain tax liabilities attributable to the operation of the assets contributed or sold to the Partnership prior to the time they were contributed or sold.

Restrictive Covenant Agreement

On April 4, 2012, Peter G. Livanos and Blenheim Holdings entered into a Restrictive Covenant Agreement with us, pursuant to which Mr. Livanos is prohibited from directly or indirectly owning, operating or managing LNG vessels, other than pursuant to his involvement with us. The restrictions will terminate in the event that Mr. Livanos ceases to beneficially own at least 20.0% of our issued and outstanding share capital.

Notwithstanding these restrictions, Mr. Livanos is permitted to engage in the following activities:

- passive ownership (a) of minority interests in any business that is not primarily engaged in owning, operating or managing LNG vessels or (b) constituting less than 5.0% of any publicly listed company; and
- non-passive participation in a business that acquires an interest in the ownership, operation or management of LNG vessels, provided that as promptly as reasonably practicable either (A) the business enters into an agreement to dispose of such competitive activity and such disposition is completed within a reasonable time, or (B) Mr. Livanos’s participation in such business is changed so as to satisfy the exception for passive ownership of minority interests in a business that is not primarily engaged in a competitive activity.

The restrictions described above do not apply to transactions by independent fund managers not acting under the direction or control of Mr. Livanos or Blenheim Holdings.

As noted above, Mr. Livanos and Blenheim Holdings are permitted under the terms of the restrictive covenant agreement to dispose of our common shares in the following circumstances:

- pursuant to any transfer by Blenheim Holdings to its shareholders (including any division of the ownership interests in Blenheim Holdings of Mr. Livanos), provided that the transferee or transferees agree to be bound by the share transfer restrictions of the restrictive covenant agreement;
- pursuant to any private sale to a strategic investor in the Company, provided that the strategic investor agrees to be bound by the share transfer restrictions of the restrictive covenant agreement;
- in connection with any sale or transfer that would result in a change in control of the Company, provided that such change in control has been approved by our board of directors; and
- in transactions relating to shares acquired following the effective date of the restrictive covenant agreement.

For purposes of the restrictive covenant agreement, a “change of control” means Mr. Livanos and Blenheim Holdings cease to beneficially own, in the aggregate, at least 38.0% of the issued and outstanding share capital of the Company. The share transfer restrictions described above will terminate as to any person that ceases to beneficially own, or does not beneficially own, at least 20.0% of our issued and outstanding share capital.

Registration Rights Agreement

On April 4, 2012, we entered into a registration rights agreement with certain of our shareholders, pursuant to which we granted such shareholders and their transferees the right, under certain circumstances and subject to certain restrictions, including restrictions included in the lock-up agreements to which they will be a party, to require us to register under the Securities Act of 1933, as amended, our common shares held by those persons. Under the registration rights agreement, certain of our shareholders and their transferees have the right to request us to register the sale of shares held by them on their behalf and may require us to make available shelf registration statements permitting sales of shares into the market from time to time over an extended period. While these demand registration rights are subject to certain timing and other restrictions, there is no limit on the number of times a shareholder may exercise such rights. In addition, those persons have the ability to exercise certain piggyback registration rights in connection with registered offerings initiated by us. In March 2014, in response to a Demand Registration Request (as defined in the Registration Rights Agreement), the Company filed a Registration Statement on Form F-3 registering the common shares entitled to registration rights in addition to other common shares held by the Company’s directors and officers.

Subscription Agreements

On January 16, 2014, we entered into subscription agreements with certain of our directors and officers for a concurrent private placement of 2,317,460 common shares at a price of \$15.75 per share.

Indemnification Agreements

We have entered into indemnification agreements with our directors and officers which provide, among other things, that we will indemnify our directors and officers, under the circumstances and to the extent provided for therein, for expenses, damages, judgments, fines, settlements and fees that they

may be required to pay in actions or proceedings to which they are or may be made a party by reason of such person's position as a director, officer, employee or other agent of the Company, subject to, and to the maximum extent permitted by, applicable law.

Office Space and Related Arrangements

Through our subsidiary GasLog LNG Services, we lease our office space in Piraeus, Greece from an entity controlled by Ceres Shipping, Nea Dimitra Ktimatikh Kai Emporikh S.A. The lease agreement is filed with the Greek authorities, and has been entered into on market rates.

GasLog LNG Services has also entered into an agreement with Seres S.A., an entity controlled by the Livanos family, for the latter to provide catering services to the staff based in our Piraeus office. Amounts paid pursuant to the agreement are generally less than €10 per person per day, but are slightly higher on special occasions. In addition, GasLog LNG Services has entered into an agreement with Seres S.A. for the latter to provide telephone and documentation services for our staff based in Piraeus. Amounts paid pursuant to the agreement are less than €100,000 per year.

Egypt LNG

We have a 25.0% ownership interest in Egypt LNG, whose principal asset is the LNG carrier *Methane Nile Eagle*, which is currently operating under a 20-year time charter with a subsidiary of Shell. Through our subsidiary GasLog LNG Services, we supervised the construction of the *Methane Nile Eagle* which was delivered from the shipyard in 2007. Pursuant to a ship management agreement between GasLog LNG Services and Egypt LNG, the vessel has operated under our technical management since its delivery. From January 1, 2018 to December 31, 2018, we received a total of approximately \$0.7 million in revenues from Egypt LNG in respect of our vessel management services.

Consulting Services Agreements

GasLog entered into a consulting agreement with Unisea Maritime Ltd. ("Unisea"), an entity controlled by the Livanos family, in consideration of the consulting services performed by Unisea in respect of the sale and leaseback transaction for the *Methane Julia Louise*. Under the terms of the consulting agreement, GasLog agreed to pay a brokerage commission fee equal to 0.25% of the agreed charter rates under the sale and leaseback transaction plus reasonable expenses (in line with the Company's policies). The brokerage commission fee was paid in advance for the full 20-year period of the bareboat charter, discounted to the date of the agreement at an annual discount rate of 7.5%.

GasLog entered into a consulting agreement for the services of an employee of Ceres Monaco S.A.M., an entity controlled by the Livanos family, for consultancy services in connection with the acquisition of GasLog's shareholding in Gastrade and the ongoing work on the development of the Alexandroupolis FSRU project. GasLog agreed to pay a fixed fee for work carried out between May 1, 2016 and December 31, 2017 in the sum of \$100,000 and an ongoing consultancy arrangement fee of \$12,000 per month for a minimum of 12 days per month, terminable upon notice by GasLog.

Exchange Agreement

On November 27, 2018, we entered into an agreement with GasLog Partners to modify the partnership agreement with respect to the general partner's incentive distribution rights ("IDR"). The modification reduced the distributions of cash upon liquidation and the general partner's IDRs on quarterly distributions above \$0.5625 per unit from 48% to 23%. We further agreed to waive IDR payments resulting from any asset or business acquired by GasLog Partners from a third party. In exchange for these modifications, we entered into an agreement among GasLog Partners and GasLog Partners GP LLC under which we received \$25.0 million from GasLog Partners.

Other Related Party Transactions

For a description of additional related party transactions, see Note 21 to our consolidated financial statements included elsewhere in this annual report.

Procedures for Review and Approval of Related Party Transactions

Related party transactions, which means transactions in which the Company or one of its subsidiaries is a participant and any of the Company's directors, executive officers or significant shareholders, or any members of their immediate families or entities controlled by them, have a direct or indirect interest, will be subject to review and approval or ratification by our audit and risk committee in accordance with the Related Party Transaction Policy adopted by such committee.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See "Item 18. Financial Statements" below.

Legal Proceedings

We have not been involved in any legal proceedings that we believe may have a significant effect on our business, financial position, results of operations or liquidity, and we are not aware of any proceedings that are pending or threatened that may have a material effect on our business, financial position, results of operations or liquidity. From time to time, we may be subject to legal proceedings and claims in the ordinary course of business, principally property damage and personal injury claims. We expect that these claims would be covered by insurance, subject to customary deductibles. However, those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

Preference Shares Dividend Requirements

Dividends on Preference Shares are payable quarterly on each of January 1, April 1, July 1 and October 1, or the next succeeding business day, as and if declared by our board of directors out of legally available funds for such purpose. The dividend rate for the Preference Shares is 8.75% per annum per \$25.00 of liquidation preference per share (equal to \$2.18750 per annum per share). The dividend rates are not subject to adjustment. We paid dividends to holders of our Preference Shares of \$0.546875 per share on, January 2, 2018, April 2, 2018, July 2, 2018, October 1, 2018 and January 2, 2019. Our Preference Shares dividend payment obligations impact our future liquidity needs.

Common Shares Dividend Policy

We paid our first cash dividend since becoming a public company in March 2012 on December 17, 2012 in an amount of \$0.11 per share. We have subsequently paid dividends to holders of our common shares as follows:

<u>Date</u>	<u>Dividend per Share</u>
March 25, 2013	\$0.11
June 11, 2013	\$0.11
September 13, 2013	\$0.11
December 9, 2013	\$0.12
March 25, 2014	\$0.12
June 11, 2014	\$0.12
September 8, 2014	\$0.12
December 5, 2014	\$0.14
March 13, 2015	\$0.14
May 21, 2015	\$0.14
August 20, 2015	\$0.14
November 19, 2015	\$0.14
March 17, 2016	\$0.14
May 26, 2016	\$0.14
August 25, 2016	\$0.14
November 24, 2016	\$0.14
March 16, 2017	\$0.14
May 25, 2017	\$0.14
August 24, 2017	\$0.14
November 22, 2017	\$0.14
March 15, 2018	\$0.14
May 24, 2018	\$0.15
August 23, 2018	\$0.15
November 21, 2018	\$0.15
December 17, 2018	\$0.40

As our fleet expands, we will evaluate changes to the quarterly dividend consistent with our cash flow and liquidity position. Our policy is to pay dividends in amounts that will allow us to retain sufficient liquidity to fund our obligations as well as execute our business plan going forward. The declaration and payment of any dividend is subject to the discretion of our board of directors and the requirements of Bermuda law. In addition, certain of our credit facilities impose limitations on our ability to pay dividends. Our board of directors will determine the timing and amount of all dividend payments based on various factors, including our earnings, financial condition, cash requirements and availability, restrictions in our credit facilities and the provisions of Bermuda law. Accordingly, we cannot guarantee that we will be able to pay quarterly dividends. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business” for a discussion of risks related to our ability to pay dividends.

Set out below is a table showing the dividends declared on our common shares in 2012, 2013, 2014, 2015, 2016, 2017 and 2018 and on our Preference Shares in 2015, 2016, 2017 and 2018.

	Year ended December 31,						Total
	2013	2014	2015	2016	2017	2018	
	(Expressed in millions of U.S. dollars)						
Common share dividend declared	\$28.3	\$39.8	\$45.1	\$45.1	\$45.1	\$80.0	\$283.4
Preference share dividend declared	—	—	\$ 7.4	\$10.1	\$10.1	\$10.1	\$ 37.7

B. Significant Changes

See “Item 18. Financial Statements—Note 30. Subsequent Events” below.

ITEM 9. THE OFFER AND LISTING

Trading on the NYSE

Since our IPO in the United States in 2012, our common shares have been listed on the NYSE under the symbol “GLOG”.

Our Preference Shares have been trading on the NYSE under the symbol “GLOG PR A” since March 31, 2015.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Our authorized share capital consists of 500,000,000 shares, par value \$0.01 per share. As of December 31, 2018, the share capital consisted of 80,861,246 issued and outstanding common shares, par value \$0.01 per share, 131,800 treasury shares and 4,600,000 issued and outstanding Preference Shares.

Pursuant to our bye-laws, subject to any resolution of the shareholders to the contrary, our board of directors is authorized to issue any of our authorized but unissued common shares. There are no limitations on the right of non-Bermudians or non-residents of Bermuda to hold or vote our shares.

B. Memorandum of Association

We are an exempted company incorporated under the laws of Bermuda. We are registered with the Registrar of Companies in Bermuda under registration number 33928. We were incorporated on July 16, 2003 under the name Gaslog Ltd. We effected a change of name from “Gaslog Ltd.” to “GasLog Ltd.” on August 23, 2011 in compliance with the Companies Act. Our registered office is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.

The objects of our business are unrestricted, and the Company has the capacity of a natural person. We can therefore undertake activities without restriction on our capacity.

Common Shares

Holders of our common shares have no pre-emptive, redemption, conversion or sinking fund rights. Holders of our common shares are entitled to one vote per share on all matters submitted to a vote of holders of common shares. Unless a different majority is required by law or by our bye-laws, resolutions to be approved by holders of our common shares require approval by a simple majority of votes cast at a meeting at which a quorum is present.

In the event of our liquidation, dissolution or winding up, the holders of our common shares are entitled to share equally and ratably in our assets, if any, remaining after the payment of all of our debts and liabilities, subject to any liquidation preference on any issued and outstanding preference shares.

Preference Shares

Pursuant to Bermuda law and our bye-laws, our board of directors by resolution may establish one or more series of preference shares having such number of shares, designations, dividend rates, relative voting rights, conversion or exchange rights, redemption rights, liquidation rights and other relative participation, optional or other special rights, qualifications, limitations or restrictions as may be fixed by the board without any further shareholder approval. Of the Company's 500 million authorised shares, 4.6 million have been designated 8.75% Series A Cumulative Redeemable Perpetual Preference Shares.

Dividend Rights

Under Bermuda law, a company may not declare or pay dividends if there are reasonable grounds for believing that: (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of its assets would thereby be less than its liabilities. Under our bye-laws, each common share is entitled to dividends if, as and when dividends are declared by our board of directors.

Any cash dividends payable to holders of our common shares listed on the NYSE will be paid to American Stock Transfer & Trust Company, LLC, our transfer agent in the United States for disbursement to those holders.

Variation of Rights

If at any time we have more than one class of shares, the rights attaching to any class, unless otherwise provided for by the terms of issue of the relevant class, may be varied with the sanction of a resolution passed by a majority of the issued shares of such class. Our bye-laws specify that the creation or issue of shares ranking equally with existing shares will not, unless expressly provided by the terms of issue of existing shares, vary the rights attached to existing shares.

Transfer of Shares

Our board of directors may in its absolute discretion and without assigning any reason refuse to register the transfer of a share that is not fully paid. Our board of directors may also refuse to recognize an instrument of transfer of a share unless it is accompanied by the relevant share certificate and such other evidence of the transferor's right to make the transfer as our board of directors shall reasonably require. In addition, our board of directors may refuse to register the transfer of a share unless all applicable consents, authorizations and permissions of any governmental body or agency in Bermuda have been obtained. Subject to these restrictions, a holder of common shares may transfer the title to all or any of his common shares by completing a form of transfer in the form set out in our bye-laws (or as near thereto as circumstances admit) or in such other common form as the board may accept. The instrument of transfer must be signed by the transferor and transferee, although in the case of a fully paid share our board of directors may accept the instrument signed only by the transferor.

Meetings of Shareholders

We are required to convene at least one general meeting of shareholders each calendar year. Bermuda law provides that a special general meeting of shareholders may be called by the board of directors of a company and must be called upon the request of shareholders holding not less than

10.0% of the paid-up capital of the company carrying the right to vote at general meetings. Bermuda law also requires that shareholders be given at least five days' advance notice of a general meeting, but an unintentional failure notice to any person does not invalidate the proceedings at a meeting. Our bye-laws provide that the Chairman or our board of directors may convene an annual general meeting or a special general meeting. Under our bye-laws, at least 10 days' notice of an annual general meeting or a special general meeting must be given to each shareholder entitled to vote at such meeting. This notice requirement is subject to the ability to hold such meetings on shorter notice if such notice is agreed: (i) in the case of an annual general meeting, by all of the shareholders entitled to attend and vote at such meeting; or (ii) in the case of a special general meeting, by a majority in number of the shareholders entitled to attend and vote at the meeting holding not less than 95.0% in nominal value of the shares entitled to vote at such meeting. The quorum required for a general meeting of shareholders is one or more persons present in person throughout the meeting and representing in person or by proxy in excess of 50.0% of all issued and outstanding common shares. General meetings can be convened at a location in or outside of Bermuda. Our bye-laws provide that our board of directors may, but is not required to, make arrangements permitting shareholders to participate in general meetings by such telephonic, electronic or other communications facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

Access to Books and Records and Dissemination of Information

Members of the general public have a right to inspect public documents of the Company available at the office of the Registrar of Companies in Bermuda. These documents include the Company's memorandum of association, including its objects and powers, and certain alterations to the memorandum of association. Our shareholders have the additional right to inspect the bye-laws of the Company, minutes of general meetings and the Company's audited financial statements, which must be presented to the annual general meeting. The Company's register of members is also open to inspection by shareholders and by members of the general public without charge. The register of members is required under Bermuda law to be open for inspection for not less than two hours in any business day (subject to the ability of a company to close the register of members for not more than thirty days in a year). The Company is required to maintain its share register in Bermuda but may, subject to the provisions of the Companies Act, establish a branch register outside of Bermuda. The Company is required to keep at its registered office a register of directors and officers that is open for inspection for not less than two hours in any business day by members of the public without charge. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records.

Election and Removal of Directors

Our bye-laws provide that our board shall consist of no less than three directors and no more than fifteen directors, as the board of directors may from time to time determine. Our board of directors consists of ten directors.

Any shareholder wishing to propose for election as a director someone who is not an existing director or is not proposed by our board must give notice of the intention to propose the person for election. Where a director is to be elected at an annual general meeting, that notice must be given not less than 90 days nor more than 120 days before the anniversary of the last annual general meeting prior to the giving of the notice or, in the event the annual general meeting is called for a date that is not 30 days before or after such anniversary, the notice must be given not later than 10 days following the earlier of the date on which notice of the annual general meeting was posted to shareholders or the date on which public disclosure of the date of the annual general meeting was made. Where a director is to be elected at a special general meeting that notice must be given not later than 10 days following

the earlier of the date on which notice of the special general meeting was posted to shareholders or the date on which public disclosure of the date of the special general meeting was made.

A director may be removed by the shareholders, provided notice of the shareholders' meeting convened to remove the director is given to the director. The notice must contain a statement of the intention to remove the director and must be served on the director not less than 14 days before the meeting. The director is entitled to attend the meeting and be heard on the motion for his or her removal.

Holders of our Preference Shares generally have no voting rights except (i) in respect of amendments to the memorandum of association which would adversely vary the rights of the Preference Shares, (ii) in the event that the Company proposes to issue any parity shares if the cumulative dividends payable on issued and outstanding Preference Shares are in arrears or any senior shares or (iii) in the event of a proposed amalgamation or merger of the Company. However, if and whenever dividends payable on the Preference Shares are in arrears for six or more quarterly periods, whether or not consecutive, holders of Preference Shares (voting together as a class with all other classes or series of parity securities upon which like voting rights have been conferred and are exercisable) will be entitled to elect one additional director to serve on our board of directors, and the size of our board of directors will be increased as needed to accommodate such change (unless the size of our board of directors already has been increased by reason of the election of a director by holders of parity securities upon which like voting rights have been conferred and with which the Preference Shares voted as a class for the election of such director). The right of such holders of Preference Shares to elect a member of our board of directors will continue until such time as all accumulated and unpaid dividends on the Preference Shares have been paid in full.

Proceedings of Board of Directors

Our bye-laws provide that our business is to be managed and conducted by our board of directors. There is no requirement in our bye-laws or Bermuda law that directors hold any of our shares. There is also no requirement in our bye-laws or Bermuda law that our directors must retire at a certain age.

The remuneration of our directors is determined by the board of directors, and there is no requirement that a specified number or percentage of "independent" directors must approve any such determination. Our directors may also be paid all travel, hotel and other expenses properly incurred by them in connection with our business or their duties as directors.

Director Conflicts of Interest

Any conflict of interest question involving one or more of the Company's directors will be resolved by the audit and risk committee of the board of directors.

In the event that a director has a direct or indirect interest in any contract or arrangement with the Company, provided that the director discloses such interest as required by Bermuda law, such director is entitled under our bye-laws to vote in respect of any such contract or arrangement in which he or she is interested unless he or she is disqualified from voting by the Chairman of our board of directors. In the event that the Chairman has disclosed a direct or indirect interest in a contract or arrangement with us, the determination as to whether the Chairman and any other interested director should be disqualified from voting will be made by a majority of the disinterested directors.

Bermuda law prohibits any director (including the spouse or children of the director or any company of which such director, spouse or children own or control more than 20.0% of the capital or loan debt) from borrowing from us (except loans made to directors who are bona fide employees or former employees pursuant to an employees' share scheme) unless shareholders holding 90.0% of the total voting rights have consented to the loan.

Indemnification of Directors and Officers

Section 98 of the Companies Act provides generally that a Bermuda company may indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermuda company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is awarded in their favor or in which they are acquitted or granted relief by the Supreme Court of Bermuda pursuant to section 281 of the Companies Act.

We have adopted provisions in our bye-laws that provide that we shall indemnify our officers and directors in respect of their actions and omissions, except in respect of their fraud or dishonesty. Our bye-laws provide that the shareholders waive all claims or rights of action that they might have, individually or in right of the Company, against any of the Company's directors or officers for any act or failure to act in the performance of such director's or officer's duties, except in respect of any fraud or dishonesty of such director or officer. Section 98A of the Companies Act permits us to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him in respect of any negligence, default, breach of duty or breach of trust, whether or not we may otherwise indemnify such officer or director. We have purchased and maintain directors' and officers' liability insurance for such purpose. We have also entered into indemnification agreements with our directors and officers. See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions".

Amendment of Memorandum of Association and Bye-laws

Bermuda law provides that the memorandum of association of a company may be amended by a resolution passed at a general meeting of shareholders. Our bye-laws provide that no bye-law shall be rescinded, altered or amended, and no new bye-law shall be made, unless it shall have been approved by a resolution of our board of directors and by a resolution of our shareholders including the affirmative votes of at least a majority of all issued and outstanding shares.

Under Bermuda law, the holders of an aggregate of not less than 20.0% in par value of a company's issued share capital or any class thereof have the right to apply to the Supreme Court of Bermuda for an annulment of any amendment of the memorandum of association adopted by shareholders at any general meeting, other than an amendment which alters or reduces a company's share capital as provided in the Companies Act. Where such an application is made, the amendment becomes effective only to the extent that it is confirmed by the Bermuda court. An application for an annulment of an amendment of the memorandum of association must be made within twenty-one days after the date on which the resolution altering the company's memorandum of association is passed and may be made on behalf of persons entitled to make the application by one or more of their number as they may appoint in writing for the purpose. No application may be made by shareholders voting in favor of the amendment.

Amalgamations, Mergers and Business Combinations

The amalgamation or merger of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation or merger agreement to be approved by the company's board of directors and by its shareholders. Unless the company's bye-laws provide otherwise, the approval of 75.0% of the shareholders voting at such meeting is required to approve the amalgamation or merger agreement, and the quorum for such meeting must be two persons holding or representing more than one-third of the issued shares of the company. Our bye-laws provide that a

merger or an amalgamation must only be approved by the affirmative votes of a majority of the votes attaching to all issued and outstanding shares entitling the shareholder to vote on such resolutions.

Under Bermuda law, in the event of an amalgamation or merger of a Bermuda company with another company or corporation, a shareholder of the Bermuda company who did not vote in favor of the amalgamation or merger and who is not satisfied that fair value has been offered for such shareholder's shares may, within one month of notice of the shareholders' meeting, apply to the Supreme Court of Bermuda to appraise the fair value of those shares.

Shareholder Suits

Class actions and derivative actions are generally not available to shareholders under Bermuda law. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or illegal, or would result in the violation of the company's memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it.

When the affairs of a company are being conducted in a manner that is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company.

Our bye-laws contain a provision which provides that in the event any dispute arises concerning the Companies Act or out of our bye-laws, including whether there has been a breach of the Companies Act or our bye-laws by an officer or director, any such dispute shall be subject to the exclusive jurisdiction of the Supreme Court of Bermuda. In addition, our bye-laws contain a provision by virtue of which our shareholders waive any claim or right of action that they have, both individually and on our behalf, against any director or officer in relation to any action or failure to take action by such director or officer, except in respect of any fraud or dishonesty of such director or officer.

Capitalization of Profits and Reserves

Pursuant to our bye-laws, our board of directors may (i) capitalize any part of the amount of our share premium or other reserve accounts or any amount credited to our profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata (except in connection with the conversion of shares) to the shareholders; or (ii) capitalize any sum standing to the credit of a reserve account or sums otherwise available for dividend or distribution by paying up in full, partly paid or nil paid shares of those shareholders who would have been entitled to such sums if they were distributed by way of dividend or distribution.

Calls on Shares and Forfeiture

In the event of any issuance by the Company of shares that are not fully paid, our board of directors may make such calls as it thinks fit upon the holders of such partly paid shares in respect of any amounts unpaid on such shares (and not made payable at fixed times by the terms and conditions of issue). If a call on partly paid shares is not paid on or before the day appointed for payment thereof, the holder of such shares may at the discretion of our board of directors be liable to pay the Company interest on the amount of such call and our board of directors may direct the secretary of the Company to forward such shareholder a notice in writing demanding payment. If the requirements of such notice

are not complied with, any such share may at any time thereafter, until the payment of all amounts due, be forfeited by a resolution of our board of directors to that effect, and such share shall thereupon become the property of the Company and may be disposed of as our board of directors shall determine.

Untraced Shareholders

Our bye-laws provide that our board of directors may forfeit any dividend or other monies payable in respect of any shares that remain unclaimed for six years from the date when such monies became due for payment. In addition, we are entitled to cease sending dividend warrants and checks by post or otherwise to a shareholder if such instruments have been returned undelivered to, or left uncashed by, such shareholder on at least two consecutive occasions or, following one such occasion, reasonable enquires have failed to establish the shareholder's new address. This entitlement ceases if the shareholder claims a dividend or cashes a dividend check or a warrant.

Certain Provisions of Bermuda Law

We have been designated by the Bermuda Monetary Authority as a non-resident for Bermuda exchange control purposes. This designation allows us to engage in transactions in currencies other than the Bermuda dollar, and there are no exchange control restrictions on our ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to U.S. residents who are holders of our common shares or our Preference Shares.

The Bermuda Monetary Authority has given its consent for the issue and free transferability of all our common shares to and between non-residents of Bermuda for exchange control purposes, provided that our shares remain listed on an appointed stock exchange, which includes the NYSE. Approvals or permissions given by the Bermuda Monetary Authority do not constitute a guarantee by the Bermuda Monetary Authority as to our performance or our creditworthiness. Accordingly, in giving such consent or permissions, the Bermuda Monetary Authority shall not be liable for the financial soundness, performance or default of our business or for the correctness of any opinions or statements expressed in this annual report. Certain issues and transfers of common shares involving persons deemed resident in Bermuda for exchange control purposes require the specific consent of the Bermuda Monetary Authority.

In accordance with Bermuda law, share certificates are only issued in the names of companies, partnerships or individuals. In the case of a shareholder acting in a special capacity (for example as a trustee), certificates may, at the request of the shareholder, record the capacity in which the shareholder is acting. Notwithstanding such recording of any special capacity, we are not bound to investigate or see to the execution of any such trust. We will take no notice of any trust applicable to any of our shares, whether or not we have been notified of such trust.

C. Material Contracts

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which we or any of our subsidiaries is a party, for the two years immediately preceding the date of this annual report. Such summaries are not intended to be complete and reference is made to the contracts themselves, which are exhibits to this annual report.

- (a) Registration Rights Agreement among GasLog Ltd. and the shareholders named therein, dated as of April 4, 2012; please see "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Registration Rights Agreement".
- (b) Facility Agreement dated December 23, 2011, relating to a \$435,000,000 loan facility among GAS-eight Ltd., GAS-nine Ltd. and GAS-ten Ltd. as borrowers, DnB Bank ASA,

Commonwealth Bank of Australia, Danish Ship Finance A/S, ING Bank N.V. and Skandinaviska Enskilda Banken AB (publ) as mandated lead arrangers, the financial institutions listed in Schedule 1 thereto as lenders, the financial institutions listed in Schedule 1 thereto as hedging providers and DnB Bank ASA as bookrunner, agent and security agent; please see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Credit Facilities”.

- (c) Master Time Charter Party among GAS-one Ltd., GAS-two Ltd., GAS-three Ltd., GAS-four Ltd., GAS-five Ltd., GAS-six Ltd. and Methane Services Limited, dated May 9, 2011; please see “Item 4. Information on the Company—B. Business Overview—Ship Time Charters”.
- (d) Appendix to the Private Agreement of Professional Hiring (English translation), dated December 1, 2010 and October 1, 2011, between Nea Dimitra Ktimatikh Kai Emporikh S.A. and GasLog LNG Services Ltd.; please see “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Office Space and Related Arrangements”.
- (e) Form of Indemnification Agreement for the Company’s directors and certain officers; please see “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Indemnification Agreements”.
- (f) Restrictive Covenant Agreement among GasLog Ltd., Peter G. Livanos and Blenheim Holdings Ltd., dated April 4, 2012; please see “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Restrictive Covenant Agreement”.
- (g) GasLog Ltd. 2013 Omnibus Incentive Compensation Plan; please see “Item 6. Directors, Senior Management and Employees—B. Compensation of Directors and Senior Management—Equity Compensation Plans”.
- (h) Facility Agreement for up to \$450,000,000 Loan Facility dated November 12, 2014 among GAS-three Ltd., GAS-four Ltd., GAS-five Ltd., GAS-sixteen Ltd. and GAS-seventeen Ltd. as borrowers, Citibank, N.A., London Branch, Nordea Bank Finland Plc, London Branch, DVB Bank America N.V., ABN Amro Bank N.V., Skandinaviska Enskilda Banken AB (Publ) and BNP Paribas, as mandated lead arrangers, the financial institutions listed in Schedule 1 thereto as lenders, Citibank, N.A., London Branch as bookrunner and security agent, and Citibank International Limited as agent and security trustee; please see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Credit Facilities”.
- (i) Corporate Guarantee between GasLog Partners LP and Citibank, N.A., London Branch, dated November 12, 2014; please see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Credit Facilities”.
- (j) Facilities Agreement for \$1,311,356,340 Loan Facilities dated October 16, 2015 between GAS-eleven Ltd., GAS-twelve Ltd., GAS-thirteen Ltd., GAS-fourteen Ltd., GAS-twenty two Ltd., GAS-twenty three Ltd., GAS-twenty four Ltd., GAS-twenty five Ltd., as borrowers, Citibank, N.A., London Branch, Nordea Bank AB, London Branch, The Export-Import Bank of Korea, Bank of America, National Association, BNP Paribas, Credit Agricole Corporate and Investment Bank, Credit Suisse AG, HSBC Bank plc, ING Bank N.V., London Branch, KEB Hana Bank, London Branch, KfW IPEX-Bank GmbH, National Australia Bank Limited, Oversea-Chinese Banking Corporation Limited, Societe Generale and The Korea Development Bank as mandated lead arrangers with Nordea Bank AB, London Branch as agent, security agent, global co-ordinator and bookrunner and Citibank N.A., London Branch as export credit agent, global co-ordinator, bookrunner and export credit agent co-ordinator, guaranteed by GasLog Ltd. and GasLog Carriers Ltd.; please see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Credit Facilities”.

- (k) Senior Facility Agreement dated February 18, 2016, relating to a \$396,500,000 loan facility among GAS-eighteen Ltd., GAS-nineteen Ltd., GAS-twenty Ltd., GAS-twenty one Ltd. and GAS-twenty seven Ltd. as borrowers, ABN AMRO Bank N.V. and DNB (UK) Ltd. as mandated lead arrangers, original lenders and bookrunners, DVB Bank America N.V as mandated lead arranger and original lender, Commonwealth Bank of Australia, ING Bank N.V., London Branch, Credit Agricole Corporate and Investment Bank, National Australia Bank Limited as original lenders and DNB Bank ASA, London Branch as agent and security agent; please see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Credit Facilities”.
- (l) Junior Facility Agreement dated February 18, 2016, relating to a \$180,000,000 loan facility among GAS-eighteen Ltd., GAS-nineteen Ltd., GAS-twenty Ltd., GAS-twenty one Ltd. and GAS-twenty seven Ltd. as borrowers, ABN AMRO Bank N.V. and DNB (UK) Ltd. as mandated lead arrangers, original lenders and bookrunners, DVB Bank America N.V as mandated lead arranger and original lender, Commonwealth Bank of Australia, ING Bank N.V., London Branch, as original lenders and DNB Bank ASA, London Branch as agent and security agent.; please see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Credit Facilities”.
- (m) Form of Corporate Guarantee between GasLog Ltd. and DNB Bank ASA, London Branch (provided in respect of the Junior Facility Agreement and the Senior Facility Agreement, each dated February 18, 2016); please see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Credit Facilities”.
- (n) Form of Corporate Guarantee between GasLog Partners LP and DNB Bank ASA, London Branch (provided in respect of the Junior Facility Agreement and the Senior Facility Agreement, each dated February 18, 2016); please see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Credit Facilities”.
- (o) Facilities Agreement dated July 19, 2016, relating to \$1,050,000,000 Term Loan and Revolving Credit Facilities among GAS-one Ltd., GAS-two Ltd., GAS-six Ltd., GAS-seven Ltd., GAS-eight Ltd., GAS-nine Ltd., GAS-ten Ltd. and GAS-fifteen Ltd. as borrowers, Citigroup Global Market Limited, Credit Suisse AG, Nordea Bank AB, London Branch, Skandinaviska Enskilda Banken AB (publ), HSBC Bank plc, ING Bank N.V., London Branch, Danmarks Skibskredit A/S and The Korea Development Bank as mandated lead arrangers and DVB Bank America N.V. as arranger with Nordea Bank AB, London Branch as agent and security agent; please see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Credit Facilities”.
- (p) Exchange Agreement among GasLog Partners LP, GasLog Partners GP LLC and GasLog Ltd. dated November 27, 2018; please see “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Exchange Agreement”.
- (q) Facilities Agreement dated February 20, 2019, relating to \$450,000,000 Revolving Credit Facility among GAS-three Ltd., GAS-four Ltd., GAS-five Ltd., Gas-sixteen Ltd., GAS-seventeen Ltd., as borrowers, Credit Suisse AG, Nordea Bank Abp, Filial I Norge, The IyoBank, Ltd. Singapore Branch as the Original Lenders with Nordea Bank Abp, Filial I Norge as agent and the security agent, and Credit Suisse AG as mandated lead arranger, global co-ordinator and bookrunner, guaranteed by GasLog Partners LP and GasLog Partners Holdings LLC.; please see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Credit Facilities”.

D. Exchange Controls and Other Limitations Affecting Security Holders

Under Bermuda law, there are currently no restrictions on the export or import of capital, including foreign exchange controls or restrictions that affect the remittance of dividends, interest or other payments to non-resident holders of our common shares.

We have been designated by the Bermuda Monetary Authority as a non-resident for Bermuda exchange control purposes. This designation allows us to engage in transactions in currencies other than the Bermuda dollar, and there are no exchange control restrictions on our ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to U.S. residents who are holders of our common shares.

Under Bermuda law, “exempted” companies are companies formed for the purpose of conducting business outside Bermuda from a principal place of business in Bermuda. As an exempted company, we may not, without a license or consent granted by the Minister of Finance, participate in certain business transactions, including transactions involving Bermuda landholding rights and the carrying on of business of any kind, for which we are not licensed in Bermuda.

E. Tax Considerations

Bermuda Tax Considerations

The following discussion summarizes the material Bermuda tax consequences to us of our activities and, subject to the limitations described above, to you as a holder of our shares. At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by us or by our shareholders in respect of our shares. We have obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 of Bermuda, as amended, that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until March 31, 2035, be applicable to us or to any of our operations or to our shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by us in respect of real property owned or leased by us in Bermuda. Given the limited duration of the Bermuda Minister of Finance’s assurance, we can give no assurance that we will not be subject to any Bermuda tax after March 31, 2035.

Material U.S. Federal Income Tax Considerations

The following discussion summarizes the material U.S. Federal income tax consequences to us of our activities and, subject to the limitations described above, to you as a holder of our common shares or Preference Shares. For purposes of this tax discussion, “we” or “our” refer to GasLog Ltd.

The following discussion of U.S. Federal income tax matters is based on the Code, judicial decisions, administrative pronouncements, and existing and proposed regulations issued by the U.S. Department of the Treasury, all of which are subject to change, possibly with retroactive effect. This discussion does not address any U.S. state or local taxes. You are encouraged to consult your own tax advisor regarding the particular U.S. Federal, state and local and foreign income and other tax consequences of acquiring, owning and disposing of our common shares or Preference Shares that may be applicable to you.

U.S. Taxation of Our Operating Income

We have elected to treat a majority of our subsidiaries as disregarded entities for U.S. Federal income tax purposes. The entities that are considered disregarded entities for U.S. Federal income tax purposes should be treated as branches rather than corporations for U.S. Federal income tax purposes.

Currently, no election has been filed to treat GasLog LNG Services Ltd., GasLog Services UK Ltd., GasLog Asia Pte. Ltd., GasLog Investments Ltd., GasLog Monaco S.A.M., GasLog Shipping Limited, GasLog Shipping Company Ltd., and Egypt LNG Shipping Ltd. as disregarded entities for U.S. Federal income tax purposes. As a result, these entities and GasLog Services U.S. Inc. will continue to be treated as corporations for U.S. Federal income tax purposes.

U.S. Taxation of Shipping Income

Subject to the discussion of “effectively connected” income below, unless we are exempt from U.S. Federal income tax under the rules contained in Section 883 of the Code, we will be subject to U.S. Federal income tax under the rules of Section 887 of the Code, which imposes on us a 4% U.S. Federal income tax in respect of our U.S. source gross transportation income (without the allowance for deductions).

For this purpose, U.S. source gross transportation income includes 50% of the shipping income that is attributable to transportation that begins or ends (but that does not both begin and end) in the United States. Shipping income attributable to transportation exclusively between non-U.S. ports is generally not subject to any U.S. Federal income tax.

For this purpose, “shipping income” means income that is derived from:

- (i) the use of ships;
- (ii) the hiring or leasing of ships for use on a time, operating or bareboat charter basis;
- (iii) the participation in a pool, partnership, strategic alliance, joint operating agreement or other joint venture we directly or indirectly own or participate in that generates such income; or
- (iv) the performance of services directly related to those uses.

Under Section 883 of the Code and the regulations thereunder, we will be exempt from U.S. Federal income tax on our U.S. source gross transportation income if:

- (i) we are organized in a foreign country (the “country of organization”) that grants an “equivalent exemption” to corporations organized in the United States; and
- (ii) either
 - (a) more than 50% of the value of our shares is owned, directly or indirectly, by individuals who are “residents” of our country of organization or of another foreign country that grants an equivalent exemption to corporations organized in the United States (the “50% Ownership Test”), or
 - (b) our shares are “primarily and regularly traded on an established securities market” in our country of organization, in another country that grants an equivalent exemption to U.S. corporations, or in the United States (the “Publicly-Traded Test”).

We have qualified for the statutory tax exemption for the year of 2018 and intend to continue to qualify for the foreseeable future. However, no assurance can be given that this will be the case. If we are not entitled to this exemption under Section 883 for any taxable year we would be subject to the 4% U.S. Federal income (subject to the discussion of “effectively connected income” below).

To the extent the exemption under Section 883 is unavailable, our U.S. source gross transportation income in future years that is considered to be “effectively connected” with the conduct of a U.S. trade or business is subject to the U.S. corporate income tax currently imposed at rate of up to 21% (net of applicable deductions). In addition, we may be subject to the 30% U.S. “branch profits” tax on earnings effectively connected with the conduct of such trade or business, as determined after

allowance for certain adjustments, and on certain interest paid or deemed paid attributable to the conduct of our U.S. trade or business.

Our U.S. source gross transportation income would be considered effectively connected with the conduct of a U.S. trade or business only if:

- (i) we had, or were considered to have, a fixed place of business in the United States involved in the earning of U.S. source gross transportation income; and
- (ii) substantially all of our U.S. source gross transportation income was attributable to regularly scheduled transportation, such as the operation of a ship that followed a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the United States.

We believe that we will not meet these conditions because we will not have, or permit circumstances that would result in having, such a fixed place of business in the United States or any ship sailing to or from the United States on a regularly scheduled basis.

In addition, income attributable to transportation that both begins and ends in the United States is not subject to the tax rules described above. Such income is subject to either a 30% gross-basis tax or to U.S. corporate income tax on net income at a rate of up to 21% (and the branch profits tax discussed above). Although there can be no assurance, we do not expect to engage in transportation that produces shipping income of this type.

Taxation of Gain on Sale of Shipping Assets

Regardless of whether we qualify for the exemption under Section 883 of the Code, we will not be subject to U.S. Federal income taxation with respect to gain realized on a sale of a ship, provided the sale is considered to occur outside of the United States (as determined under U.S. tax principles). In general, a sale of a ship will be considered to occur outside of the United States for this purpose if title to the ship (and risk of loss with respect to the ship) passes to the buyer outside of the United States. We expect that any sale of a ship will be so structured that it will be considered to occur outside of the United States.

U.S. Federal Income Taxation of U.S. Holders

You are a “U.S. holder” if you are a beneficial owner of our common shares or Preference Shares that owns (actually or constructively) less than 10% of our equity and you are (i) a U.S. citizen or resident, (ii) a U.S. corporation (or other U.S. entity taxable as a corporation), (iii) an estate the income of which is subject to U.S. Federal income taxation regardless of its source or (iv) a trust if (x) a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (y) the trust has a valid election in effect to be treated as a U.S. Federal income tax purposes.

If a partnership holds our common shares or Preference Shares, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner in a partnership holding our common shares or Preference Shares, you should consult your tax advisor.

Distributions on Our Common Shares and Preference Shares

Subject to the discussion of “passive foreign investment companies”, or “PFICs”, below, any distributions with respect to our common shares or Preference Shares that you receive from us generally will constitute dividends to the extent of our current or accumulated earnings and profits (as determined under U.S. tax principles). Distributions in excess of our earnings and profits will be treated

first as a nontaxable return of capital to the extent of your tax basis in our common shares or Preference Shares (on a dollar-for-dollar basis) and thereafter as capital gain.

If you are a U.S. corporation (or a U.S. entity taxable as a corporation), you generally will not be entitled to claim a dividends-received deduction with respect to any distributions you receive from us.

Dividends paid with respect to our common shares or Preference Shares will generally be treated as “passive category income” for purposes of computing allowable foreign tax credits for U.S. foreign tax credit purposes.

If you are an individual, trust or estate, dividends you receive from us should be treated as “qualified dividend income” taxed at a maximum preferential rate of 15% or 20%, depending on the income level of the individual, provided that:

- (i) our common shares or Preference Shares, as the case may be, are readily tradable on an established securities market in the United States (such as the NYSE);
- (ii) we are not a PFIC for the tax year during which the dividend is paid or the immediately preceding tax year (see the discussion below under “—PFIC Status and Significant Tax Consequences”);
- (iii) you own our common shares or Preference Shares for more than 60 days in the 121-day period beginning 60 days before the date on which the common shares or Preference Shares become ex-dividend;
- (iv) you are not under an obligation to make related payments with respect to positions in substantially similar or related property; and
- (v) certain other conditions are met.

Special rules may apply to any “extraordinary dividend”. Generally, an extraordinary dividend is a dividend in an amount that is equal to (or in excess of) 10% of your adjusted tax basis (or fair market value in certain circumstances) in a share of our common shares (5% in the case of Preference Shares). If we pay an extraordinary dividend on our common shares or Preference Shares that is treated as “qualified dividend income” and if you are an individual, estate or trust, then any loss derived by you from a subsequent sale or exchange of such common shares or Preference Shares will be treated as long-term capital loss to the extent of such dividend.

There is no assurance that dividends you receive from us will be eligible for the preferential tax rates applicable to qualified dividend income. Dividends you receive from us that are not eligible for the preferential tax rates will be taxed at the ordinary income rates.

Sale, Exchange or Other Disposition of Common Shares and Preference Shares

Provided that we are not a PFIC for any tax year, you generally will recognize taxable gain or loss upon a sale, exchange or other disposition of our common shares or Preference Shares in an amount equal to the difference between the amount realized by you from such sale, exchange or other disposition and your tax basis in such shares. Such gain or loss will be treated as long-term capital gain or loss if your holding period is greater than one year at the time of the sale, exchange or other disposition. Such capital gain or loss will generally be treated as U.S. source income or loss, as applicable, for U.S. foreign tax credit purposes. Your ability to deduct capital losses against ordinary income is subject to limitations.

Unearned Income Medicare Contribution Tax

Each U.S. holder who is an individual, estate or trust is generally subject to a 3.8% Medicare tax on the lesser of (i) such U.S. holder’s “net investment income” for the relevant tax year, and (ii) the

excess of such U.S. holder's modified adjusted gross income for the tax year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's circumstances). For this purpose, net investment income generally includes dividends on and capital gains from the sale, exchange or other disposition of our common shares or Preference Shares, subject to certain exceptions. You are encouraged to consult your own tax advisor regarding the applicability of the Medicare tax to your income and gains from your ownership of our common shares or Preference Shares.

PFIC Status and Significant Tax Consequences

In General

Special U.S. Federal income tax rules apply to you if you hold shares in a non-U.S. corporation that is classified as a PFIC for U.S. Federal income tax purposes. In general, under Section 1297 of the Code, we will be treated as a PFIC in any tax year in which, after applying certain look-through rules, either:

- (i) at least 75% of our gross income including our proportionate share of the gross income of our vessel-owning subsidiaries for such tax year consists of passive income (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business); or
- (ii) at least 50% of the average value of our assets including our proportionate share of the assets of our vessel-owning subsidiaries during such tax year that produce, or are held for the production of, passive income.

Income we earn, or are deemed to earn, in connection with the performance of services will not constitute passive income. By contrast, rental income will generally constitute passive income (unless we are treated under certain special rules as deriving our rental income in the active conduct of a trade or business).

There are legal uncertainties involved in determining whether the income derived from time chartering activities constitutes rental income or income derived from the performance of services. In *Tidewater Inc. v. United States*, 565 F.2d 299 (5th Cir. 2009), the Fifth Circuit held that income derived from certain time chartering activities should be treated as rental income rather than services income for purposes of a provision of the Code relating to foreign sales corporations. In published guidance, however, the IRS stated that it disagreed with the holding in *Tidewater*, and specified that time charters should be treated as service contracts. Since we have chartered all our ships to unrelated charterers on the basis of time charters and since we expect to continue to do so, we believe that we are not a PFIC. We have received an opinion from our counsel, Cravath, Swaine & Moore LLP, that (i) the income we receive from time chartering activities and assets engaged in generating such income should not be treated as passive income or assets, respectively, and (ii) for the tax year during which our initial public offering occurred and each tax year thereafter, we should not be a PFIC. This opinion is based and its accuracy is conditioned on representations, valuations and projections provided by us regarding the nature of our assets, income and charters to our counsel. While we believe these representations, valuations and projections to be accurate, the shipping market is volatile and no assurance can be given that they will continue to be accurate. Moreover, we have not sought, and we do not expect to seek, an IRS ruling on this matter. As a result, the IRS or a court could disagree with our position. No assurance can be given that this result will not occur. In addition, although we intend to conduct our affairs in a manner to avoid, to the extent possible, being classified as a PFIC with respect to any tax year, we can give no assurance that the nature of our operations will not change in the future, or that we can avoid PFIC status in the future.

If we were to be treated as a PFIC for any tax year, you generally would be subject to one of three different U.S. Federal income tax regimes, as discussed below, depending on whether or not you make

certain elections. Additionally, for each year during which you own our common shares or Preference Shares, we are a PFIC and the total value of all PFIC stock that you directly or indirectly own exceeds certain thresholds, you will be required to file IRS Form 8621 with your U.S. Federal income tax return to report your ownership of our common shares or Preference Shares.

The PFIC rules are complex, and you are encouraged to consult your own tax advisor regarding the PFIC rules, including the annual PFIC reporting requirement.

Taxation of U.S. Holders Making a Timely QEF Election

If we were a PFIC and if you make a timely election to treat us as a “Qualifying Electing Fund” for U.S. tax purposes (a “QEF Election”), you would be required to report each year your pro rata share of our ordinary earnings and our net capital gain for our tax year that ends with or within your tax year, regardless of whether we make any distributions to you. Such income inclusions would not be eligible for the preferential tax rates applicable to qualified dividend income (as discussed above under “U.S. Federal Income Taxation of U.S. Holders—Distributions on Our Common Shares and Preference Shares”). Your adjusted tax basis in our common shares or Preference Shares would be increased to reflect such taxed but undistributed earnings and profits. Distributions of earnings and profits that had previously been taxed would result in a corresponding reduction in your adjusted tax basis in our common shares or Preference Shares and would not be taxed again once distributed. You generally would recognize capital gain or loss on the sale, exchange or other disposition of our common shares or Preference Shares. Even if you make a QEF Election for one of our tax years, if we were a PFIC for a prior tax year during which you held our common shares or Preference Shares and for which you did not make a timely QEF Election, you would also be subject to a more adverse regime described below under “—Taxation of U.S. Holders That Make No Election”.

You would make a QEF Election by completing and filing IRS Form 8621 with your U.S. Federal income tax return for the year for which the election is made in accordance with the relevant instructions. If we were to become aware that we were to be treated as a PFIC for any tax year, we would notify all U.S. holders of such treatment and would provide all necessary information to any U.S. holder who requests such information in order to make the QEF Election described above with respect to us.

Taxation of U.S. Holders Making a Timely “Mark-to-Market” Election

Alternatively, if we were to be treated as a PFIC for any tax year and, as we believe, our common shares or Preference Shares are treated as “marketable stock”, you would be allowed to make a “mark-to-market” election with respect to our common shares or Preference Shares, provided you complete and file IRS Form 8621 with your U.S. Federal income tax return for the year for which the election is made in accordance with the relevant instructions. If that election is made, you generally would include as ordinary income in each tax year the excess, if any, of the fair market value of our common shares or Preference Shares at the end of the tax year over your adjusted tax basis in our common shares or Preference Shares. You also would be permitted an ordinary loss in respect of the excess, if any, of your adjusted tax basis in our common shares or Preference Shares over its fair market value at the end of the tax year (but only to the extent of the net amount previously included in income as a result of the mark-to-market election). Your tax basis in our common shares or Preference Shares would be adjusted to reflect any such income or loss amount. Gain realized on the sale, exchange or other disposition of our common shares or Preference Shares would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of the common shares or Preference Shares would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included by you.

Taxation of U.S. Holders That Make No Election

Finally, if we were treated as a PFIC for any tax year and if you did not make either a QEF Election or a “mark-to-market” election for that year, you would be subject to special rules with respect to (i) any excess distribution (that is, the portion of any distributions received by you on our common shares or Preference Shares in a tax year in excess of 125% of the average annual distributions received by you in the three preceding tax years, or, if shorter, your holding period for our common shares or Preference Shares) and (ii) any gain realized on the sale, exchange or other disposition of our common shares or Preference Shares. Under these special rules:

- (i) the excess distribution or gain would be allocated ratably over your aggregate holding period for our common shares or Preference Shares;
- (ii) the amount allocated to the current tax year and any tax year prior to the tax year we were first treated as a PFIC with respect to such U.S. holder who does not make a QEF Election or a “mark-to-market” election would be taxed as ordinary income; and
- (iii) the amount allocated to each of the other tax years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other tax year.

U.S. Federal Income Taxation of Non-U.S. Holders

You are a “non-U.S. holder” if you are a beneficial owner of our common shares or Preference Shares (other than a partnership for U.S. tax purposes) and you are not a U.S. holder.

Distributions on Our Common Shares and Preference Shares

You generally will not be subject to U.S. Federal income or withholding taxes on a distribution received from us with respect to our common shares or Preference Shares, unless the income arising from such distribution is effectively connected with your conduct of a trade or business in the United States. If you are entitled to the benefits of an applicable income tax treaty with respect to that income, that income generally is taxable in the United States only if it is attributable to a permanent establishment maintained by you in the United States.

Sale, Exchange or Other Disposition of Our Common Shares and Preference Shares

You generally will not be subject to U.S. Federal income tax or withholding tax on any gain realized upon the sale, exchange or other disposition of our common shares or Preference Shares, unless:

- (i) the gain is effectively connected with your conduct of a trade or business in the United States. If you are entitled to the benefits of an applicable income tax treaty with respect to that gain, that gain generally is taxable in the United States only if it is attributable to a permanent establishment maintained by you in the United States; or
- (ii) you are an individual who is present in the United States for 183 days or more during the tax year of disposition and certain other conditions are met.

Gain that is effectively connected with the conduct of a trade or business in the United States (or so treated) generally will be subject to U.S. Federal income tax (net of certain deductions) at regular U.S. Federal income tax rates. If you are a corporate non-U.S. holder, your earnings and profits that are attributable to the effectively connected income (subject to certain adjustments) may be subject to an additional U.S. branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable tax treaty).

United States Backup Withholding and Information Reporting

In General

In general, if you are a non-corporate U.S. holder, dividend payments (or other taxable distributions) made within the United States will be subject to information reporting requirements and backup withholding tax if you:

- (i) fail to provide an accurate taxpayer identification number;
- (ii) are notified by the IRS that you have failed to report all interest or dividends required to be shown on your U.S. Federal income tax returns; or
- (iii) in certain circumstances, fail to comply with applicable certification requirements.

If you are a non-U.S. holder, you may be required to establish your exemption from information reporting and backup withholding by certifying your status on IRS Form W-8BEN, W-8BEN-E, W-8ECI or W-8IMY, as applicable.

If you sell our common shares or Preference Shares to or through a U.S. office or broker, the payment of the sales proceeds is subject to both U.S. backup withholding and information reporting unless you certify that you are a non-U.S. person, under penalties of perjury, or you otherwise establish an exemption. If you sell our common shares or Preference Shares through a non-U.S. office of a non-U.S. broker and the sales proceeds are paid to you outside the United States, then information reporting and backup withholding generally will not apply to that payment.

However, U.S. information reporting requirements (but not backup withholding) will apply to a payment of sales proceeds, even if that payment is made outside the United States, if you sell our common shares or Preference Shares through a non-U.S. office of a broker that is a U.S. person or has certain other connections with the United States.

Backup withholding tax is not an additional tax. Rather, you generally may obtain a refund of any amounts withheld under backup withholding rules that exceed your income tax liability by accurately completing and timely filing a refund claim with the IRS.

Tax Return Disclosure

U.S. individuals who hold certain “specified foreign financial assets” (which include shares in a foreign corporation) with values in excess of certain dollar thresholds are subject to U.S. return disclosure obligations (and related penalties for failure to disclose). Such U.S. individuals are required to file IRS Form 8938 with their U.S. Federal income tax returns. You are encouraged to consult your own tax advisors concerning the filing of IRS Form 8938.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the informational requirements of the Exchange Act. In accordance with these requirements, we file reports and other information as a foreign private issuer with the SEC. You may obtain copies of all or any part of such materials from the SEC upon payment of prescribed fees. You

may also inspect reports and other information regarding companies, such as us, that file electronically with the SEC without charge at a web site maintained by the SEC at <http://www.sec.gov>.

I. Subsidiary Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various market risks, including interest rate and foreign currency exchange risks. The Group makes use of derivative financial instruments such as derivative contracts to maintain the desired level of exposure arising from these risks.

A discussion of our accounting policies for derivative financial instruments is included in Note 2 to our audited consolidated financial statements included elsewhere in this report. Further information on our exposure to market risk is included in Note 24 to our audited consolidated financial statements included elsewhere in this report.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

There has been no material default in the payment of principal, interest, sinking or purchase fund installments or any other material default relating to the Group's debt. There have been no arrears in payment of dividends on, or material delinquency with respect to, any class of preference shares of the Group.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

On November 27, 2018, we and the Partnership entered into an agreement to modify the partnership agreement with respect to our incentive distribution rights. The modification reduced our incentive distribution rights on quarterly distributions above \$0.5625 per unit from 48% to 23%. We further agreed to waive the incentive distribution payments resulting from any asset or business acquired by the Partnership from a third party. In exchange for these modifications, the Partnership paid \$25.0 million to us.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of December 31, 2018. Based on our evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of December 31, 2018.

B. Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal controls over financial reporting, as such term is defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act and for the assessment of the effectiveness of internal control over financial reporting. Our internal controls over financial reporting are designed under the supervision of our Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

Our internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with IFRS and that our receipts and expenditures are being made in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal controls over financial reporting, misstatements may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting using criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in the Internal Control-Integrated Framework (2013 framework). Based on the evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2018.

The Company's independent registered public accounting firm has issued an attestation report on the Company's internal control over financial reporting.

C. Attestation Report of the Registered Public Accounting Firm

The effectiveness of the Company's internal control over financial reporting as of December 31, 2018 has been audited by Deloitte LLP, an independent registered public accounting firm, as stated in their report which appears below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of GasLog Ltd.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of GasLog Ltd and subsidiaries (the "Company") as of December 31, 2018, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2018, of the Company and our report dated March 5, 2019, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte LLP

London, United Kingdom

March 5, 2019

D. Changes in Internal Control over Financial Reporting

During the period covered by this annual report, we have made no changes to our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16.A. AUDIT COMMITTEE FINANCIAL EXPERT

David P. Conner and Donald J. Kintzer, whose biographical details are included in "Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management", each qualifies as an "audit committee financial expert". Our board of directors has affirmatively determined that Mr. Conner and Mr. Kintzer meet the definition of "independent director" for purposes of serving on an audit committee under applicable SEC and NYSE rules.

ITEM 16.B. CODE OF ETHICS

We have adopted a Code of Business Conduct and Ethics for all directors, officers, employees and agents of the Company, a copy of which is posted on our website and may be viewed at <http://www.gaslogltd.com>. The information contained on or connected to our website is not a part of this annual report. We will also provide a paper copy of this document upon the written request of a shareholder at no cost. Shareholders may direct their requests to the attention of our General Counsel, c/o GasLog Monaco S.A.M., Gildo Pastor Center, 7 Rue du Gabian, MC 98000, Monaco. No waivers of the Code of Business Conduct and Ethics have been granted to any person during the fiscal year ended December 31, 2018.

We have also adopted a Trading Policy that generally prohibits directors, officers, employees, controlling shareholders and their respective related parties ("Covered Persons") from trading in securities of the Company while in possession of material non-public information regarding the

Company, or in securities of any other company while in possession of material non-public information regarding that company, which knowledge was obtained in the course of service to or employment with GasLog. The Trading Policy also imposes certain pre-clearance requirements and quarterly blackout periods. In addition, among other things, the Trading Policy generally prohibits Covered Persons from (i) trading in equity securities of the Company on a short-term basis, (ii) purchasing securities of the Company on margin, (iii) purchasing or selling derivatives related to securities of the Company (except for certain “permitted hedging derivatives”, which the Trading Policy defines as any derivative transaction to (x) hedge a position in Company securities held by the relevant Covered Person for more than 12 months, (y) with respect to the number of Company securities less than or equal to the amount such Covered Person could sell at such time in compliance with Rule 144 under the Securities Act of 1933, as amended, and (z) otherwise in compliance with the terms of the Trading Policy) and (iv) selling Company securities short (other than short sales effected by an independent financial institution that is party to a permitted hedging derivative, in accordance with its own standard practices and procedures, for the purpose of hedging its own position as a party to, or facilitating the entry by a Covered Person into, such permitted hedging derivative).

ITEM 16.C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Deloitte LLP, an independent registered public accounting firm, has audited our annual financial statements acting as our independent auditor for the fiscal years ended December 31, 2017 and December 31, 2018.

The chart below sets forth the total amount billed and accrued for Deloitte LLP for services performed in 2017 and 2018, respectively, and breaks down these amounts by the category of service. The fees paid to our principal accountant were approved in accordance with the pre-approval policies and procedures described below.

	<u>2017</u>	<u>2018</u>
	(Expressed in millions of U.S. Dollars)	
Audit fees	\$2.0	\$1.8
Total fees.	<u>\$2.0</u>	<u>\$1.8</u>

Audit Fees

Audit fees represent compensation for professional services rendered for the audit of the consolidated financial statements of the Company and the audit of the financial statements for its individual subsidiary companies, fees for the review of the quarterly financial information, as well as in connection with the review of registration statements and related consents and comfort letters, and any other services required for SEC or other regulatory filings.

Included in the audit fees for 2017 are fees of \$0.2 million related to the Partnership’s public offerings completed in 2017, \$0.1 million related to the Partnership’s shelf registration statement filed in September 2017 and \$0.1 million related to the issuance of the 8.875% Senior Notes. Included in the audit fees for 2018 are fees of \$0.2 million related to the Partnership’s public offerings completed in 2018.

Tax Fees

No tax fees were billed by our principal accountant in 2017 and 2018.

Audit-Related Fees

No audit-related fees were billed by our principal accountant in 2017 and 2018.

All Other Fees

No other fees were billed by our principal accountant in 2017 and 2018.

Pre-approval Policies and Procedures

Our audit and risk committee is responsible for the appointment, compensation (subject to any required shareholder approval or authorization), retention and oversight of the work of the independent auditors. The audit and risk committee is also responsible for reviewing and approving in advance the retention of the independent auditors for the performance of all audit and lawfully permitted non-audit services.

ITEM 16.D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

None.

ITEM 16.E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

On November 28, 2018, the Company announced that its board of directors had approved a share repurchase programme of up to \$50 million of the Company's common shares covering the period from January 1, 2019 to December 31, 2021. Under the terms of the repurchase programme, the Company may repurchase common shares from time to time, at the Company's discretion, on the open market or in privately negotiated transactions. Any repurchases are subject to market conditions, applicable legal requirements and other considerations. The Company is not obligated under the repurchase programme to repurchase any specific dollar amount or number of common shares, and the repurchase programme may be modified, suspended or discontinued at any time or never utilized. Any common shares repurchased by the Company under the programme will be held in treasury. As of February 27, 2019, no common shares had been repurchased by the Company.

ITEM 16.F. CHANGE IN COMPANY'S CERTIFYING ACCOUNTANT

Not Applicable

ITEM 16.G. CORPORATE GOVERNANCE

Statement of Significant Differences Between Our Corporate Governance Practices and the NYSE Corporate Governance Standards for U.S. Non-Controlled Issuers

Overview

Pursuant to certain exceptions for foreign private issuers, we are not required to comply with certain of the corporate governance practices followed by U.S. companies under the NYSE listing standards. However, pursuant to Section 303.A.11 of the NYSE Listed Company Manual and the requirements of Form 20-F, we are required to state any significant ways in which our corporate governance practices differ from the practices required by the NYSE for U.S. companies. We believe that our established practices in the area of corporate governance are in line with the spirit of the NYSE standards and provide adequate protection to our shareholders. The significant differences between our corporate governance practices and the NYSE standards applicable to listed U.S. companies are set forth below.

Independence of Directors

The NYSE rules do not require a listed company that is a foreign private issuer to have a board of directors that is comprised of a majority of independent directors. Under Bermuda law, we are not required to have a board of directors comprised of a majority of directors meeting the independence standards described in the NYSE rules. Accordingly, our board of directors is not required to be and is not comprised of a majority of independent directors. However, our board of directors has determined that half of our directors, specifically David P. Conner, William M. Friedrich, Dennis M. Houston, Donald J. Kintzer and Anthony S. Papadimitriou satisfy the independence standards established by the NYSE as applicable to us.

Corporate Governance, Nominating and Compensation Committee

Pursuant to NYSE Rules 303A.04 and 303A.05, the NYSE requires that a listed U.S. company have a nominating/corporate governance committee and a compensation committee, each composed entirely of independent directors. The NYSE rules do not require foreign private issuers like us to establish a nominating/corporate governance committee. Similarly, under Bermuda law, we are not required to have a nominating/corporate governance committee. Accordingly, we do not have a nominating/corporate governance committee. In addition, as permitted under Bermuda law, we have one or more non-independent directors serving as committee members on our compensation committee.

NYSE Rules 303A.02 and 303A.05 contain independence requirements for compensation committee directors and compensation committee advisers for U.S. listed companies, as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Bermuda law does not have similar requirements therefore we may not adhere to these new requirements.

ITEM 16.H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

Not applicable.

ITEM 18. FINANCIAL STATEMENTS

Reference is made to pages F-1 through F-73 included herein by reference.

ITEM 19. EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
1.1	Amended Memorandum of Association of GasLog Ltd. ⁽¹⁾
1.2	Bye-laws of GasLog Ltd. ⁽¹⁾
1.3	Amendment to the Bye-laws of GasLog Ltd. ⁽²⁾
2.1	Specimen Share Certificate ⁽¹⁾
4.1	Form of Registration Rights Agreement ⁽¹⁾
4.2	Facility Agreement dated December 23, 2011, relating to a \$435,000,000 loan facility among GAS-eight Ltd., GAS-nine Ltd. and GAS-ten Ltd. as borrowers, DnB Bank ASA, Commonwealth Bank of Australia, Danish Ship Finance A/S, ING Bank N.V. and Skandinaviska Enskilda Banken AB (publ) as mandated lead arrangers, the financial institutions listed in Schedule 1 thereto as lenders, the financial institutions listed in Schedule 1 thereto as hedging providers and DnB Bank ASA as bookrunner, agent and security agent ^{(1)*}
4.3	Master Time Charter Party among GAS-one Ltd., GAS-two Ltd., GAS-three Ltd., GAS-four Ltd., GAS-five Ltd., GAS-six Ltd. and Methane Services Limited, dated May 9, 2011 ^{(1)*}
4.4	Appendix to the Private Agreement of Professional Hiring (English translation), dated December 1, 2010 and October 1, 2011, between Nea Dimitra Ktimatikh Kai Emporikh S.A. and GasLog LNG Services Ltd. ⁽¹⁾
4.5	Form of Indemnification Agreement for the Company's directors and certain officers ⁽⁵⁾
4.6	Form of Restrictive Covenant Agreement ⁽¹⁾
4.7	GasLog Ltd. 2013 Omnibus Incentive Compensation Plan ⁽³⁾
4.8	Facility Agreement for up to \$450,000,000 Loan Facility dated November 12, 2014 among GAS-three Ltd., GAS-four Ltd., GAS-five Ltd., GAS-sixteen Ltd. and GAS-seventeen Ltd. as borrowers, Citibank, N.A., London Branch, Nordea Bank Finland Plc, London Branch, DVB Bank America N.V., ABN Amro Bank N.V., Skandinaviska Enskilda Banken AB (Publ) and BNP Paribas, as mandated lead arrangers, the financial institutions listed in Schedule 1 thereto as lenders, Citibank, N.A., London Branch as bookrunner and security agent, and Citibank International Limited as agent and security trustee ^{(4)*}
4.9	Corporate Guarantee between GasLog Partners LP and Citibank, N.A., London Branch, dated November 12, 2014 ⁽⁴⁾

Exhibit No.	Description
4.10	Facilities Agreement for \$1,311,356,340 Loan Facilities dated October 16, 2015 between GAS-eleven Ltd., GAS-twelve Ltd., GAS-thirteen Ltd., GAS-fourteen Ltd., GAS-twenty two Ltd., GAS-twenty three Ltd., GAS-twenty four Ltd., GAS-twenty five Ltd., as borrowers, Citibank, N.A., London Branch, Nordea Bank AB, London Branch, The Export-Import Bank of Korea, Bank of America, National Association, BNP Paribas, Credit Agricole Corporate and Investment Bank, Credit Suisse AG, HSBC Bank plc, ING Bank N.V., London Branch, KEB Hana Bank, London Branch, KfW IPEX-Bank GmbH, National Australia Bank Limited, Oversea-Chinese Banking Corporation Limited, Societe Generale and The Korea Development Bank as mandated lead arrangers with Nordea Bank AB, London Branch as agent, security agent, global co-ordinator and bookrunner and Citibank N.A., London Branch as export credit agent, global co-ordinator, bookrunner and export credit agent co-ordinator, guaranteed by GasLog Ltd. and GasLog Carriers Ltd. ^{(5)*}
4.11	Senior Facility Agreement dated February 18, 2016, relating to a \$396,500,000 loan facility among GAS-eighteen Ltd., GAS-nineteen Ltd., GAS-twenty Ltd., GAS-twenty one Ltd. and GAS-twenty seven Ltd. as borrowers, ABN AMRO Bank N.V. and DNB (UK) Ltd. as mandated lead arrangers, original lenders and bookrunners, DVB Bank America N.V. as mandated lead arranger and original lender, Commonwealth Bank of Australia, ING Bank N.V., London Branch, Credit Agricole Corporate and Investment Bank, National Australia Bank Limited as original lenders and DNB Bank ASA, London Branch as agent and security agent. ^{(5)*}
4.12	Junior Facility Agreement dated February 18, 2016, relating to a \$180,000,000 loan facility among GAS-eighteen Ltd., GAS-nineteen Ltd., GAS-twenty Ltd., GAS-twenty one Ltd. and GAS-twenty seven Ltd. as borrowers, ABN AMRO Bank N.V. and DNB (UK) Ltd. as mandated lead arrangers, original lenders and bookrunners, DVB Bank America N.V. as mandated lead arranger and original lender, Commonwealth Bank of Australia, ING Bank N.V., London Branch, as original lenders and DNB Bank ASA, London Branch as agent and security agent. ^{(5)*}
4.13	Form of Corporate Guarantee between GasLog Ltd. and DNB Bank ASA, London Branch (provided in respect of the Junior Facility Agreement and the Senior Facility Agreement, each dated February 18, 2016). ⁽⁵⁾
4.14	Form of Corporate Guarantee between GasLog Partners LP and DNB Bank ASA, London Branch (provided in respect of the Junior Facility Agreement and the Senior Facility Agreement, each dated February 18, 2016). ⁽⁵⁾
4.15	Facilities Agreement dated July 19, 2016, relating to \$1,050,000,000 Term Loan and Revolving Credit Facilities among GAS-one Ltd., GAS-two Ltd., GAS-six Ltd., GAS-seven Ltd., GAS-eight Ltd., GAS-nine Ltd., GAS-ten Ltd. and GAS-fifteen Ltd. as borrowers, Citigroup Global Market Limited, Credit Suisse AG, Nordea Bank AB, London Branch, Skandinaviska Enskilda Banken AB (publ), HSBC Bank plc, ING Bank N.V., London Branch, Danmarks Skibskredit A/S and The Korea Development Bank as mandated lead arrangers and DVB Bank America N.V. as arranger with Nordea Bank AB, London Branch as agent and security agent. ^{(6)*}
4.16	Exchange Agreement by and among GasLog Partners LP, GasLog Partners GP LLC and GasLog Ltd. dated November 27, 2018 ⁽⁷⁾

Exhibit No.	Description
4.17	Facilities Agreement dated February 20, 2019, relating to \$450,000,000 Revolving Credit Facility among GAS-three Ltd., GAS-four Ltd., GAS-five Ltd., Gas-sixteen Ltd., GAS-seventeen Ltd., as borrowers, Credit Suisse AG, Nordea Bank Abp, Filial I Norge, The IyoBank, Ltd. Singapore Branch as the Original Lenders with Nordea Bank Abp, Filial I Norge as agent and the security agent, and Credit Suisse AG as mandated lead arranger, global co-ordinator and bookrunner, guaranteed by GasLog Partners LP and GasLog Partners Holdings LLC. ^{(8)*}
8.1	List of Subsidiaries of GasLog Ltd.
12.1	Rule 13a-14(a)/15d-14(a) Certification of GasLog Ltd.'s Chief Executive Officer
12.2	Rule 13a-14(a)/15d-14(a) Certification of GasLog Ltd.'s Chief Financial Officer
13.1	GasLog Ltd. Certification of Paul Wogan, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the U.S. Sarbanes-Oxley Act of 2002
13.2	GasLog Ltd. Certification of Alastair Maxwell, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the U.S. Sarbanes-Oxley Act of 2002
23.1	Consent of Deloitte LLP
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Scheme Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Scheme Definition Linkbase
101.LAB	XBRL Taxonomy Extension Scheme Label Linkbase
101.PRE	XBRL Taxonomy Extension Scheme Presentation Linkbase

⁽¹⁾ Previously filed as an exhibit to GasLog Ltd.'s Registration Statement on Form F-1 (File No. 333-179034), declared effective by the SEC on March 29, 2012, and hereby incorporated by reference to such Registration Statement.

⁽²⁾ Previously filed as an exhibit to GasLog Ltd.'s Report on Form 6-K (File No. 001-35466), filed with the SEC on May 24, 2013, and hereby incorporated by reference to such Report.

⁽³⁾ Previously filed as an exhibit to GasLog Ltd.'s Registration Statement on Form S-8 (File No. 333-187020), filed with the SEC on March 4, 2013, or an amendment thereto, and hereby incorporated by reference to such Registration Statement.

⁽⁴⁾ Previously filed as an exhibit to GasLog Partners LP's Annual Report on Form 20-F (File No. 001-36433), filed with the SEC on February 17, 2015, and hereby incorporated by reference to such Report.

⁽⁵⁾ Previously filed as an exhibit to GasLog Ltd.'s Annual Report on Form 20-F (File No. 001-35466), filed with the SEC on March 14, 2016, and hereby incorporated by reference to such Report.

⁽⁶⁾ Previously filed as an exhibit to GasLog Ltd.'s Report on Form 6-K (File No. 001-35466), filed with the SEC on August 4, 2016, and hereby incorporated by reference to such Report.

⁽⁷⁾ Previously filed as Exhibit 10.1 to GasLog Partners LP's Report on Form 6-K (File No. 001-36433), filed with the SEC on November 27, 2018, and hereby incorporated by reference to such Report.

⁽⁸⁾ Previously filed as an exhibit to GasLog Partners LP's Annual Report on Form 20-F (File No. 001-36433), filed with the SEC on February 26, 2019, and hereby incorporated by reference to such Report.

* Confidential material has been redacted and complete exhibits have been separately filed with the SEC.

The registrant hereby agrees to furnish to the SEC upon request a copy of any instrument relating to long-term debt that does not exceed 10% of the total assets of the Company and its subsidiaries.

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

GASLOG LTD.,

By /s/ PAUL A. WOGAN

Name: Paul A. Wogan

Title: *Chief Executive Officer*

Dated: March 5, 2019

GASLOG LTD.
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of GasLog Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of GasLog Ltd. and subsidiaries (the “Company”) as of December 31, 2018 and 2017, the related consolidated statements of profit or loss, comprehensive income or loss, changes in equity, and cash flows for each of the three years in the period ended December 31, 2018, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 5, 2019, expressed an unqualified opinion on the Company’s internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Deloitte LLP

London, United Kingdom

March 5, 2019

We have served as the Company’s auditor since 2014.

GasLog Ltd. and its Subsidiaries
Consolidated statements of financial position
As of December 31, 2017 and 2018
(All amounts expressed in thousands of U.S. Dollars)

	Note	December 31, 2017	December 31, 2018
Assets			
Non-current assets			
Goodwill	3	9,511	9,511
Investment in associates	5	20,800	20,713
Deferred financing costs		17,519	4,576
Other non-current assets	10	428	2,543
Derivative financial instruments	26	16,012	8,966
Tangible fixed assets	6	3,772,566	4,323,582
Vessels under construction	6	166,655	159,275
Vessel held under finance lease	6	214,329	206,753
Total non-current assets		<u>4,217,820</u>	<u>4,735,919</u>
Current assets			
Trade and other receivables	9	10,706	20,244
Dividends receivable and other amounts due from related parties	21	8,666	33,395
Derivative financial instruments	26	2,199	6,222
Inventories		6,839	7,753
Prepayments and other current assets		4,569	3,680
Short-term investments		—	25,000
Cash and cash equivalents	8	384,092	342,594
Total current assets		<u>417,071</u>	<u>438,888</u>
Total assets		<u>4,634,891</u>	<u>5,174,807</u>
Equity and liabilities			
Equity			
Preference shares	11	46	46
Share capital	11	810	810
Contributed surplus	11	911,766	850,576
Reserves	12	18,347	18,962
Treasury shares	11	(6,960)	(3,266)
(Accumulated deficit)/retained earnings		(5,980)	12,614
Equity attributable to owners of the Group		<u>918,029</u>	<u>879,742</u>
Non-controlling interests	4	845,105	1,103,380
Total equity		<u>1,763,134</u>	<u>1,983,122</u>
Current liabilities			
Trade accounts payable		11,526	11,890
Ship management creditors	8	2,394	580
Amounts due to related parties	21	35	169
Derivative financial instruments	26	1,815	2,091
Other payables and accruals	14	93,418	127,450
Borrowings, current portion	13	179,367	520,550
Finance lease liability, current portion	7	6,302	6,675
Total current liabilities		<u>294,857</u>	<u>669,405</u>
Non-current liabilities			
Derivative financial instruments	26	—	10,001
Borrowings, non-current portion	13	2,368,189	2,307,909
Finance lease liability, non-current portion	7	207,126	199,424
Other non-current liabilities		1,585	4,946
Total non-current liabilities		<u>2,576,900</u>	<u>2,522,280</u>
Total equity and liabilities		<u>4,634,891</u>	<u>5,174,807</u>

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

GasLog Ltd. and its Subsidiaries
Consolidated statements of profit or loss
For the years ended December 31, 2016, 2017 and 2018
(All amounts expressed in thousands of U.S. Dollars, except per share data)

	<u>Note</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues	18	466,059	525,229	618,344
Net pool allocation	18	(4,674)	7,254	17,818
Voyage expenses and commissions	16	(10,510)	(15,404)	(20,374)
Vessel operating and supervision costs	15	(112,632)	(122,486)	(128,084)
Depreciation	6	(122,957)	(137,187)	(153,193)
General and administrative expenses	17	(38,642)	(39,850)	(41,993)
Profit from operations		<u>176,644</u>	<u>217,556</u>	<u>292,518</u>
Financial costs	19	(137,316)	(139,181)	(166,627)
Financial income	19	720	2,650	4,784
(Loss)/gain on derivatives	26	(13,419)	2,025	(6,077)
Share of profit of associates	5	1,422	1,159	1,800
Total other expenses, net		<u>(148,593)</u>	<u>(133,347)</u>	<u>(166,120)</u>
Profit for the year		<u>28,051</u>	<u>84,209</u>	<u>126,398</u>
Attributable to:				
Owners of the Group		(21,486)	15,506	47,683
Non-controlling interests	4	49,537	68,703	78,715
		<u>28,051</u>	<u>84,209</u>	<u>126,398</u>
(Loss)/earnings per share—basic	29	(0.39)	0.07	0.47
(Loss)/earnings per share—diluted	29	(0.39)	0.07	0.46

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

GasLog Ltd. and its Subsidiaries
Consolidated statements of comprehensive income or loss
For the years ended December 31, 2016, 2017 and 2018
(All amounts expressed in thousands of U.S. Dollars)

	<u>Note</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Profit for the year		28,051	84,209	126,398
Other comprehensive income/(loss):				
Items that may not be reclassified subsequently to profit or loss:				
Actuarial loss		(23)	—	(51)
Items that may be reclassified subsequently to profit or loss:				
Effective portion of changes in fair value of cash flow hedges, net of amounts recycled to profit or loss	26	(6,522)	2,667	(258)
Recycled loss of cash flow hedges reclassified to profit or loss	26	23,514	4,368	—
Other comprehensive income/(loss) for the year		16,969	7,035	(309)
Total comprehensive income for the year		<u>45,020</u>	<u>91,244</u>	<u>126,089</u>
Attributable to:				
Owners of the Group		(4,517)	22,541	47,374
Non-controlling interests		49,537	68,703	78,715
		<u>45,020</u>	<u>91,244</u>	<u>126,089</u>

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

GasLog Ltd. and its Subsidiaries
Consolidated statements of changes in equity
For the years ended December 31, 2016, 2017 and 2018
(All amounts expressed in thousands of U.S. Dollars)

	Share capital (Note 11)	Preference shares (Note 11)	Contributed surplus (Note 11)	Reserves (Note 12)	Treasury shares (Note 11)	Retained earnings/ (accumulated deficit)	Attributable to owners of the Group	Non-controlling interests (Note 4)	Total
Balance as of January 1, 2016 . . .	810	46	1,020,292	(8,829)	(12,491)	1,846	1,001,674	506,246	1,507,920
Net proceeds from GasLog Partners' public offering (Note 4)	—	—	—	—	—	—	—	52,299	52,299
Dividend paid (common and preference shares) (Note 12)	—	—	(53,318)	—	—	(1,846)	(55,164)	(44,043)	(99,207)
Share-based compensation, net of accrued dividend (Note 22)	—	—	—	3,597	—	—	3,597	—	3,597
Settlement of share-based compensation	—	—	—	(1,577)	1,630	—	53	—	53
(Loss)/profit for the year	—	—	—	—	—	(21,486)	(21,486)	49,537	28,051
Other comprehensive income for the year	—	—	—	16,969	—	—	16,969	—	16,969
Total comprehensive income/(loss) for the year	—	—	—	16,969	—	(21,486)	(4,517)	49,537	45,020
Balance as of December 31, 2016 . . .	810	46	966,974	10,160	(10,861)	(21,486)	945,643	564,039	1,509,682
Net proceeds from GasLog Partners' public offerings (Note 4)	—	—	—	—	—	—	—	278,226	278,226
Dividend paid (common and preference shares) (Note 4 and 12)	—	—	(55,208)	—	—	—	(55,208)	(65,863)	(121,071)
Share-based compensation, net of accrued dividend (Note 22)	—	—	—	4,104	—	—	4,104	—	4,104
Settlement of share-based compensation	—	—	—	(2,952)	3,901	—	949	—	949
Profit for the year	—	—	—	—	—	15,506	15,506	68,703	84,209
Other comprehensive income for the year	—	—	—	7,035	—	—	7,035	—	7,035
Total comprehensive income for the year	—	—	—	7,035	—	15,506	22,541	68,703	91,244
Balance as of December 31, 2017 . . .	810	46	911,766	18,347	(6,960)	(5,980)	918,029	845,105	1,763,134
Opening adjustment ⁽¹⁾	—	—	—	(436)	—	190	(246)	—	(246)
Balance as of January 1, 2018	810	46	911,766	17,911	(6,960)	(5,790)	917,783	845,105	1,762,888
Net proceeds from GasLog Partners' public offerings (Note 4)	—	—	—	—	—	—	—	267,514	267,514
Other equity related costs	—	—	(395)	—	—	—	(395)	—	(395)
Dividend paid (common and preference shares) (Note 4 and 12)	—	—	(60,795)	—	—	(29,279)	(90,074)	(87,954)	(178,028)
Share-based compensation, net of accrued dividend (Note 22)	—	—	—	4,434	—	—	4,434	—	4,434
Settlement of share-based compensation	—	—	—	(3,074)	3,756	—	682	—	682
Treasury shares, net	—	—	—	—	(62)	—	(62)	—	(62)
Profit for the year	—	—	—	—	—	47,683	47,683	78,715	126,398
Other comprehensive loss for the year	—	—	—	(309)	—	—	(309)	—	(309)
Total comprehensive (loss)/income for the year	—	—	—	(309)	—	47,683	47,374	78,715	126,089
Balance as of December 31, 2018 . . .	810	46	850,576	18,962	(3,266)	12,614	879,742	1,103,380	1,983,122

(1) Adjusted so as to reflect certain amendments introduced due to the adoption of IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments*, which became effective on January 1, 2018 (Note 2).

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

GasLog Ltd. and its Subsidiaries
Consolidated statements of cash flows
For the years ended December 31, 2016, 2017 and 2018
(All amounts expressed in thousands of U.S. Dollars)

	2016	2017	2018
Cash flows from operating activities:			
Profit for the year	28,051	84,209	126,398
Adjustments for:			
Depreciation	122,957	137,187	153,193
Share of profit of associates	(1,422)	(1,159)	(1,800)
Financial income	(720)	(2,650)	(4,784)
Financial costs	137,316	139,181	166,627
Unrealized foreign exchange losses/(gains) on cash and cash equivalents	1,020	(772)	329
Unrealized (gain)/loss on derivative financial instruments held for trading, including ineffective portion of cash flow hedges (Note 26)	(18,530)	(10,505)	8,211
Recycled loss of cash flow hedges reclassified to profit or loss (Note 26)	23,514	4,368	—
Non-cash defined benefit obligations	(25)	—	(51)
Share-based compensation (Note 22)	3,869	4,565	5,216
	<u>296,030</u>	<u>354,424</u>	<u>453,339</u>
Movements in operating assets and liabilities:			
Decrease/(increase) in trade and other receivables including related parties, net	4,872	(7,601)	(33,286)
(Increase)/decrease in prepayments and other assets	(1,807)	(1,465)	888
(Increase)/decrease in inventories	(1,964)	1,622	(915)
Decrease/(increase) in other non-current assets	27,133	1,396	(465)
(Decrease)/increase in other non-current liabilities	(419)	299	2,957
(Increase)/decrease in restricted cash	(42)	42	—
Increase in accounts payable and other current liabilities	11,517	1,544	3,113
Cash provided by operations	<u>335,320</u>	<u>350,261</u>	<u>425,631</u>
Interest paid	(78,788)	(126,631)	(141,921)
Net cash provided by operating activities	<u>256,532</u>	<u>223,630</u>	<u>283,710</u>
Cash flows from investing activities:			
Payments for tangible fixed assets, vessels under construction and vessel held under finance lease	(761,513)	(82,352)	(673,823)
Dividends received from associate	1,413	1,315	1,263
Return of contributed capital from associate (Note 5)	137	59	—
Other investments	—	(14,125)	(136)
Purchase of short-term investments	(19,500)	(37,244)	(71,000)
Maturity of short-term investments	7,500	55,244	46,000
Financial income received	721	2,504	4,697
Net cash used in investing activities	<u>(771,242)</u>	<u>(74,599)</u>	<u>(692,999)</u>
Cash flows from financing activities:			
Proceeds from bank loans and bonds	2,274,318	280,000	524,165
Proceeds from sale and finance leaseback	217,000	—	—
Bank loan and bond repayments	(1,983,576)	(397,008)	(231,753)
Payment of loan and bond issuance costs	(44,125)	(8,830)	(7,449)
Proceeds from GasLog Partners' common unit offerings (net of underwriting discounts and commissions)	52,731	141,395	60,345
Proceeds from GasLog Partners' preference unit offerings (net of underwriting discounts and commissions)	—	139,222	208,394
Payment of equity raising costs	(442)	(2,032)	(917)
Payment for cross currency swaps' termination/modification	(31,986)	(20,603)	—
Payment for NOK bonds repurchase at a premium	(2,120)	(1,459)	—
Payment for interest rate swaps' termination	(30,296)	—	—
Proceeds from entering into interest rate swaps	25,465	—	—
Purchase of treasury shares	—	—	(62)
Proceeds from stock options' exercise	—	1,223	754
Dividends paid	(99,207)	(121,071)	(178,028)
Decrease in restricted cash	62,718	—	—
Payments for vessel held under finance lease	(714)	—	—
Payments for finance lease liability	—	(3,572)	(7,329)
Net cash provided by financing activities	<u>439,766</u>	<u>7,265</u>	<u>368,120</u>
Effects of exchange rate changes on cash and cash equivalents	(1,020)	772	(329)
(Decrease)/ increase in cash and cash equivalents	<u>(75,964)</u>	<u>157,068</u>	<u>(41,498)</u>
Cash and cash equivalents, beginning of the year	302,988	227,024	384,092
Cash and cash equivalents, end of the year	<u>227,024</u>	<u>384,092</u>	<u>342,594</u>
Non-cash investing and financing activities			
Capital expenditures included in liabilities at the end of the year (Note 27)	2,038	3,016	20,096
Equity raising costs included in liabilities at the end of the year (Note 27)	5	364	1,067
Loan issuance costs included in liabilities at the end of the year (Note 27)	—	1,526	407
Receivables from stock options' exercise included in assets at the end of the year	108	—	—

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

GasLog Ltd. and its Subsidiaries

Notes to the consolidated financial statements

For the years ended December 31, 2016, 2017 and 2018

(All amounts expressed in thousands of U.S. Dollars, except share and per share data)

1. Organization and Operations

GasLog Ltd. (“GasLog”) was incorporated in Bermuda on July 16, 2003. GasLog and its subsidiaries (the “Group”) are primarily engaged in the ownership, operation and management of vessels in the liquefied natural gas (“LNG”) market, providing maritime services for the transportation of LNG on a worldwide basis and LNG vessel management services. The Group conducts its operations through its vessel-owning subsidiaries and through its vessel management services subsidiary. The Group’s operations are carried out from offices in Piraeus, London, New York, Singapore and Monaco. The registered office of GasLog is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. GasLog’s chairman, Peter G. Livanos, is GasLog’s largest shareholder through his ownership of Ceres Shipping Ltd. (“Ceres Shipping”), which controls Blenheim Holdings Ltd. As of December 31, 2018, entities controlled by members of the Livanos family, including GasLog’s chairman, are deemed to beneficially own approximately 40.09% of GasLog’s issued and outstanding common shares. As a result of his ownership of GasLog’s common shares, Mr. Livanos can effectively control the outcome of most matters on which GasLog’s shareholders are entitled to vote.

On May 12, 2014, GasLog Partners LP (“GasLog Partners” or the “Partnership”), a subsidiary of GasLog, completed its initial public offering (the “GasLog Partners’ IPO”) with the sale and issuance of 9,660,000 common units (including 1,260,000 units in relation to the overallotment option exercised in full by the underwriters), resulting in net proceeds of \$186,029 and representing a 48.2% ownership interest. Concurrently with the GasLog Partners’ IPO, the Partnership acquired from GasLog a 100% ownership interest in GAS-three Ltd., GAS-four Ltd. and GAS-five Ltd., the entities that own the *GasLog Shanghai*, the *GasLog Santiago* and the *GasLog Sydney*, in exchange for (i) 162,358 common units and 9,822,358 subordinated units issued to GasLog representing a 49.8% ownership interest and all of the incentive distribution rights that entitle GasLog to increasing percentages of the cash that the Partnership distributes in excess of \$0.43125 per unit per quarter, (ii) 400,913 general partner units issued to GasLog Partners GP LLC (the “general partner”), a wholly owned subsidiary of GasLog, representing a 2.0% general partner interest and (iii) \$65,695 of cash consideration paid directly to GasLog from the GasLog Partners’ IPO proceeds.

Since GasLog Partners’ IPO, the Partnership acquired 100% of the ownership interests in the following GasLog subsidiaries that own the vessels listed below:

<u>Date Acquisition Completed</u>	<u>Subsidiaries Acquired</u>	<u>Vessels Purchased</u>
September 29, 2014	GAS-sixteen Ltd. and GAS-seventeen Ltd.	<i>Methane Rita Andrea</i> and <i>Methane Jane Elizabeth</i>
July 1, 2015	GAS-nineteen Ltd., GAS-twenty Ltd. and GAS-twenty one Ltd.	<i>Methane Alison Victoria</i> , <i>Methane Shirley Elisabeth</i> and <i>Methane Heather Sally</i>
November 1, 2016	GAS-seven Ltd.	<i>GasLog Seattle</i>
May 3, 2017	GAS-eleven Ltd.	<i>GasLog Greece</i>
July 3, 2017	GAS-thirteen Ltd.	<i>GasLog Geneva</i>
October 20, 2017	GAS-eight Ltd.	<i>Solaris</i>
April 26, 2018	GAS-fourteen Ltd.	<i>GasLog Gibraltar</i>
November 14, 2018	GAS-twenty seven Ltd.	<i>Methane Becki Anne</i>

GasLog Ltd. and its Subsidiaries

Notes to the consolidated financial statements (Continued)

For the years ended December 31, 2016, 2017 and 2018

(All amounts expressed in thousands of U.S. Dollars, except share and per share data)

1. Organization and Operations (Continued)

As of December 31, 2018, GasLog holds a 27.5% interest (including the 2% interest through general partner units) in GasLog Partners and, as a result of its ownership of the general partner and the fact that the general partner elects the majority of the Partnership's directors in accordance with the Partnership Agreement, GasLog has the ability to control the Partnership's affairs and policies. Consequently, GasLog Partners is consolidated in the Group's financial statements.

The accompanying consolidated financial statements include the financial statements of GasLog and its subsidiaries. Unless indicated otherwise, the subsidiaries listed below were 100% held (either directly or indirectly) by GasLog. As of December 31, 2018, the Group's structure is as follows:

Name	Place of incorporation	Date of incorporation	Principal activities	Cargo capacity (cbm)	Vessel	Delivery date
Subsidiaries:						
GasLog Investments Ltd.	BVI	July 2003	Holding company	—	—	—
GasLog Carriers Ltd. ("GasLog Carriers")	Bermuda	February 2008	Holding company	—	—	—
GasLog Shipping Company Ltd.	Bermuda	January 2006	Holding company	—	—	—
GasLog Partners GP LLC	Marshall Islands	January 2014	Holding company	—	—	—
GasLog Cyprus Investments Ltd.	Cyprus	December 2016	Holding company	—	—	—
GasLog Services UK Ltd.	England and Wales	May 2014	Service company	—	—	—
GasLog Services US Inc.	Delaware	May 2014	Service company	—	—	—
GasLog Asia Pte Ltd.	Singapore	May 2015	Service company	—	—	—
GasLog LNG Services Ltd.	Bermuda	August 2004	Vessel management services	—	—	—
GasLog Monaco S.A.M.	Monaco	February 2010	Service company	—	—	—
GAS-one Ltd.	Bermuda	February 2008	Vessel-owning company	155,000	<i>GasLog Savannah</i>	May 2010
GAS-two Ltd.	Bermuda	February 2008	Vessel-owning company	155,000	<i>GasLog Singapore</i>	July 2010
GAS-six Ltd.	Bermuda	February 2011	Vessel-owning company	155,000	<i>GasLog Skagen</i>	July 2013
GAS-nine Ltd.	Bermuda	June 2011	Vessel-owning company	155,000	<i>GasLog Saratoga</i>	December 2014
GAS-ten Ltd.	Bermuda	June 2011	Vessel-owning company	155,000	<i>GasLog Salem</i>	April 2015
GAS-twelve Ltd.	Bermuda	December 2012	Vessel-owning company	174,000	<i>GasLog Glasgow</i>	June 2016
GAS-fifteen Ltd.	Bermuda	August 2013	Vessel-owning company	153,600	<i>GasLog Chelsea</i>	October 2013
GAS-eighteen Ltd.	Bermuda	January 2014	Vessel-owning company	145,000	<i>Methane Lydon Volney</i>	April 2014
GAS-twenty two Ltd.	Bermuda	May 2014	Vessel-owning company	174,000	<i>GasLog Genoa</i>	March 2018
GAS-twenty three Ltd.	Bermuda	May 2014	Vessel-owning company	174,000	Hull No. 2131	Q1 2019 ⁽¹⁾
GAS-twenty four Ltd.	Bermuda	June 2014	Vessel-owning company	174,000	<i>GasLog Houston</i>	January 2018
GAS-twenty five Ltd.	Bermuda	June 2014	Vessel-owning company	174,000	<i>GasLog Hong Kong</i>	March 2018
GAS-twenty six Ltd.	Bermuda	January 2015	Finance lease asset company ⁽²⁾	170,000	<i>Methane Julia Louise</i>	March 2015
GAS-twenty eight Ltd.	Bermuda	September 2016	Vessel-owning company	180,000	Hull No. 2213	Q2 2020 ⁽¹⁾
GAS-twenty nine Ltd.	Bermuda	September 2016	Vessel-owning company	180,000	Hull No. 2212	Q3 2019 ⁽¹⁾
GAS-thirty Ltd.	Bermuda	December 2017	Vessel-owning company	180,000	Hull No. 2262	Q3 2020 ⁽¹⁾
GAS-thirty one Ltd.	Bermuda	December 2017	Vessel-owning company	180,000	Hull No. 2274	Q2 2020 ⁽¹⁾
GAS-thirty two Ltd.	Bermuda	December 2017	Vessel-owning company	174,000	Hull No. 2300	Q4 2020 ⁽¹⁾
GAS-thirty three Ltd.	Bermuda	May 2018	Vessel-owning company	174,000	Hull No. 2301	Q4 2020 ⁽¹⁾
GAS-thirty four Ltd.	Bermuda	May 2018	Vessel-owning company	180,000	Hull No. 2311	Q2 2021 ⁽¹⁾
GAS-thirty five Ltd.	Bermuda	December 2018	Vessel-owning company	180,000	Hull No. 2312	Q3 2021 ⁽¹⁾
GAS-thirty six Ltd.	Bermuda	December 2018	Dormant	—	—	—
GAS-thirty seven Ltd.	Bermuda	December 2018	Dormant	—	—	—
GasLog Shipping Limited	BVI	July 2003	Dormant	—	—	—
27.5% interest subsidiaries:						
GasLog Partners LP	Marshall Islands	January 2014	Holding company	—	—	—
GasLog Partners Holdings LLC	Marshall Islands	April 2014	Holding company	—	—	—
GAS-three Ltd.	Bermuda	April 2010	Vessel-owning company	155,000	<i>GasLog Shanghai</i>	January 2013
GAS-four Ltd.	Bermuda	April 2010	Vessel-owning company	155,000	<i>GasLog Santiago</i>	March 2013
GAS-five Ltd.	Bermuda	February 2011	Vessel-owning company	155,000	<i>GasLog Sydney</i>	May 2013
GAS-seven Ltd.	Bermuda	March 2011	Vessel-owning company	155,000	<i>GasLog Seattle</i>	December 2013
GAS-eight Ltd.	Bermuda	March 2011	Vessel-owning company	155,000	<i>Solaris</i>	June 2014
GAS-eleven Ltd.	Bermuda	December 2012	Vessel-owning company	174,000	<i>GasLog Greece</i>	March 2016
GAS-thirteen Ltd.	Bermuda	July 2013	Vessel-owning company	174,000	<i>GasLog Geneva</i>	September 2016

GasLog Ltd. and its Subsidiaries

Notes to the consolidated financial statements (Continued)

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1. Organization and Operations (Continued)

Name	Place of incorporation	Date of incorporation	Principal activities	Cargo capacity (cbm)	Vessel	Delivery date
GAS-fourteen Ltd.	Bermuda	July 2013	Vessel-owning company	174,000	<i>GasLog Gibraltar</i>	October 2016
GAS-sixteen Ltd.	Bermuda	January 2014	Vessel-owning company	145,000	<i>Methane Rita Andrea</i>	April 2014
GAS-seventeen Ltd.	Bermuda	January 2014	Vessel-owning company	145,000	<i>Methane Jane Elizabeth</i>	April 2014
GAS-nineteen Ltd.	Bermuda	April 2014	Vessel-owning company	145,000	<i>Methane Alison Victoria</i>	June 2014
GAS-twenty Ltd.	Bermuda	April 2014	Vessel-owning company	145,000	<i>Methane Shirley Elisabeth</i>	June 2014
GAS-twenty one Ltd.	Bermuda	April 2014	Vessel-owning company	145,000	<i>Methane Heather Sally</i>	June 2014
GAS-twenty seven Ltd.	Bermuda	January 2015	Vessel-owning company	170,000	<i>Methane Becki Anne</i>	March 2015
25% interest associate: Egypt LNG Shipping Ltd.	Bermuda	May 2010	Vessel-owning company	145,000	<i>Methane Nile Eagle</i>	December 2007
20% interest associate: Gastrade S.A. ("Gastrade")	Greece	June 2010	Service company	—	—	—
50% joint venture: The Cool Pool Limited ⁽³⁾	Marshall Islands	September 2015	Service company	—	—	—

⁽¹⁾ For newbuildings, expected delivery quarters as of December 31, 2018 are presented.

⁽²⁾ On February 24, 2016, GAS-twenty six Ltd. completed the sale and leaseback of the *Methane Julia Louise* with a subsidiary of Mitsui Co. Ltd. ("Mitsui"). Refer to Note 6.

⁽³⁾ On October 1, 2015, GasLog Carriers, Dynagas Ltd. ("Dynagas") and Golar LNG Limited ("Golar") ("Pool Owners") and The Cool Pool Limited signed an LNG carrier pooling agreement (the "LNG Carrier Pool", "Pool Agreement" or "Cool Pool") to market their vessels, which are currently operating in the LNG shipping spot market. For the operation of the Cool Pool, a Marshall Islands service company named "The Cool Pool Limited" or the "Pool Manager", was incorporated in September 2015 acting as an agent. In June and July 2018, Dynagas removed its three vessels from the Cool Pool and ceased to be a shareholder.

As of December 31, 2018, the Cool Pool consists of 16 modern, high quality and essentially equivalent vessels powered by fuel efficient tri-fuel diesel electric ("TFDE") engine propulsion technology. The participation of the Pool Owners' vessels in the Cool Pool is as follows: GasLog: six vessels; and Golar: ten vessels. Each vessel owner continues to be fully responsible for the crew and technical management of their respective vessels. In addition, as of December 31, 2018, the *GasLog Skagen* was substituted for the *GasLog Saratoga* in the Cool Pool.

All entities in the Group have a December 31st year end. During 2018, the Group employed an average of 172 employees (2017: 184 and 2016: 173).

GasLog's common shares are traded on the New York Stock Exchange ("NYSE") under the ticker symbol "GLOG". GasLog's 8.75% Series A Cumulative Redeemable Perpetual Preference Shares ("Preference Shares") are traded on the NYSE under the ticker symbol "GLOG PR A".

2. Significant Accounting Policies

Statement of compliance

The consolidated financial statements of GasLog and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (the "IFRS") as issued by the International Accounting Standards Board (the "IASB").

Basis of preparation and approval

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of derivative financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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2. Significant Accounting Policies (Continued)

Going concern

In considering going concern management has reviewed the Group's future cash requirements, covenant compliance and earnings projections. As of December 31, 2018, the Group's current assets totaled \$438,888, while current liabilities totaled \$669,405, resulting in a negative working capital position of \$230,517. Current liabilities include \$360,000 of loans due in November 2019. In February 2019, GasLog Partners signed a debt refinancing of up to \$450,000 with certain financial institutions (Note 30), in order to refinance such indebtedness.

Management anticipates that the Group's primary sources of funds will be available cash, cash from operations and borrowings under existing and new loan agreements. The Group may also seek to raise additional equity. Management believes that these sources of funds will be sufficient for the Group to meet its liquidity needs and comply with its banking covenants for at least twelve months from the end of the reporting period and therefore it is appropriate to prepare the financial statements on a going concern basis.

The financial statements are expressed in U.S. dollars ("USD"), which is the functional currency of the Group's subsidiaries because their vessels operate in international shipping markets in which revenues and expenses are primarily settled in USD, and the Group's most significant assets and liabilities are paid for and settled in USD.

On March 5, 2019, the financial statements were authorized on behalf of GasLog's board of directors for issuance and filing.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of GasLog and entities controlled by GasLog (its subsidiaries). Control is achieved where GasLog:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the date control is obtained and up to the date control ceases. Acquisitions of businesses are accounted for using the acquisition method.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The other investors in subsidiaries in which the Group has less than 100% interest hold a non-controlling interest in the net assets of these subsidiaries. Non-controlling interest is stated at the non-controlling interest's proportion of the net assets of the subsidiaries where the Group has less than 100% interest. Subsequent to initial recognition the carrying amount of non-controlling interest is increased or decreased by the non-controlling interest's share of subsequent changes in the equity of

GasLog Ltd. and its Subsidiaries
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2. Significant Accounting Policies (Continued)

such subsidiaries. Total comprehensive income is attributed to a non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

Goodwill

Goodwill arising in a business combination is recognized as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair value of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognized immediately in the consolidated statement of profit or loss as a bargain purchase gain.

Goodwill is not amortized but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results, assets and liabilities of associates are included in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. An impairment assessment of investments in associates is performed when there is an indication that the asset has been impaired or the impairment losses recognized in prior years no longer exist.

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2. Significant Accounting Policies (Continued)

When the Group's share of losses exceeds the carrying amount of the investment, the investment is reported at nil value and recognition of losses is discontinued except to the extent of the Group's commitment.

Investment in joint ventures

A joint arrangement is an arrangement where two or more parties have joint control. Joint control is established by a contractual arrangement that requires unanimous agreement on decisions made on relevant activities. Without the presence of joint control, joint arrangements do not exist.

Under IFRS 11 *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The arrangement is a joint operation when the contractual agreement provides rights to assets and obligations for liabilities for those parties sharing joint control. The joint arrangement is a joint venture when the agreement grants rights to the arrangement's net assets. The Cool Pool is a joint venture. Interests in joint ventures are accounted for using the equity method (see Investment in associates above), after initially being recognized at cost in the consolidated statement of financial position.

Leases

Lease income from operating leases of vessels where the Group is a lessor is recognized in profit or loss on a straight-line basis over the lease term. The respective leased assets are included in the statement of financial position based on their nature under "Tangible fixed assets".

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments, discounted at the interest rate implicit in the lease, if practicable, or else at the Group's incremental borrowing rate. The corresponding rental obligations, net of finance charges, are included in current and non-current liabilities as finance lease liabilities. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Deferral and presentation of government grants

Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government

GasLog Ltd. and its Subsidiaries
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2. Significant Accounting Policies (Continued)

grants relating to income are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis as costs are incurred over the duration of the specific project.

Accounting for (i) revenues and related operating expenses and (ii) voyage expenses and commissions

The Group's revenues comprise revenues from time charters for the charter hire of its vessels, gross pool revenues, management fees, project supervision income and other income earned during the period in accordance with existing contracts.

A time charter represents a contract entered into for the use of a vessel for a specific period of time and a specified daily charter hire rate. Time charter revenue is recognized as earned on a straight-line basis over the term of the relevant time charter starting from the vessel's delivery to the charterer. Except for the off-hire period, when a charter agreement exists, the vessel is made available and services are provided to the charterer and collection of the related revenue is reasonably assured. Unearned revenue includes cash received prior to the balance sheet date relating to services to be rendered after the balance sheet date. Accrued revenue represents income recognized in advance as a result of the straight-line revenue recognition in respect of charter agreements that provide for varying charter rates.

Under a time charter arrangement, the hire rate per the charter agreement has two components: the lease component and the service component relating to the vessel operating costs. The revenue in relation to the lease component of the agreements is accounted for under IAS 17 *Leases*. The revenue in relation to the service component relates to vessel operating expenses, which include expenses that are paid by the vessel owner such as management fees, crew wages, provisions and stores, technical maintenance and insurance expenses. These costs are essential to operating a charter and the charterers receive the benefit of these when the vessel is used during the contracted time and, therefore, these costs are accounted for in accordance with the requirements of IFRS 15 *Revenue from Contracts with Customers*.

Pool revenues are recognized on a gross basis representing time charter revenues earned by GasLog vessels participating in the pool under charter agreements where GasLog contracts directly with charterers. Revenue is recognized on a monthly basis, when the vessel is made available and services are provided to the charterer during the period, the amount can be estimated reliably and collection of the related revenue is reasonably assured.

Revenue from vessel management and vessel construction project supervision contracts is recognized when earned and when it is probable that future economic benefits will flow to the Group and such a benefit can be measured reliably.

Time charter hires received in advance are classified as liabilities until the criteria for recognizing the revenue as earned are met.

Under a time charter arrangement, the vessel operating expenses such as management fees, crew wages, provisions and stores, technical maintenance and insurance expenses and broker's commissions are paid by the vessel owner, whereas voyage expenses such as bunkers, port expenses, agents' fees and extra war risk insurance are paid by the charterer.

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2. Significant Accounting Policies (Continued)

Management believes that mobilization of a vessel from a previous port of discharge to a subsequent port of loading does not result in a separate benefit for charterers and that the activity is thus incapable of being distinct. This activity is considered to be a required set-up activity to fulfill the contract. Consequently, positioning and repositioning fees and associated expenses should be recognized over the period of the contract to match the recognition of the respective hire revenues realized, and not at a certain point in time following the adoption of IFRS 15 *Revenue from Contracts with Customers*. All other voyage expenses and vessel operating costs are expensed as incurred, with the exception of commissions, which are also recognized on a pro-rata basis over the duration of the period of the time charter. Bunkers' consumption included in voyage expenses represents mainly bunkers consumed during vessels' unemployment and off-hire.

Net pool allocation

In relation to the vessels' participation in the Cool Pool, net pool allocation represents GasLog's share of the net revenues earned from the other pool participants' vessels less the other participants' share of the net revenues earned by GasLog's vessels included in the pool. Each participant's share of the net pool revenues is based on the number of pool points attributable to its vessels and the number of days such vessels participated in the pool.

Financial income and costs

Interest income is recognized on an accrual basis. Dividend income is recognized when the right to receive payment is established.

Interest expense, other borrowing costs and realized loss on cross currency swaps ("CCSs") are recognized on an accrual basis.

Foreign currencies

Transactions in currencies other than the USD are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in other currencies are retranslated into USD at the rates prevailing at that date. All resulting exchange differences are recognized in the consolidated statement of profit or loss in the period in which they arise.

Deferred financing costs for undrawn facilities

Commitment, arrangement, structuring, legal and agency fees incurred for obtaining new loans or refinancing existing facilities are recorded as deferred loan issuance costs and classified contra to debt, while the fees incurred for the undrawn facilities are classified under non-current assets in the statement of financial position and are reclassified contra to debt on the drawdown dates.

Deferred financing costs are deferred and amortized to financial costs over the term of the relevant loan, using the effective interest method. When the relevant loan is terminated or extinguished, the unamortized loan fees are written-off in the consolidated statement of profit or loss.

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2. Significant Accounting Policies (Continued)

Vessels under construction

Vessels under construction are presented at cost less identified impairment losses, if any. Costs include shipyard installment payments and other vessel costs incurred during the construction period that are directly attributable to the acquisition or construction of the vessels.

Upon completion of the construction, the vessels are presented on the statement of financial position in accordance with the “Tangible fixed assets: Property, plant and equipment” policy as described below.

Tangible fixed assets: Property, plant and equipment

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment loss. The initial cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition. The cost of an LNG vessel is split into two components, a “vessel component” and a “dry-docking component”. Depreciation for the vessel component is calculated on a straight-line basis, after taking into account the estimated residual values, over the estimated useful life of this major component of the vessels. Residual values are based on management’s estimation about the amount that the Group would currently obtain from disposal of its vessels, after deducting the estimated costs of disposal, if the vessels were already of the age and in the condition expected at the end of their useful life.

The LNG vessels are required to undergo dry-docking overhaul every five years to restore their service potential and to meet their classification requirements that cannot be performed while the vessels are operating. The dry-docking component is estimated at the time of a vessel’s delivery from the shipyard or acquisition from the previous owner and is measured based on the estimated cost of the first dry-docking subsequent to its acquisition, based on the Group’s historical experience with similar types of vessels. For subsequent dry-dockings, actual costs are capitalized when incurred. The dry-docking component is depreciated over the period of five years in case of new vessels, and until the next dry-docking for secondhand vessels (which is performed within five years from the vessel’s last dry-docking).

Costs that will be capitalized as part of the future dry-dockings will include a variety of costs incurred directly attributable to the dry-dock and costs incurred to meet classification and regulatory requirements, as well as expenses related to the dock preparation and port expenses at the dry-dock shipyard, dry-docking shipyard expenses, expenses related to hull, external surfaces and decks, and expenses related to machinery and engines of the vessel, as well as expenses related to the testing and correction of findings related to safety equipment on board. Dry-docking costs do not include vessel operating expenses such as replacement parts, crew expenses, provisions, lubricants consumption, insurance, management fees or management costs during the dry-docking period. Expenses related to regular maintenance and repairs of vessels are expensed as incurred, even if such maintenance and repair occurs during the same time period as dry-docking.

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2. Significant Accounting Policies (Continued)

The expected useful lives of all long-lived assets are as follows:

Vessel

LNG vessel component	35 years
Dry-docking component	5 years
Furniture, computer, software and other office equipment . .	3 - 5 years
Leasehold improvements	12 years (or remaining term of the lease)

Management estimates the useful life of its vessels to be 35 years from the date of initial delivery from the shipyard. Secondhand vessels are depreciated from the date of their acquisition through their remaining estimated useful life.

The useful lives of all assets and the depreciation method are reviewed annually to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. The residual value is also reviewed at each financial period-end. If expectations differ from previous estimates, the changes are accounted for prospectively in profit or loss in the period of the change and future periods.

Ordinary maintenance and repairs that do not extend the useful life of the asset are expensed as incurred.

When assets are sold, they are derecognized and any gain or loss resulting from their disposal is included in profit or loss.

Impairment of tangible fixed assets, vessels under construction and vessel held under finance lease

All assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the consolidated statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and "value in use". The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal, while "value in use" is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit. Each vessel is considered to be a separate cash-generating unit. The fair values of the vessels are estimated from market-based evidence by appraisal that is normally undertaken by professionally qualified brokers.

Reimbursable capital expenditures

Costs eligible for capitalization that are contractually reimbursable by our charterers are recognized on a gross basis in the period incurred under "Vessels". Concurrently, an equal amount is deferred as a liability and amortized to profit or loss as income over the remaining tenure of the charter party agreement.

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2. Significant Accounting Policies (Continued)

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Inventories

Inventories represent lubricants on board the vessel and, in the event of a vessel not being employed under a charter, the bunkers on board the vessel. Inventories are stated at the lower of cost calculated on a first in, first out basis, and net realizable value.

Financial instruments

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. All financial instruments are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

• **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments which are readily convertible into known amounts of cash with original maturities of three months or less at the time of purchase that are subject to an insignificant risk of change in value.

• **Restricted cash**

Restricted cash comprises cash held that is not available for use by the Group including cash held in blocked accounts in order to comply with the covenants under the Group's credit facilities.

• **Short-term investments**

Short-term investments represent short-term, highly liquid time deposits placed with financial institutions which are readily convertible into known amounts of cash with original maturities of more than three months but less than 12 months at the time of purchase that are subject to an insignificant risk of change in value.

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2. Significant Accounting Policies (Continued)

• **Trade receivables**

Trade receivables are carried at the amount expected to be received from the third party to settle the obligation. At each reporting date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate allowance for doubtful accounts. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Trade receivables are written off when there is no reasonable expectation of recovery. See Note 9 for further information about the Group's accounting for trade receivables.

The simplified approach is applied to trade and other receivables and the Group recognizes lifetime expected credit losses ("ECLs") on trade receivables. Under the simplified approach, the loss allowance is always equal to ECLs.

• **Borrowings**

Borrowings are initially recognized at fair value (net of transaction costs). Borrowings are subsequently measured at amortized cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement of the borrowings is recognized in the statement of profit or loss over the term of the borrowings.

• **Derivative financial instruments**

The Group enters into a variety of derivative financial instruments to economically hedge its exposure to interest rate and foreign exchange rate risks, including interest rate swaps, CCSs and forward foreign exchange contracts.

Derivative financial instruments are initially recognized at fair value on the date the derivative contracts are entered into and are subsequently remeasured to their fair value at each reporting date. The resulting changes in fair value are recognized in the consolidated statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the consolidated statement of profit or loss depends on the nature of the hedge relationship. Derivatives are presented as assets when their valuation is favorable to the Group and as liabilities when unfavorable to the Group.

The Group's criteria for classifying a derivative instrument in a hedging relationship include: (1) the existence of an economic relationship between the hedged item and the hedging instrument (i.e., the hedging instrument and hedged item must, based on an economic rationale, be expected to move in opposite directions as a result of a change in the hedged risk); (2) the effect of the credit risk should not dominate the value changes of either the hedged item or the hedging instrument (i.e., credit risk can arise on both the hedging instrument and the hedged item in the form of the counterparty's credit risk or the entity's own credit risk); and (3) the hedge ratio (i.e., the ratio between the amount of hedged item and the amount of hedging instrument) of the hedging relationship is the same as that actually used in the economic hedge.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging

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2. Significant Accounting Policies (Continued)

instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statement of profit or loss. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to the consolidated statement of profit or loss in the periods when the hedged item affects profit or loss, in the same line item as the recognized hedged item. Hedge accounting is discontinued when the Group terminates the hedging relationship, when the hedging instrument expires or is sold, terminated or exercised, or when it no longer qualifies for hedge accounting.

Any gain or loss accumulated in equity at that time remains in equity and is recognized in the consolidated statement of profit or loss when the hedged item affects the consolidated statement of profit or loss. When a forecast transaction designated as the hedged item in a cash flow hedge is no longer expected to occur, the gain or loss accumulated in equity is recycled immediately to the consolidated statement of profit or loss.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in the consolidated statement of profit or loss.

• **Finance lease liabilities**

Finance lease liabilities are initially measured at the fair value of the leased property or, if lower, the present value of the minimum lease payments—discounted at the interest rate implicit in the lease, if practicable, or else at the entity’s incremental borrowing rate—and subsequently measured at amortized cost, using the effective interest rate method. Finance charges in respect of finance leases are recognized in the consolidated statement of profit or loss under “Financial costs”.

Segment information

The information provided to the Group’s chief operating decision maker, being the Chief Executive Officer, to review the Group’s operating results and allocate resources is on a consolidated basis for a single reportable segment. Furthermore, when the Group charters a vessel to a charterer, the charterer is free to trade the vessel worldwide and, as a result, the disclosure of geographic information is impracticable.

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2. Significant Accounting Policies (Continued)

Share-based compensation

Share-based compensation to employees and others providing similar services are measured at the fair value of the equity instruments on the grant date. Details regarding the determination of the fair value of share-based transactions are set out in Note 22.

The fair value determined at the grant date of the equity-settled share-based compensation is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the consolidated statement of profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based compensation reserve.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses recognized in the consolidated financial statements. The Group's management evaluates whether estimates should be made on an ongoing basis, utilizing historical experience, consultation with experts and other methods management considers reasonable in the particular circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities in the future. Critical accounting judgments are those that reflect significant judgments of uncertainties and potentially result in materially different results under different assumptions and conditions.

Critical accounting judgments

In the process of applying GasLog's accounting policies, management has made the following judgments, apart from those involving estimations, that had the most significant effect on the amounts recognized in the consolidated financial statements.

Classification of the non-controlling interests: The non-controlling interests in the Partnership comprise the portion of the Partnership's common units that are not directly or indirectly held by GasLog (33,605,302 units as of December 31, 2018). Under the terms of the partnership agreement, the Partnership is required to distribute 100% of available cash (as defined in the partnership agreement) with respect to each quarter within 45 days of the end of the quarter to the partners. Available cash can be summarized as cash and cash equivalents less an amount equal to cash reserves established by the Partnership's board of directors to (i) provide for the proper conduct of the business of the Partnership (including reserves for future capital expenditures and for anticipated future credit needs of the Partnership) subsequent to such quarter, (ii) comply with applicable law or any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which any Partnership member is a party or by which it is bound or its assets are subject and/or (iii) provide funds for certain distributions relating to future periods.

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2. Significant Accounting Policies (Continued)

In reaching a judgment as to whether the non-controlling interests in the Partnership should be classified as liabilities or equity interests, management has considered the wide discretion of the board of directors of the Partnership to determine whether any portion of the amount of cash available to the Partnership constitutes available cash and that it is possible that there could be no available cash. In the event that there is no available cash, as determined by the Partnership's board of directors, the Partnership does not have a contractual obligation to make a distribution. Accordingly, management has concluded that the non-controlling interests do not represent a contractual obligation on the Partnership to deliver cash and therefore should be classified as equity within the financial statements.

Key sources of estimation uncertainty are as follows:

Impairment of vessels: The Group evaluates the carrying amounts of each of its vessels to determine whether there is any indication that those vessels have suffered an impairment loss by considering both internal and external sources of information. If any such indication exists, the recoverable amount of vessels is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. The Group's estimates of recoverable value assume that the vessels are all in seaworthy condition without need for repair and certified in class without notations of any kind. In assessing the fair value less cost to sell of the vessel, the Group obtains charter free market values for its vessel from independent and internationally recognized ship brokers on a semi-annual basis, which are also commonly used and accepted by the Group's lenders for determining compliance with the relevant covenants in its credit facilities. Vessel values can be highly volatile, so the estimates may not be indicative of the current or future market value of the Group's vessels or prices that could be achieved if it were to sell them. 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 which the estimates of future cash flows have not been adjusted. The projection of cash flows related to vessels is complex and requires management to make various estimates including future charter rates, vessel operating expenses and the discount rate.

As of December 31, 2018, the carrying amounts of each of fourteen vessels were higher than the charter free market values estimated by shipbrokers and the Group concluded that events and circumstances triggered the existence of potential impairment of these vessels. As a result, the Group performed the impairment assessment of these vessels by comparing the discounted projected net operating cash flows for these vessels to their carrying values. The assumptions which the Group has used in its discounted projected net operating cash flow analysis included, among others, operating revenues, utilization, dry-docking costs, operating expenses (including management fees), residual values and the discount factor. The key assumptions are the estimate of charter rates for non-contracted revenue days and the discount rate.

For those vessels operating under long-term time charters, revenue assumptions were based on contracted time charter rates up to the end of life of the current contract of each vessel, as well as the estimated average time charter rates for the remaining life of the vessel after the completion of its current contract. The revenue assumptions exclude days of scheduled off-hire and assume a utilization

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2. Significant Accounting Policies (Continued)

rate of 99.5% based on the fleet's historical performance and internal forecasts. The estimated daily time charter rates used for non-contracted revenue days after the completion of the current time charter are based on a combination of (i) recent charter market rates, (ii) conditions existing in the LNG market as of December 31, 2018, (iii) historical average time charter rates, based on publications by independent third party maritime research services ("maritime research publications"), and (iv) estimated future time charter rates, also based on maritime research publications that provide such forecasts. More specifically, for the non-contracted period starting upon the expiration of the firm charter period of each vessel and up to December 31, 2023, the Group used the most recent charter market rates for a 5-year time charter agreement based on available data from maritime research publications which is \$45 per day for steam-powered ("Steam") vessels and \$75 per day for TFDE vessels. Such rates are lower than current spot rates at December 31, 2018.

For the remaining period from January 1, 2024 through the end of each vessel's useful life, the estimated average time charter rates for Steam and TFDE vessels were based on analysis of future supply and demand for LNG, analysis of future LNG shipping supply and demand balances, internally estimated and market-derived costs of building and financing newbuild LNG vessels, the technical characteristics of each vessel and 5-year historical average 5-year time charter rates based on maritime research publications.

In connection with the impairment testing of our vessels as of December 31, 2018, we performed a sensitivity analysis on the most sensitive and/or subjective assumption that has the potential to affect the outcome of the impairment exercise, which is the projected charter hire rate used to forecast future cash flows for non-contracted days for the Steam vessels. The average charter rate used in our impairment exercise for the Steam vessels was \$58, while the average break-even charter hire rate, being the average of the contracted charter rate and the break-even re-chartering hire rate, was \$50. Using an average charter rate of \$49, which is 2% lower than the break-even charter hire rate, would result in an aggregate impairment charge of \$23,087.

For vessels operating in the spot market and employed through the Cool Pool, the estimated charter rates and utilization for the first year from the reporting date were based on the latest available maritime research publications from ship brokers for short-term (less than 12 months) employment of a vessel operating in the spot market on less than 1-year time charter contracts (in line with the Cool Pool strategy). The estimated charter rates are also based on existing charter contracts and forecasts generated by the Cool Pool directly, which reflect conditions existing in the current LNG spot shipping market. For the remaining period and through the end of each vessel's useful life, the Group assumes that all vessels are operating under multi-year time charters, as a result of which the revenue assumptions were the same as the forecasted rates used for the remaining vessels of the fleet as discussed above. Recognizing that the LNG industry is cyclical and subject to significant volatility based on factors beyond the Group's control, management believes the use of revenue estimates discussed above to be reasonable as of the reporting date. The Group does not take into account any growth rate assumptions or inflation factors for determining forecasted time charter rates beyond the contracted charter rate period through the end of a vessel's useful life. In assessing the factors mentioned above for the purposes of determining estimated revenues, the Group has placed particular reliance on available third-party maritime research publications and analysis of LNG shipping supply and demand data.

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2. Significant Accounting Policies (Continued)

In addition, the Group used an annual operating expenses escalation factor equal to 1% based on its historical data and performance, as well as expectations of future inflation and operating and dry-docking costs. Estimates for the remaining useful lives of the current fleet and residual and scrap values are the same as those used for the Group's depreciation policy.

In the Group's impairment assessment, the weighted average cost of capital used to discount future estimated cash flows to their present values was approximately 7.5% as of December 31, 2018. This was based on the calculated cost of equity and cost of debt components. All estimates used and assumptions made were in accordance with the Group's internal budgets and historical experience of the shipping industry.

The value in use for the fourteen vessels calculated as per above was higher than the carrying amount of these vessels and, consequently, no impairment loss was recognized.

Measurement of share-based compensation: Share-based compensation to executives and others providing similar services are measured at the fair value of the equity instruments on the grant date. Details regarding the determination of the fair value of share-based transactions are set out in Note 22.

The fair value determined at the grant date of the equity-settled share-based compensation is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the consolidated statement of profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based compensation reserve.

Impairment of goodwill: The Group reviews goodwill for impairment at least annually. For the purpose of impairment testing, goodwill has been allocated to the cash-generating unit representing the management company, GasLog LNG Services Ltd., which was acquired by the Group in 2005.

Determining whether goodwill is impaired requires an estimation of the recoverable amount, which is the higher of fair value less costs to sell and value in use, of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit(s) and a suitable discount rate in order to calculate present value. Details of the assumptions used in our impairment analysis are set out in Note 3. No impairment loss was recognized for any of the periods presented.

Adoption of new and revised IFRS

(a) Standards and interpretations adopted in the current period

In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers* which applies to all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 specifies how and when an IFRS reporter will recognize revenue and requires such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 *Revenue*, IAS 11 *Construction Contracts* and a number of revenue-related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018 and

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2. Significant Accounting Policies (Continued)

is applied by the Group using the modified retrospective approach. The adoption of the standard as of January 1, 2018 resulted in an increase of \$246 to the Group's Accumulated deficit and an increase of the same amount on the Group's Other payables and accruals under the modified retrospective approach, as a result of the reassessment of the timing of the performance obligations in relation to positioning and repositioning fees and associated expenses.

The Group assessed that under a time charter arrangement, the hire rate per the charter agreement has two components: the lease component and the service component relating to the vessel's operating costs. The revenue in relation to the lease component of the agreements is accounted for under IAS 17 *Leases*. The revenue in relation to the service component relates to vessel operating expenses, which include expenses that are paid by the vessel owner such as management fees, crew wages, provisions and stores, technical maintenance and insurance expenses. These costs are essential to operating a charter and the charterers receive the benefit of these when the vessel is used during the contracted time and, therefore, these costs are accounted for in accordance with the requirements of IFRS 15 *Revenue from Contracts with Customers*.

Management believes mobilization of a vessel from a previous port of discharge to a subsequent port of loading does not result in a separate benefit for charterers and that the activity is thus incapable of being distinct. This activity is considered to be a required set-up activity to fulfill the contract. On that basis, it was concluded that positioning and repositioning fees and associated expenses should be recognized over the period of the contract, and not at a certain point in time.

In July 2014, the IASB issued the complete version of IFRS 9 *Financial Instruments*. IFRS 9 *Financial Instruments* specifies how an entity should classify and measure financial assets and financial liabilities. The new standard requires all financial assets to be subsequently measured at amortized cost or fair value depending on the business model of the legal entity in relation to the management of the financial assets and the contractual cash flows of the financial assets. The standard also requires a financial liability to be classified as either at fair value through profit or loss or at amortized cost. In addition, a new hedge accounting model was introduced, that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

When an entity first applies IFRS 9 *Financial Instruments*, it may choose as its accounting policy to continue to apply the hedge accounting requirements of IAS 39 *Financial Instruments, Recognition and Measurement*, instead of the requirements in Chapter 6 of IFRS 9 *Financial Instruments*. An entity shall apply that policy to all of its hedging relationships. The Group has selected to apply hedge accounting under IFRS 9 *Financial Instruments*.

The Group has elected to take the transition relief as provided by IFRS 9.7.2.15, which permits an entity not to restate prior periods on initial application of IFRS 9 *Financial Instruments* and any adjustments to be made in the current year. The adoption of this standard as of January 1, 2018 resulted in a decrease of \$436 to the Group's Accumulated deficit and an equal decrease to the Group's Reserves, as a result of the change in the accounting for the currency basis element of the CCSs to flow directly to the statement of profit or loss.

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2. Significant Accounting Policies (Continued)

(b) Standards and amendments in issue not yet adopted

At the date of authorization of these financial statements, the following standards and amendments relevant to the Group were issued but not yet effective:

In January 2016, the IASB issued IFRS 16 *Leases*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer (“lessee”) and the supplier (“lessor”). IFRS 16 eliminates the classification of leases by lessees as either operating leases or finance leases and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognize: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the statement of profit or loss. Lessors continue to classify their leases as operating leases or finance leases, and to account for those two types of leases differently. IFRS 16 *Leases* supersedes the previous leases Standard, IAS 17 *Leases*, and related Interpretations. The standard is effective from January 1, 2019.

For leases where the Group is the lessee, the Group has elected to apply the simplified approach, by which comparative information is not restated and any adjustment is recognized at the date of initial application of IFRS 16 *Leases*. The adoption of the standard on January 1, 2019, will result in an increase in total assets of \$7,210, an increase in retained earnings of \$300 and an increase in total liabilities of \$6,910, which are not considered significant for the Group’s consolidated financial statements.

The impact of all other IFRS standards and amendments issued but not yet adopted is not expected to be material on the Group’s consolidated financial statements.

3. Goodwill

Goodwill resulted from the acquisition in 2005 of Ceres LNG Services Ltd., the vessel management company, which represents a cash-generating unit. On September 30, 2011, Ceres LNG Services Ltd. was renamed “GasLog LNG Services Ltd”. As of December 31, 2018, the Group assessed the recoverable amount of goodwill and concluded that goodwill associated with the Group’s vessel management company was not impaired. The recoverable amount of the vessel management operations is determined based on discounted future cash flows based on the financial budget approved by management for the year-ending December 31, 2019 and management forecasts until 2022.

The key assumptions used in the value-in-use calculations (2019 and beyond) are as follows:

- (i) Average inflation of 1.0% per annum based on historical data and performance;
- (ii) A pre-tax discount rate of 9.4% per annum based on cost of equity;
- (iii) Annual growth rate of 1.0%; and
- (iv) 1 Euro = USD 1.225 based on the 2019 budget.

Growth is based on the number of vessels expected to be under management based on the shipbuilding contracts in place at the end of the year and the long-term strategy of the Group. Management believes that any reasonably possible further change in the key assumptions on which

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3. Goodwill (Continued)

recoverable amount is based would not cause the carrying amount of the cash-generating unit to exceed its recoverable amount.

4. Equity Transactions

GasLog Partners' offerings

On August 5, 2016, GasLog Partners completed a public offering of 2,750,000 common units at a public offering price of \$19.50 per unit. The net proceeds from this offering after deducting underwriting discounts and other offering expenses, were \$52,299.

On January 27, 2017, GasLog Partners completed an equity offering of 3,750,000 common units at a public offering price of \$20.50 per unit. In addition, the option to purchase additional units was partially exercised by the underwriter on February 24, 2017, resulting in 120,000 additional units being sold at the same price. The aggregate net proceeds from this offering, including the partial exercise by the underwriter of the option to purchase additional units, after deducting underwriting discounts and other offering expenses were \$78,197.

On May 15, 2017, GasLog Partners completed a public offering of 5,750,000 8.625% Series A Cumulative Redeemable Perpetual Fixed to Floating Rate Preference Units (the "Partnership's Series A Preference Units") (including 750,000 units issued upon the exercise in full by the underwriters of their option to purchase additional Partnership's Series A Preference Units), liquidation preference \$25.00 per unit, at a price to the public of \$25.00 per preference unit. The net proceeds from the offering after deducting underwriting discounts, commissions and other offering expenses were \$138,804. The Partnership's Series A Preference Units are listed on the New York Stock Exchange under the symbol "GLOP PR A". The initial distribution on the Partnership's Series A Preference Units was paid on September 15, 2017.

On May 16, 2017, GasLog Partners commenced an "at-the-market" common equity offering programme ("ATM Programme"), under which the Partnership may, from time to time, raise equity through the issuance and sale of new common units having an aggregate offering value of up to \$100,000 in accordance with the terms of an equity distribution agreement, entered into on the same date. Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse Securities (USA) LLC and Morgan Stanley & Co. LLC have agreed to act as sales agents. On November 3, 2017, the Partnership entered into the Amended and Restated Equity Distribution Agreement to increase the size of the ATM Programme to \$144,040 and to include UBS Securities LLC as a sales agent.

From establishment of the ATM Programme through December 31, 2017, GasLog Partners had issued and received payment for 2,737,405 common units at a weighted average price of \$22.97 per common unit for total net proceeds, after deducting fees and other expenses, of \$61,225.

Additionally, on May 16, 2017, the subordination period on the subordinated units of GasLog Partners held by GasLog expired and consequently all 9,822,358 subordinated units of GasLog Partners converted into common units of GasLog Partners on a one-for-one basis and now participate pro rata with all other outstanding common units in distributions of available cash.

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4. Equity Transactions (Continued)

On January 17, 2018, GasLog Partners completed a public offering of 4,600,000 8.200% Series B Cumulative Redeemable Perpetual Fixed to Floating Rate Preference Units (the “Partnership’s Series B Preference Units”), including 600,000 units issued upon the exercise in full by the underwriters of their option to purchase additional Partnership’s Series B Preference Units, at a price to the public of \$25.00 per preference unit. The net proceeds from the offering, after deducting underwriting discounts, commissions and other offering expenses, were \$111,194. The Partnership’s Series B Preference Units are listed on the New York Stock Exchange under the symbol “GLOP PR B”.

On April 3, 2018, GasLog Partners issued 33,998 common units in connection with the vesting of 16,999 Restricted Common Units (“RCUs”) and 16,999 Performance Common Units (“PCUs”) under its 2015 Long-Term Incentive Plan (the “GasLog Partners’ Plan”) at a price of \$23.55 per unit. Subsequently, on April 26, 2018, in connection with the acquisition of GAS-fourteen Ltd., the entity that owns and charters the *GasLog Gibraltar*, GasLog Partners issued 1,858,975 common units to GasLog at a price of \$24.21 per unit. On November 15, 2018, GasLog Partners completed a public offering of 4,000,000 8.500% Series C Cumulative Redeemable Perpetual Fixed to Floating Rate Preference Units (the “Partnership’s Series C Preference Units”), at a price to the public of \$25.00 per preference unit. The net proceeds from the offering, after deducting underwriting discounts, commissions and other offering expenses, were \$96,307. The Partnership’s Series C Preference Units are listed on the New York Stock Exchange under the symbol “GLOP PR C”.

Under the Partnership’s ATM Programme, in the year ended December 31, 2018, GasLog Partners has issued and received payment for 2,553,899 common units at a weighted average price of \$23.72 per common unit for total net proceeds, after deducting fees and other expenses, of \$60,013.

The balance of non-controlling interests as of December 31, 2017 and 2018 is as follows:

<u>Non-controlling interests</u>	<u>2017</u>	<u>2018</u>
As of January 1,	564,039	845,105
Net proceeds from the Partnership’s equity offerings	278,226	267,514
Dividend declared and paid to non-controlling interests	(65,863)	(87,954)
Profit allocated to non-controlling interests	68,703	78,715
As of December 31,	<u>845,105</u>	<u>1,103,380</u>

On November 27, 2018, the Partnership Agreement was amended to allow for the substitution of the existing incentive distribution rights (the “Old IDRs”) with a new class of incentive distribution rights (the “New IDRs”, together with the Old IDRs, the “IDRs”) with revised rights to distributions. Pursuant to this amendment, the 48.0% tier of the New IDRs holders was removed, while the definition of the available cash from operating surplus for distribution to the New IDRs holders was revised to exclude any available cash from operating surplus generated from third-party (i.e., non-GasLog) acquisitions, as defined in the agreement. In exchange for the waiving of the aforementioned rights, the Partnership paid \$25,000 to GasLog, holder of the Old IDRs.

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4. Equity Transactions (Continued)

The following table illustrates the percentage allocation of the additional available cash from operating surplus after the payment of preference unit distributions, in respect to such rights, until November 27, 2018:

Old IDRs	Marginal Percentage Interest in Distributions			
	Total Quarterly Distribution Target Amount	Common Unitholders	General Partner	Holders of IDRs
Minimum Quarterly Distribution	\$0.375	98.0%	2.0%	0%
First Target Distribution	\$0.375 up to \$0.43125	98.0%	2.0%	0%
Second Target Distribution	\$0.43125 up to \$0.46875	85.0%	2.0%	13.0%
Third Target Distribution	\$0.46875 up to \$0.5625	75.0%	2.0%	23.0%
Thereafter	Above \$0.5625	50.0%	2.0%	48.0%

Effective November 27, 2018, the percentage allocation of the additional available cash from operating surplus after the payment of preference unit distributions and excluding available cash from operating surplus derived from non-GasLog acquisitions was amended, in respect to such rights, as follows:

New IDRs	Marginal Percentage Interest in Distributions			
	Total Quarterly Distribution Target Amount	Common Unitholders	General Partner	Holders of IDRs
Minimum Quarterly Distribution	\$0.375	98.0%	2.0%	0%
First Target Distribution	\$0.375 up to \$0.43125	98.0%	2.0%	0%
Second Target Distribution	\$0.43125 up to \$0.46875	85.0%	2.0%	13.0%
Thereafter	Above \$0.46875	75.0%	2.0%	23.0%

Allocation of GasLog Partners' profit^(*)	2017	2018
Partnership's profit attributable to:		
Common unitholders	76,347	75,879
Subordinated unitholders	5,085	—
General partner	1,728	1,602
IDRs	3,208	2,618
Paid and accrued preference equity distributions	7,749	22,498
Total	94,117	102,597
Partnership's profit allocated to GasLog	25,414	23,882
Partnership's profit allocated to non-controlling interests	68,703	78,715
Total	94,117	102,597

* Excludes profits of GAS-eleven Ltd., GAS-thirteen Ltd., GAS-eight Ltd., GAS-fourteen Ltd. and GAS-twenty seven Ltd. for the periods prior to their transfers to the Partnership on May 3, 2017, July 3, 2017, October 20, 2017, April 26, 2018 and November 14, 2018, respectively.

Dividends declared attributable to non-controlling interests included in the consolidated statement of changes in equity represent cash distributions to holders of common and preference units.

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4. Equity Transactions (Continued)

In the year ended December 31, 2018, the board of directors of the Partnership approved and declared cash distributions of \$66,964 and of \$20,990 for the common units and preference units, respectively, held by non-controlling interests.

5. Investment in Associates and Joint Venture

The Group participates in the following associates and joint venture:

Name	Country of incorporation	% of ownership interest		Nature of relationship	Measurement method	Principal activity
		2017	2018			
Egypt LNG Shipping Ltd. ⁽¹⁾	Bermuda	25%	25%	Associate	Equity method	Vessel-owning company
Gastrade ⁽²⁾	Greece	20%	20%	Associate	Equity method	Service company
The Cool Pool Limited ⁽³⁾	Marshall Islands	33.33%	50%	Joint venture	Equity method	Service company

⁽¹⁾ Egypt LNG Shipping Ltd. owns and operates a 145,000 cbm LNG vessel built in 2007.

⁽²⁾ Gastrade is a private limited company licensed to develop an independent natural gas system offshore Alexandroupolis in Northern Greece utilizing a floating storage and regasification unit (“FSRU”) along with other fixed infrastructure.

⁽³⁾ The Cool Pool Limited is the commercial manager of the Cool Pool acting as an agent (Note 1).

Investment in associates and joint venture consist of the following:

	Associates	
	2017	2018
As of January 1,	6,265	20,800
Additions	14,125	136
Share of profit of associates	1,159	1,800
Return of investment from associate	(59)	—
Dividend declared	(690)	(2,023)
As of December 31,	20,800	20,713

The additions of \$136 relate to the investment in Gastrade (December 31, 2017: \$14,125). On February 9, 2017, GasLog acquired a 20% shareholding in Gastrade, a private limited company licensed to develop an independent natural gas system offshore Alexandroupolis in Northern Greece utilizing an FSRU along with other fixed infrastructure. GasLog, as well as being a shareholder, will provide operations and maintenance (“O&M”) services for the FSRU through an O&M agreement which was signed on February 23, 2018.

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5. Investment in Associates and Joint Venture (Continued)

Summarized financial information in respect of the associates and the joint venture is set out below:

	Associates			Joint Venture		
	2017	2018		2017	2018	
Current						
Total current assets	17,691	20,836		40,661	98,448	
Total current liabilities	(12,996)	(16,333)		(40,661)	(98,448)	
Non-current						
Total non-current assets	122,531	114,459		—	—	
Total non-current liabilities	(99,086)	(90,879)		—	—	
Net assets	28,140	28,083		—	—	
Group's share	6,963	6,939		—	—	
Effect from translation	16	(47)		—	—	
Goodwill	13,821	13,821		—	—	
Investment in associates and joint venture	20,800	20,713		—	—	

	Associates			Joint Venture		
	2016	2017	2018	2016	2017	2018
Revenues	16,636	19,627	23,513	73,348	159,460	346,170
Profit for the year	5,686	4,637	7,040	—	—	—
Total comprehensive income for the year	5,686	4,637	7,040	—	—	—
Group's share in profit	1,422	1,159	1,800	—	—	—
Dividend declared	(4,950)	(2,759)	(8,091)	—	—	—
Group's share in dividend	1,239	690	2,023	—	—	—

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6. Tangible Fixed Assets, Vessels Under Construction and Vessel Held Under Finance Lease

The movements in tangible fixed assets, vessels under construction and vessel held under finance lease are reported in the following table:

	Vessels	Office property and other tangible assets	Total tangible fixed assets	Vessels under construction	Vessel held under finance lease
Cost					
As of January 1, 2017	4,212,849	14,501	4,227,350	96,356	228,523
Additions	7,517	5,514	13,031	70,299	—
Fully amortized fixed assets	(2,500)	(791)	(3,291)	—	—
As of December 31, 2017	4,217,866	19,224	4,237,090	166,655	228,523
Additions	49,036	4,678	53,714	637,046	143
Transfer from vessels under construction	642,776	—	642,776	(642,776)	—
Transfer under “Other non-current assets”	—	—	—	(1,650)	—
Fully amortized fixed assets	(10,000)	(192)	(10,192)	—	—
As of December 31, 2018	4,899,678	23,710	4,923,388	159,275	228,666
Accumulated depreciation					
As of January 1, 2017	334,960	3,343	338,303	—	6,519
Depreciation	128,355	1,157	129,512	—	7,675
Fully amortized fixed assets	(2,500)	(791)	(3,291)	—	—
As of December 31, 2017	460,815	3,709	464,524	—	14,194
Depreciation	144,611	863	145,474	—	7,719
Fully amortized fixed assets	(10,000)	(192)	(10,192)	—	—
As of December 31, 2018	595,426	4,380	599,806	—	21,913
Net book value					
As of December 31, 2017	3,757,051	15,515	3,772,566	166,655	214,329
As of December 31, 2018	4,304,252	19,330	4,323,582	159,275	206,753

Vessels with an aggregate carrying amount of \$4,304,252 as of December 31, 2018 (December 31, 2017: \$3,757,051) have been pledged as collateral under the terms of the Group’s loan agreements (Note 13).

On February 24, 2016, GAS-twenty six Ltd. completed the sale and leaseback of the *Methane Julia Louise* with a subsidiary of Mitsui. Refer to Note 7.

In May 2014, GAS-twenty two Ltd. entered into a shipbuilding contract with Samsung Heavy Industries Co., Ltd. (“Samsung”) for the construction of an LNG carrier (174,000 cubic meters (“cbm”). The vessel (the *GasLog Genoa*) was delivered on March 29, 2018.

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6. Tangible Fixed Assets, Vessels Under Construction and Vessel Held Under Finance Lease (Continued)

In June 2014, GAS-twenty four Ltd. and GAS-twenty five Ltd. entered into shipbuilding contracts with Hyundai Heavy Industries Co., Ltd. for the construction of two LNG carriers (174,000 cbm each). The first vessel, the *GasLog Houston*, was delivered on January 8, 2018, while the second vessel, the *GasLog Hong Kong*, was delivered on March 20, 2018.

Vessels under construction

In May 2014, GAS-twenty three Ltd. entered into a shipbuilding contract with Samsung for the construction of an LNG carrier (174,000 cbm). The vessel is expected to be delivered in the first quarter of 2019.

In September 2016, GAS-twenty nine Ltd. entered into a shipbuilding contract with Samsung for the construction of one LNG carrier (180,000 cbm). The vessel is expected to be delivered in the third quarter of 2019.

On March 21, 2017, GasLog entered into a Heads of Agreement (“HOA”) with Samsung for the engineering in relation to the potential FSRU conversion of an existing vessel of the Group. As of December 31, 2018, \$3,400 of the cost was paid, in accordance with the payment terms.

On July 10, 2017, GasLog entered into an agreement with Keppel Shipyard Limited (“Keppel”) for the detailed engineering in relation to an FSRU conversion of one vessel. As of December 31, 2018, \$6,539 of the cost was paid, in accordance with the payment terms.

In January 2018, GAS-twenty eight Ltd. entered into a shipbuilding contract with Samsung for the construction of one LNG carrier (180,000 cbm). The vessel is expected to be delivered in the second quarter of 2020.

In March 2018, GAS-thirty one Ltd. entered into a shipbuilding contract with Samsung for the construction of one LNG carrier (180,000 cbm). The vessel is expected to be delivered in the second quarter of 2020.

In May 2018, GAS-thirty Ltd. entered into a shipbuilding contract with Samsung for the construction of one LNG carrier (180,000 cbm). The vessel is expected to be delivered in the third quarter of 2020.

In August 2018, GAS-thirty two Ltd. entered into a shipbuilding contract with Samsung for the construction of one LNG carrier (174,000 cbm). The vessel is expected to be delivered in the fourth quarter of 2020.

In August 2018, GAS-thirty three Ltd. entered into a shipbuilding contract with Samsung for the construction of one LNG carrier (174,000 cbm). The vessel is expected to be delivered in the fourth quarter of 2020.

In December 2018, GAS-thirty four Ltd. entered into a shipbuilding contract with Samsung for the construction of one LNG carrier (180,000 cbm). The vessel is expected to be delivered in the second quarter of 2021.

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6. Tangible Fixed Assets, Vessels Under Construction and Vessel Held Under Finance Lease (Continued)

In December 2018, GAS-thirty five Ltd. entered into a shipbuilding contract with Samsung for the construction of one LNG carrier (180,000 cbm). The vessel is expected to be delivered in the third quarter of 2021.

Vessels under construction represent scheduled advance payments to the shipyards as well as certain capitalized expenditures. As of December 31, 2018, the Group has paid to the shipyard \$152,075 for the vessels that are under construction and expects to pay the remaining installments as they come due upon each vessel's keel laying, launching and delivery (Note 23(b)).

The vessels under construction costs as of December 31, 2017 and 2018 are comprised of:

	As of December 31,	
	2017	2018
Progress shipyard installments	153,116	152,075
Onsite supervision costs	10,570	5,766
Critical spare parts, equipment and other vessel delivery expenses	2,969	1,434
Total	<u>166,655</u>	<u>159,275</u>

7. Sale and Leaseback

On February 24, 2016, GasLog's subsidiary, GAS-twenty six Ltd., completed the sale and leaseback of the *Methane Julia Louise* with a subsidiary of Mitsui. Mitsui has the right to on-sell and lease back the vessel. The vessel was sold to Mitsui for a cash consideration of \$217,000. GasLog leased back the vessel under a bareboat charter from Mitsui for a period of up to 20 years. GasLog has the option to repurchase the vessel on pre-agreed terms no earlier than the end of year ten and no later than the end of year 17 of the bareboat charter. The bareboat hire is fixed and GasLog had a holiday period for the first 210 days, which expired on September 21, 2016. This leaseback meets the definition of a finance lease under IAS 17 *Leases*.

The movements in finance lease liabilities are reported in the following table:

	2017	2018
As of January 1,	220,401	213,428
Finance lease charge (Note 19)	10,875	10,520
Payments	(17,848)	(17,849)
As of December 31,	<u>213,428</u>	<u>206,099</u>
Finance lease liability, current portion	6,302	6,675
Finance lease liability, non-current portion	207,126	199,424
Total	<u>213,428</u>	<u>206,099</u>

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7. Sale and Leaseback (Continued)

Commitments in relation to finance leases are payable as follows:

	<u>As of December 31, 2018</u>
Not later than one year	17,849
Later than one year and not later than three years	35,746
Later than three years and not later than five years	35,697
More than five years	<u>217,544</u>
Minimum lease payments	<u>306,836</u>
Future finance charges	(100,737)
Total lease liabilities	<u><u>206,099</u></u>

The present value of finance lease liabilities is as follows:

	<u>As of December 31, 2018</u>
Not later than one year	6,675
Later than one year and not later than three years	16,626
Later than three years and not later than five years	18,341
More than five years	<u>164,457</u>
Total lease liabilities	<u><u>206,099</u></u>

8. Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

	<u>As of December 31,</u>	
	<u>2017</u>	<u>2018</u>
Current accounts	191,773	220,089
Time deposits (with original maturities of three months or less)	189,925	121,925
Ship management client accounts	<u>2,394</u>	<u>580</u>
Total	<u><u>384,092</u></u>	<u><u>342,594</u></u>

Ship management client accounts represent amounts provided by the clients of GasLog LNG Services Ltd. in order to enable the Group to cover obligations of vessels under management. A compensating balance is held as a current liability.

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9. Trade and Other Receivables

Trade and other receivables consist of the following:

	As of December 31,	
	2017	2018
Trade receivables	1,129	808
VAT receivable	833	1,094
Accrued income	4,034	9,473
Insurance claims	1,452	1,282
Other receivables	3,258	7,587
Total	<u>10,706</u>	<u>20,244</u>

Trade and other receivables are amounts due from third parties for services performed in the ordinary course of business. They are generally due for settlement immediately and therefore are all classified as current. Trade and other receivables are recognized initially at the amount of consideration that is unconditional unless they contain certain significant financing components, at which point they are recognized at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest rate method.

Accrued income represents net revenues receivable from charterers, which have not yet been invoiced; all other amounts not yet invoiced are included under Other receivables.

As of December 31, 2017 and 2018, no material receivable balances were past due or impaired, and therefore no allowance was necessary.

10. Other Non-Current Assets

Other non-current assets consist of the following:

	As of December 31,	
	2017	2018
Various guarantees	428	451
Other long-term assets	—	2,092
Total	<u>428</u>	<u>2,543</u>

11. Share Capital

GasLog's authorized share capital consists of 500,000,000 shares with a par value \$0.01 per share.

As of December 31, 2018, the share capital consisted of 80,861,246 issued and outstanding common shares, par value \$0.01 per share, 131,880 treasury shares issued and held by GasLog and 4,600,000 Preference Shares issued and outstanding (December 31, 2017: 80,717,885 issued and outstanding common shares, par value \$0.01 per share, 275,241 treasury shares issued and held by

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11. Share Capital (Continued)

GasLog and 4,600,000 Preference Shares issued and outstanding). The movements in the number of shares, the share capital, the Preference Shares, the contributed surplus and the treasury shares are reported in the following table:

	Number of Shares			Amounts			
	Number of common shares	Number of treasury shares	Number of preference shares	Share capital	Preference shares	Contributed surplus	Treasury shares
Outstanding as of January 1, 2016	80,496,499	496,627	4,600,000	810	46	1,020,292	(12,491)
Dividends declared deducted from contributed surplus due to accumulated deficit	—	—	—	—	—	(53,318)	—
Treasury shares distributed for awards vested or exercised in the year	64,854	(64,854)	—	—	—	—	1,630
Outstanding as of December 31, 2016 . . .	80,561,353	431,773	4,600,000	810	46	966,974	(10,861)
Dividends declared deducted from contributed surplus due to accumulated deficit	—	—	—	—	—	(55,208)	—
Treasury shares distributed for awards vested or exercised in the year	156,532	(156,532)	—	—	—	—	3,901
Outstanding as of December 31, 2017 . . .	80,717,885	275,241	4,600,000	810	46	911,766	(6,960)
Purchase of treasury shares	(2,818)	2,818	—	—	—	—	(62)
Treasury shares distributed for awards vested or exercised in the year	146,179	(146,179)	—	—	—	—	3,756
Equity raising fees	—	—	—	—	—	(395)	—
Dividends declared deducted from contributed surplus due to accumulated deficit	—	—	—	—	—	(60,795)	—
Outstanding as of December 31, 2018 . . .	80,861,246	131,880	4,600,000	810	46	850,576	(3,266)

The treasury shares were acquired by GasLog in 2014 and 2018 in relation to the settlement of share-based compensation awards (Note 22).

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12. Reserves

The movements in reserves are reported in the following table:

	<u>Hedging</u>	<u>Employee benefits</u>	<u>Share-based compensation reserve</u>	<u>Total reserves</u>
Balance as of January 1, 2016	(24,169)	(82)	15,422	(8,829)
Effective portion of changes in fair value of cash flow hedges	(6,522)	—	—	(6,522)
Recycled loss of cash flow hedges reclassified to profit or loss	23,514	—	—	23,514
Share-based compensation, net of accrued dividend	—	—	3,597	3,597
Settlement of share-based compensation	—	—	(1,577)	(1,577)
Actuarial loss	—	(23)	—	(23)
Balance as of December 31, 2016	(7,177)	(105)	17,442	10,160
Effective portion of changes in fair value of cash flow hedges	2,667	—	—	2,667
Recycled loss of cash flow hedges reclassified to profit or loss	4,368	—	—	4,368
Share-based compensation, net of accrued dividend	—	—	4,104	4,104
Settlement of share-based compensation	—	—	(2,952)	(2,952)
Balance as of December 31, 2017	(142)	(105)	18,594	18,347
Retained earnings adjustment ⁽¹⁾	(436)	—	—	(436)
Balance as of January 1, 2018 (restated)	(578)	(105)	18,594	17,911
Effective portion of changes in fair value of cash flow hedges	(258)	—	—	(258)
Share-based compensation, net of accrued dividend	—	—	4,434	4,434
Settlement of share-based compensation	—	—	(3,074)	(3,074)
Actuarial loss	—	(51)	—	(51)
Balance as of December 31, 2018	(836)	(156)	19,954	18,962

⁽¹⁾ Adjusted so as to reflect certain amendments introduced due to the adoption of IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments*, which became effective on January 1, 2018 (Note 2).

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12. Reserves (Continued)

Dividend distributions

GasLog's dividend distributions for the years ended December 31, 2016, 2017 and 2018 are presented in the following table:

<u>Declaration date</u>	<u>Type of shares</u>	<u>Dividend per share</u>	<u>Payment date</u>	<u>Amount paid</u>
February 24, 2016	Common	\$ 0.14	March 17, 2016	11,270
March 11, 2016	Preference	\$0.546875	April 1, 2016	2,515
May 5, 2016	Common	\$ 0.14	May 26, 2016	11,277
May 5, 2016	Preference	\$0.546875	July 1, 2016	2,516
August 3, 2016	Common	\$ 0.14	August 25, 2016	11,277
September 14, 2016	Preference	\$0.546875	October 3, 2016	2,516
November 2, 2016	Common	\$ 0.14	November 24, 2016	11,277
November 17, 2016	Preference	\$0.546875	January 3, 2017	2,516
Total				<u>55,164</u>
February 16, 2017	Common	\$ 0.14	March 16, 2017	11,278
March 9, 2017	Preference	\$0.546875	April 3, 2017	2,516
May 4, 2017	Common	\$ 0.14	May 25, 2017	11,287
May 4, 2017	Preference	\$0.546875	July 3, 2017	2,516
August 2, 2017	Common	\$ 0.14	August 24, 2017	11,288
September 14, 2017	Preference	\$0.546875	October 2, 2017	2,516
November 1, 2017	Common	\$ 0.14	November 22, 2017	11,291
November 16, 2017	Preference	\$0.546875	January 2, 2018	2,516
Total				<u>55,208</u>
February 15, 2018	Common	\$ 0.14	March 15, 2018	11,300
March 8, 2018	Preference	\$0.546875	April 2, 2018	2,516
May 3, 2018	Common	\$ 0.15	May 24, 2018	12,120
May 11, 2018	Preference	\$0.546875	July 2, 2018	2,516
August 1, 2018	Common	\$ 0.15	August 23, 2018	12,122
September 13, 2018	Preference	\$0.546875	October 1, 2018	2,516
October 31, 2018	Common	\$ 0.15	November 21, 2018	12,126
November 15, 2018	Preference	\$0.546875	January 2, 2019	2,516
November 28, 2018	Common	\$ 0.40	December 17, 2018	32,342
Total				<u>90,074</u>

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13. Borrowings

An analysis of the borrowings is as follows:

	As of December 31,	
	2017	2018
Amounts due within one year	188,167	531,209
Less: unamortized deferred loan/bond issuance costs	(8,800)	(10,659)
Borrowings, current portion	179,367	520,550
Amounts due after one year	2,399,849	2,344,389
Less: unamortized deferred loan/bond issuance costs	(31,660)	(36,480)
Borrowings, non-current portion	2,368,189	2,307,909
Total	2,547,556	2,828,459

Bank Loans-secured

Terminated Facilities:

(a) Danish Ship Finance A/S loan

In March 2008, GAS-one Ltd. entered into a bank loan facility of up to \$174,033 with Danish Ship Finance A/S in order to partially finance the construction of an LNG vessel. On March 9, 2012, GAS-one Ltd. entered into an amending and restating agreement with Danish Ship Finance A/S. The amendment defined that the guarantors were GasLog and GasLog Carriers Ltd.

On July 25, 2016, pursuant to the credit agreement entered into by GasLog with a number of international banks to refinance the existing indebtedness on eight of its on-the-water vessels of up to \$1,050,000 (the “Legacy Facility Refinancing”, please refer to (l) below), the outstanding balance under the GAS-one Ltd. credit facility of \$115,523 was fully repaid.

(b) DNB Bank ASA, UBS AG, National Bank of Greece S.A., Commonwealth Bank of Australia and Skandinaviska Enskilda Banken AB (publ) loan

On May 17, 2013, GAS-two Ltd. signed a loan agreement with DNB Bank ASA, acting through its London Branch, UBS AG, National Bank of Greece S.A., Commonwealth Bank of Australia and Skandinaviska Enskilda Banken AB (publ) for a term loan facility of up to \$110,000 and a revolving credit facility of up to \$50,000 for the purpose of refinancing the facility of GAS-two Ltd. with DnB Nor Bank ASA, National Bank of Greece and UBS AG which was due to mature in March 2014 and for general corporate purposes.

On July 25, 2016, pursuant to the Legacy Facility Refinancing (please refer to (l) below), the outstanding balance under the GAS-two Ltd. credit facility of \$122,175 was fully repaid.

(c) Nordea Bank Finland PLC, ABN Amro Bank N.V. and Citibank International PLC syndicated loan

On October 3, 2011, GAS-five Ltd. and GAS-six Ltd. entered into a loan agreement of up to \$277,000 with Nordea Bank Finland PLC, ABN Amro Bank N.V. and Citibank International PLC in order to partially finance the acquisition of two LNG vessels. The loan agreement provided for two

GasLog Ltd. and its Subsidiaries

Notes to the consolidated financial statements (Continued)

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13. Borrowings (Continued)

equal tranches that were drawn on May 24, 2013 and July 19, 2013 for the financing of the *GasLog Sydney* and the *GasLog Skagen*, respectively. In connection with the GasLog Partners' IPO on May 12, 2014, the credit facility entered was amended to, among other things, (1) divide the facility into two separate facilities on substantially the same terms as the initial facility, with one of the facilities executed by GAS-five Ltd. for the portion allocated to the *GasLog Sydney*, (2) permit GasLog's contribution of GAS-five Ltd. to the Partnership and (3) add GasLog Partners Holdings LLC as a guarantor and remove GasLog Carriers Ltd., a wholly owned subsidiary of GasLog, as guarantor in connection with the GAS-five Ltd. facility. In connection with these amendments, the Partnership prepaid \$82,634 of the new GAS-five Ltd. facility with proceeds of the initial public offering. On November 19, 2014, the outstanding amount of \$48,225 under the GAS-five Ltd. credit facility was fully repaid.

On July 25, 2016, pursuant to the Legacy Facility Refinancing (please refer to (l) below), the outstanding balance under the GAS-six Ltd. credit facility of \$116,096 was fully repaid.

(d) Credit Suisse AG loan

On January 18, 2012, GAS-seven Ltd. entered into a loan agreement of up to \$144,000 with Credit Suisse AG, for the purpose of financing one of the newbuilding vessels. The agreement provided for a single tranche that was drawn on December 4, 2013 for the financing of the *GasLog Seattle*. The loan bore interest at LIBOR plus a margin.

On July 25, 2016, pursuant to the Legacy Facility Refinancing (please refer to (l) below), the outstanding balance under the GAS-seven Ltd. credit facility of \$124,000 was fully repaid.

(e) DnB Bank ASA, Commonwealth Bank of Australia, Danish Ship Finance A/S, ING Bank N.V. and Skandinaviska Enskilda Banken AB (publ) loan

On December 23, 2011, GAS-eight Ltd., GAS-nine Ltd. and GAS-ten Ltd. entered into a loan agreement (the "Principal Agreement") for a senior secured credit facility of up to \$435,000 with DnB Bank ASA, Commonwealth Bank of Australia, Danish Ship Finance A/S, ING Bank N.V. and Skandinaviska Enskilda Banken AB (publ) for the purpose of financing three of the newbuilding vessels. The loan agreement provided for three tranches, to be drawn upon delivery of each newbuilding vessel. On June 24, 2014, GAS-eight Ltd. drew down \$143,000 from the loan facility, to partially finance the delivery of the *Solaris*, on December 10, 2014, GAS-nine Ltd. drew down \$146,000 from the loan facility to partially finance the delivery of the *GasLog Saratoga* and on April 24, 2015, GAS-ten Ltd. drew down \$146,000 from the loan facility to partially finance the delivery of the *GasLog Salem*.

On July 25, 2016, pursuant to the Legacy Facility Refinancing (please refer to (l) below), the aggregate outstanding balance under the credit facility of GAS-eight Ltd., GAS-nine Ltd. and GAS-ten Ltd. of \$398,780 was fully repaid. Also, on July 26, 2016, the bank guarantees issued by BNP Paribas S.A. were terminated.

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13. Borrowings (Continued)

(f) Citibank N.A., London Branch, Citibank International Plc. and DVB America N.V. loan

On September 25, 2013, GAS-fifteen Ltd. signed a loan agreement with Citibank N.A., London Branch and Citibank International Plc., for a term loan facility of \$100,000 to partially finance the acquisition of the *GasLog Chelsea* drawn on September 26, 2013. In October 2013, Citibank International Plc., the existing lender of the GAS-fifteen Ltd. facility, transferred \$50,000 of the outstanding facility to DVB Bank America N.V.

On July 25, 2016, pursuant to the Legacy Facility Refinancing (please refer to (l) below), the outstanding balance under the GAS-fifteen Ltd. credit facility of \$83,325 was fully repaid.

(g) Citibank, N.A. London Branch loan

On April 1, 2014, in connection with the acquisition of the three LNG carriers from BG Group plc (“BG Group”), GAS-sixteen Ltd., GAS-seventeen Ltd. and GAS-eighteen Ltd. signed a loan agreement of \$325,500 with Citibank, N.A. London Branch acting as security agent and trustee for and on behalf of the other finance parties. The loan had a two year maturity without intermediate payments bearing interest at LIBOR plus a margin and was drawn on April 9, 2014, to partially finance the deliveries of the *Methane Rita Andrea*, the *Methane Jane Elizabeth* and the *Methane Lydon Volney*. In connection with the closing of the Partnership’s acquisition of the two entities that own the *Methane Rita Andrea* and the *Methane Jane Elizabeth* on September 29, 2014, GasLog entered into a supplemental deed to the facility agreement dated April 1, 2014 that, among other things, permitted the Partnership (or its subsidiary) to acquire GAS-sixteen Ltd. and GAS-seventeen Ltd. from GasLog and required, as a condition precedent to such acquisition, the Partnership and GasLog Partners Holdings LLC to guarantee the obligors obligations under the facility. The debt of \$217,000 was assumed by the Partnership for the acquisition of GAS-sixteen Ltd. and GAS-seventeen Ltd. On October 9, 2014, the Partnership prepaid \$25,000 from the proceeds of the follow-on equity offering. The assumed balance of \$192,000 was fully repaid on November 19, 2014.

On May 14, 2014, in connection with the acquisition of the three additional LNG carriers from BG Group, GAS-nineteen Ltd., GAS-twenty Ltd. and GAS-twenty one Ltd. signed a loan agreement of \$325,500 with Citibank N.A. London Branch, acting as security agent and trustee for and on behalf of the other finance parties. The loan had a two-year maturity without intermediate payments bearing interest at LIBOR plus a margin and \$108,500 was drawn on June 3, 2014, on June 10, 2014 and on June 24, 2014 to partially finance the deliveries of the *Methane Shirley Elisabeth*, the *Methane Heather Sally* and the *Methane Alison Victoria*, respectively. In connection with the closing of the Partnership’s acquisition of the three entities that own the *Methane Shirley Elisabeth*, the *Methane Heather Sally* and the *Methane Alison Victoria* on July 1, 2015, GasLog Partners and GasLog Partners Holdings LLC were added as corporate guarantors in addition to GasLog, for the respective loan facility, replacing a previous guarantor, GasLog Carriers Ltd. The debt of \$325,500 was assumed by the Partnership for the acquisition of GAS-nineteen Ltd., GAS-twenty Ltd. and GAS-twenty one Ltd. Using the proceeds of the equity offering completed in June 2015, GasLog Partners prepaid \$10,000 of the GAS-nineteen Ltd. tranche on September 4, 2015, \$5,000 of the GAS-twenty Ltd. tranche on December 10, 2015 and \$5,000 of the GAS-twenty one Ltd. tranche on December 29, 2015.

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13. Borrowings (Continued)

On April 5, 2016, pursuant to the credit agreements entered into by GasLog to refinance the debt maturities that were scheduled to become due in 2016 and 2017 (the “Five Vessel Refinancing”, please refer to (k) below), the outstanding balances under the GAS-eighteen Ltd. credit facility and the GAS-nineteen Ltd., GAS-twenty Ltd. and GAS-twenty one Ltd. credit facility of \$108,500 and \$305,500, respectively, were fully repaid.

(h) ABN Amro Bank N.V., Commonwealth Bank of Australia, Credit Agricole Corporate and Investment Bank, Deutsche Bank AG Filiale Deutschlandgeschäft and DNB Bank ASA, London Branch and ING Bank N.V., London Branch loan

On March 25, 2015, GAS-twenty six Ltd. and GAS-twenty seven Ltd. entered into a senior secured term loan facility of up to \$325,000 with ABN Amro Bank N.V., Commonwealth Bank of Australia, Credit Agricole Corporate and Investment Bank, Deutsche Bank AG Filiale Deutschlandgeschäft, DNB Bank ASA, London Branch and ING Bank N.V., London Branch, and a subordinated term loan facility of up to \$135,000 with ABN Amro Bank N.V., Credit Agricole Corporate and Investment Bank, Deutsche Bank AG Filiale Deutschlandgeschäft and DNB Bank ASA, London Branch for the purpose of financing the acquisition of the *Methane Becki Anne* and the *Methane Julia Louise* (Note 6). The available amounts were fully drawn on March 31, 2015. Both facilities bore interest at LIBOR plus a margin.

On February 24, 2016, following the completion of the sale and leaseback of the *Methane Julia Louise* (Note 7), \$162,500 was prepaid into the senior secured term loan facility and \$67,500 was prepaid into the subordinated term loan facility. Finally, on April 5, 2016, pursuant to the Five Vessel Refinancing (please refer to (k) below), the outstanding balances of \$162,500 under the senior secured term loan facility and \$67,500 under the subordinated term loan facility were fully repaid.

Existing facilities:

(i) Citibank N.A., Nordea Bank Finland plc, London Branch, DVB Bank America N.V., ABN Amro Bank N.V., Skandinaviska Enskilda Banken AB and BNP Paribas loan

On November 12, 2014, GAS-three Ltd., GAS-four Ltd., GAS-five Ltd., GAS-sixteen Ltd., GAS-seventeen Ltd., GasLog Partners and GasLog Partners Holdings LLC entered into a loan agreement with Citibank N.A., London Branch, acting as security agent and trustee for and on behalf of the other finance parties mentioned above, for a credit facility for up to \$450,000 (the “GasLog Partners’ Credit Facility”) for the purpose of refinancing in full the existing debt facilities. The agreement provides for a single tranche that was drawn on November 18, 2014. The credit facility bears interest at LIBOR plus a margin.

On May 8, 2015, the Partnership entered into a supplemental deed relating to its Citibank N.A. loan facility, in which the lenders unanimously approved such changes to the facility agreement as were required to reflect the changes to the charters of three vessels agreed with BG Group on April 21, 2015. The balance outstanding as of December 31, 2018 is \$360,000 (December 31, 2017: \$382,500) and is repayable in 4 equal quarterly installments of \$5,625 each and a final balloon payment of \$337,500 payable concurrently with the last quarterly installment in November 2019. In February 2019, the

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13. Borrowings (Continued)

Partnership signed a debt refinancing of up to \$450,000 with certain financial institutions (Note 30), in order to refinance such indebtedness.

- (j) **Citibank, N.A., London Branch, Nordea Bank AB, London Branch, The Export-Import Bank of Korea, Bank of America, National Association, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Credit Suisse AG, HSBC Bank plc, ING Bank N.V., London Branch, KEB HANA Bank, London Branch, KfW IPEX-Bank GmbH, National Australia Bank Limited, Oversea-Chinese Banking Corporation Limited, Société Générale and The Korea Development Bank loan**

On October 16, 2015, GAS-eleven Ltd., GAS-twelve Ltd., GAS-thirteen Ltd., GAS-fourteen Ltd., GAS-twenty two Ltd., GAS-twenty three Ltd., GAS-twenty four Ltd. and GAS-twenty five Ltd. entered into a debt financing agreement with 14 international banks for \$1,311,356 to partially finance the delivery of the eight newbuildings expected to be delivered in 2016, 2018 and 2019. The financing is backed by the Export Import Bank of Korea (“KEXIM”) and the Korea Trade Insurance Corporation (“K-Sure”), who are either directly lending or providing cover for over 60% of the facility.

The loan agreement provides for four tranches of \$412,458, \$201,094, \$206,115 and \$491,690. The facility is also sub-divided into eight loans, one loan per newbuilding vessel, to be provided for each of the vessels on a pro rata basis under each of the four tranches. Each drawing under the first three tranches shall be repaid in 24 consecutive semi-annual equal installments commencing six months after the actual delivery of the relevant vessel according to a 12-year profile. Each drawing under the fourth tranche shall be repaid in 20 consecutive semi-annual equal installments commencing six months after the actual delivery of the relevant vessel according to a 20-year profile, with a balloon payment together with the final installment. On March 22, 2016 and June 24, 2016, \$162,967 was drawn down on each date with respect to the deliveries of the *GasLog Greece* and the *GasLog Glasgow*, on September 26, 2016 and October 25, 2016, \$160,697 was drawn down on each date with respect to the deliveries of the *GasLog Geneva* and the *GasLog Gibraltar*, on January 2, 2018 and March 14, 2018, \$166,210 was drawn on each date with respect to the deliveries of the *GasLog Houston* and the *GasLog Hong Kong*, while on March 23, 2018, \$165,805 was drawn down with respect to the delivery of the *GasLog Genoa*. The aggregate balance outstanding under the loan facility as of December 31, 2018 was \$1,024,655 (December 31, 2017: \$589,930). Amounts drawn bear interest at LIBOR plus a margin. The seven vessel-owning entities that made the drawdowns are also required to maintain at all times minimum liquidity of \$1,500 and are in compliance as of December 31, 2018.

As of December 31, 2018, commitment, arrangement, coordination, agency, bookrunner and legal fees of \$4,526 for obtaining the undrawn portion of the financing (December 31, 2017: \$17,519) are classified under Deferred financing costs in the statement of financial position and will be netted off debt on the respective drawdown dates.

- (k) **ABN AMRO Bank N.V., DNB (UK) Ltd., DVB Bank America N.V., Commonwealth Bank of Australia, ING Bank N.V., London Branch, Credit Agricole Corporate and Investment Bank and National Australia Bank Limited loan**

On February 18, 2016, GAS-eighteen Ltd., GAS-nineteen Ltd., GAS-twenty Ltd., GAS-twenty one Ltd. and GAS-twenty seven Ltd. entered into the Five Vessel Refinancing to refinance the debt maturities that were scheduled to become due in 2016 and 2017. The Five Vessel Refinancing

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13. Borrowings (Continued)

comprises a five-year senior tranche facility of up to \$396,500 and a two-year bullet junior tranche facility of up to \$180,000. The vessels covered by the Five Vessel Refinancing are the GasLog Partners-owned *Methane Alison Victoria*, *Methane Shirley Elisabeth* and *Methane Heather Sally* and the GasLog-owned *Methane Lydon Volney* and *Methane Becki Anne*.

On April 5, 2016, \$395,450 and \$179,750 under the senior and junior tranche, respectively, of the Five Vessel Refinancing were drawn to partially refinance \$644,000 of the outstanding debt of GAS-eighteen Ltd., GAS-nineteen Ltd., GAS-twenty Ltd., GAS-twenty one Ltd. and GAS-twenty seven Ltd. The balance of \$68,800 was paid from available cash. The aforementioned refinancing was considered an extinguishment of the existing debt facilities. Consequently, the unamortized loan fees of \$3,046 were written off to profit or loss for the year ended December 31, 2016. Following the decrease in the aggregate available amount by \$1,300, the senior tranche facility provides for four advances of \$72,288 each and a fifth advance of \$106,298. The first four advances shall be repaid in 20 quarterly equal installments commencing three months after the relevant drawdown dates while the fifth advance shall be repaid in 17 quarterly equal installments commencing 12 months after the relevant drawdown date, with a balloon payment together with the final installments. The junior tranche facility provides for four advances of \$29,958 each and a fifth advance of \$59,918. Each advance under the junior tranche shall be repaid in full 24 months after the relevant drawdown dates.

On April 5, 2017, GasLog prepaid \$150,000 under the junior tranche facility agreement. The prepayment was applied to the advances as follows: \$29,958 applies to Advance A (GAS-eighteen Ltd.), \$20,042 applies to Advance B (GAS-nineteen Ltd.), \$20,042 applies to Advance C (GAS-twenty Ltd.), \$20,042 applies to Advance D (GAS-twenty one Ltd.) and \$59,918 applies to Advance E (GAS-twenty seven Ltd.). The prepayment did not result in substantially different terms and was accounted for as a debt modification. Consequently, the unamortized loan fees of \$1,016 were amortized based on the revised effective interest rate over the remaining life of each Advance.

On January 5, 2018, GasLog Partners prepaid the remaining \$29,750 under the junior tranche facility agreement, which was subsequently cancelled. The prepayment was applied to the advances as follows: \$9,917 applies to Advance B (GAS-nineteen Ltd.), \$9,917 applies to Advance C (GAS-twenty Ltd.) and \$9,916 applies to Advance D (GAS-twenty one Ltd.). The prepayment resulted in an accelerated amortization as of December 31, 2017 of \$213.

The aggregate balance outstanding under the senior tranche as of December 31, 2018 is \$321,439 (December 31, 2017: \$353,170), while under the junior tranche the outstanding balance is \$0 (December 31, 2017: \$29,750). Amounts drawn bear interest at LIBOR plus a margin. The five vessel-owning entities that made the drawdowns are also required to maintain at all times minimum liquidity of \$1,500 and are in compliance as of December 31, 2018.

- (I) Citigroup Global Market Limited, Credit Suisse AG, Nordea Bank AB, London Branch, Skandinaviska Enskilda Banken AB (publ), HSBC Bank plc, ING Bank N.V., London Branch, Danmarks Skibskredit A/S, Korea Development Bank and DVB Bank America N.V. loan**

On July 19, 2016, GAS-one Ltd., GAS-two Ltd., GAS-six Ltd., GAS-seven Ltd., GAS-eight Ltd., GAS-nine Ltd., GAS-ten Ltd. and GAS-fifteen Ltd. entered into the Legacy Facility Refinancing, a credit agreement to refinance the existing indebtedness on eight of GasLog's on-the-water vessels of up

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13. Borrowings (Continued)

to \$1,050,000, extending the maturities of six existing credit facilities to 2021. The vessels covered by the Legacy Facility Refinancing are the *GasLog Savannah*, the *GasLog Singapore*, the *GasLog Skagen*, the *GasLog Seattle*, the *Solaris*, the *GasLog Saratoga*, the *GasLog Salem* and the *GasLog Chelsea*.

The Legacy Facility Refinancing is comprised of a five-year term loan facility of up to \$950,000 and a revolving credit facility of up to \$100,000. On July 25, 2016, the available amount of \$950,000 under the term loan facility and \$11,641 under the revolving credit facility were drawn to refinance the aggregate existing indebtedness of \$959,899 of GAS-one Ltd., GAS-two Ltd., GAS-six Ltd., GAS-seven Ltd., GAS-eight Ltd., GAS-nine Ltd., GAS-ten Ltd. and GAS-fifteen Ltd. Amounts drawn bear interest at LIBOR plus a margin. The aforementioned refinancing was considered an extinguishment of the existing debt facilities. Consequently, the unamortized loan fees of \$18,215 were written off to profit or loss for the year ended December 31, 2016. On January 17, 2017, \$30,000 was drawn under the revolving credit facility. On July 3, 2017, the full drawn amount of \$41,641 under the revolving credit facility was repaid. On November 13, 2018, \$25,940 was drawn under the revolving credit facility, which was repaid on December 12, 2018.

The balance outstanding as of December 31, 2018 of \$833,333 under the term loan facility shall be repaid in five semi-annual installments of \$29,167 each and a balloon repayment of \$687,500 five years after drawdown. The outstanding balance under the revolving credit facility as of December 31, 2018 was \$0, while the available amount of \$100,000 can be drawn and repaid at any time until January 2021 and July 2021, respectively. The aforementioned vessel-owning entities are also required to maintain at all times minimum liquidity of \$1,500 and are in compliance as of December 31, 2018.

Securities covenants and guarantees

The obligations under the aforementioned facilities are secured by a first priority mortgage over the vessels, a pledge of the share capital of the respective vessel owning companies and a first priority assignment of earnings related to the vessels (excluding the vessels participating in the Cool Pool), including charter revenue, management revenue and any insurance and requisition compensation. Obligations under the GasLog Partners Credit Facility are facilities guaranteed by the Partnership and GasLog Partners Holdings LLC, obligations under the Five Vessel Refinancing are guaranteed by GasLog, by the Partnership and GasLog Partners Holdings LLC for up to the value of the commitments relating to the *Methane Alison Victoria*, *Methane Shirley Elisabeth*, *Methane Heather Sally* and the *Methane Becki Anne* and by GasLog Carriers Ltd. for up to the value of the commitments on the remaining vessels, obligations under the Legacy Facility Refinancing are guaranteed by GasLog, by the Partnership and GasLog Partners Holdings LLC for up to the value of the commitments relating to the *GasLog Seattle* and the *Solaris* and by GasLog Carriers Ltd. for up to the value of the commitments on the remaining vessels, while obligations under the fourth facility are guaranteed by GasLog, the Partnership and GasLog Partners Holdings LLC for up to the value of the commitments relating to the *GasLog Greece*, the *GasLog Geneva* and the *GasLog Gibraltar* and by GasLog Carriers Ltd. for up to the value of the commitments on the remaining vessels. The facilities include customary respective covenants, and among other restrictions the facilities include a fair market value covenant pursuant to which the majority lenders may request additional security under the facilities if the aggregate fair market value of the collateral vessels (without taking into account any charter arrangements) were to fall below 120% of the aggregate outstanding principal balance (with respect to each individual vessel

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13. Borrowings (Continued)

in the debt financing agreement entered into in October 2015, below 115% of the outstanding principal balance of that vessel for the first two years after each drawdown and below 120% at any time thereafter). The Group was in compliance with the required minimum security coverage as of December 31, 2018.

Bonds

On June 27, 2013, GasLog issued NOK 500,000 (or \$83,206 based on the exchange rate on June 27, 2013) of senior unsecured bonds maturing on June 27, 2018 (the “NOK 2018 Bonds”). On May 2, 2014, GasLog closed a follow-on issue of NOK 500,000 (or \$83,612 based on the exchange rate on closing date) of the NOK 2018 Bonds at a premium of \$4,180 (based on the exchange rate on closing date). On June 27, 2016, GasLog repurchased and cancelled NOK 588,000 (or \$70,677) of the outstanding NOK 2018 Bonds at a price of 103.0% of par value, resulting in a loss of \$2,120. Additionally, as a result of the repurchase, the unamortized bond fees and premium of \$1,836 were written off to profit or loss for the year ended December 31, 2016. The total outstanding balance of the NOK 2018 Bonds, after the follow-on issue and the partial repurchase amounted to NOK 412,000 (equivalent to \$49,522). On June 27, 2017, GasLog completed the repurchase of the outstanding balance of the NOK 2018 Bonds at a price of 103.0% of par value, resulting in a loss of \$1,459, for a total consideration of NOK 424,360 (\$70,783 at the swapped rate under the associated CCSs). The aforementioned repurchase was considered an extinguishment of the existing NOK 2018 Bonds, and as a result, the unamortized bond fees and premium of \$283 (gain) were written off to profit or loss for the year ended December 31, 2017.

On June 27, 2016, GasLog also completed the issuance of NOK 750,000 (equivalent to \$90,150) of new senior unsecured bonds (the “NOK 2021 Bonds”) in the Norwegian bond market. The NOK 2021 Bonds mature in May 2021 and have a coupon of 6.9% over three-month NIBOR. The proceeds from the issuance were used to partly refinance GasLog’s existing bonds maturing in June 2018, as described above.

The NOK 2021 Bonds bear interest at NIBOR plus margin. Interest payments are made in arrears on a quarterly basis. GasLog may redeem the NOK 2021 Bonds in whole or in part as follows: (a) with settlement date at any time from June 27, 2019 to but not including June 27, 2020 at 104.0% of par plus accrued interest on redeemed amount, (b) with settlement date at any time from June 27, 2020 to but not including December 27, 2020 at 102.50% of par plus accrued interest on redeemed amount, and (c) with settlement date at any time from December 27, 2020 to but not including the maturity date at 101.0% of par plus accrued interests on redeemed amount.

The carrying amount under the NOK 2021 Bonds, net of unamortized financing costs and unamortized premium, as of December 31, 2018 was \$85,231 (carrying amount under the NOK 2021 Bonds as of December 31, 2017: \$89,723) while their fair value was \$91,664 based on a USD/NOK exchange rate of 0.1149 as of December 31, 2018 (December 31, 2017: \$97,416, based on a USD/NOK exchange rate of 0.1213).

On March 22, 2017, GasLog closed a public offering of \$250,000 aggregate principal amount of 8.875% senior unsecured notes due in 2022 (the “8.875% Senior Notes”) at a public offering price of

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13. Borrowings (Continued)

100% of the principal amount. The carrying amount under the 8.875% Senior Notes, net of unamortized financing costs as of December 31, 2018 was \$246,760.

Interest payment on the 8.875% Senior Notes is made in arrears on a quarterly basis. GasLog may redeem the 8.875% Senior Notes, in whole or in part, at any time and from time to time at a redemption price equal to the greater of (a) 100% of the principal amount of such notes and (b) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to but excluding the date of redemption), computed using a discount rate equal to the applicable treasury rate plus 50 basis points, plus accrued and unpaid interest thereon to the date of redemption.

Corporate guarantor financial covenants

GasLog Partners' financial covenants

GasLog Partners as corporate guarantor for the GasLog Partners Credit Facility and the Five Vessel Refinancing is subject to specified financial covenants on a consolidated basis. These financial covenants include the following as defined in the agreements:

- (i) the aggregate amount of all unencumbered cash and cash equivalents must be not less than the higher of 3.0% of total indebtedness or \$15,000;
- (ii) total indebtedness divided by total assets must be less than 60.0%;
- (iii) the ratio of EBITDA over debt service obligations as defined in the GasLog Partners guarantees (including interest and debt repayments) on a trailing 12 months basis must be not less than 110.0%; and
- (iv) the Partnership is permitted to declare or pay any dividends or distributions, subject to no event of default having occurred or occurring as a consequence of the payment of such dividends or distributions.

The GasLog Partners Credit Facility and the Five Vessel Refinancing also impose certain restrictions relating to GasLog Partners, including restrictions that limit its ability to make any substantial change in the nature of its business or to change the corporate structure without approval from the lenders.

Compliance with the financial covenants is required on a semi-annual basis. GasLog Partners was in compliance with the respective financial covenants as of December 31, 2018.

GasLog's financial covenants

GasLog, as corporate guarantor for the loan facilities, the NOK 2021 Bonds and the 8.875% Senior Notes listed above except for the GasLog Partners Credit Facility, is subject to specified financial covenants on a consolidated basis.

The financial covenants include the following:

- (i) net working capital (excluding the current portion of long-term debt) must be not less than \$0;

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13. Borrowings (Continued)

- (ii) total indebtedness divided by total assets (total indebtedness plus total equity in the case of the 8.875% Senior Notes) must not exceed 75.0%;
- (iii) the ratio of EBITDA over debt service obligations as defined in the respective credit facilities and the GasLog guarantees (including interest and debt repayments) on a trailing 12 months basis must be not less than 110.0% (100.0% in relation to the 8.875% Senior Notes);
- (iv) the aggregate amount of all unencumbered cash and cash equivalents must be not less than the higher of 3.0% of total indebtedness or \$50,000 after the first drawdown (must be not less than the higher of 2.5% of total indebtedness or \$35,000 in relation to the 8.875% Senior Notes);
- (v) GasLog is permitted to pay dividends, provided that the Group holds unencumbered cash and cash equivalents equal to at least 4.0% of its total indebtedness subject to no event of default having occurred or occurring as a consequence of the payment of such dividends (not applicable for the NOK 2021 Bonds and the 8.875% Senior Notes); and
- (vi) the Group's market value adjusted net worth must at all times be not less than \$350,000 (\$300,000 in relation to the 8.875% Senior Notes).

The credit facilities also impose certain restrictions relating to GasLog, including restrictions that limit its ability to make any substantial change in the nature of its business or to engage in transactions that would constitute a change of control, as defined in the relevant credit facilities, without repaying all of the Group's indebtedness in full, or to allow the Group's largest shareholders to reduce their shareholding in GasLog below specified thresholds.

GasLog as issuer of the NOK 2021 Bonds is required to comply with the financial covenants (i), (ii), (iii), (iv) and (vi) listed above. Also, under the NOK 2021 Bonds GasLog is permitted to make distributions up to a maximum amount per share per annum for the years 2018, 2019, 2020 and 2021 of \$1.10/share, \$1.20/share, \$1.20/share and \$1.20/share, respectively, provided that GasLog can demonstrate by delivering a compliance certificate to the trustee of the NOK 2021 Bonds that no event of default is continuing or would result from such distributions.

Compliance with the loan financial covenants is required on a semi-annual basis while compliance with the NOK 2021 Bonds and 8.875% Senior Notes covenants is required at all times. The Group was in compliance with all financial covenants as of December 31, 2018.

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13. Borrowings (Continued)

Debt Repayment Schedule

The maturity table below reflects the principal repayments of the loans, the NOK 2021 Bonds and the 8.875% Senior Notes outstanding as of December 31, 2018 based on the repayment schedule of the respective loan facilities (as described above):

	<u>As of December 31, 2018</u>
Not later than one year	531,209
Later than one year and not later than three years	1,313,170
Later than three years and not later than five years	412,291
Later than five years	618,928
Total	<u>2,875,598</u>

The weighted average interest rate for the outstanding loan facilities for the year ended December 31, 2018 was 4.84% (December 31, 2017: 4.14%) excluding the fixed interest rate for the interest rate swaps where hedge accounting is not applicable (Note 26).

After excluding the unamortized deferred loan issuance costs the carrying amount of the Group's bank debt recognized in the consolidated financial statements approximates its fair value since the debt bears interest at a variable interest rate.

14. Other Payables and Accruals

An analysis of other payables and accruals is as follows:

	<u>As of December 31,</u>	
	<u>2017</u>	<u>2018</u>
Social contributions	1,244	1,158
Unearned revenue	34,926	38,680
Accrued legal and professional fees	1,567	1,321
Accrued board of directors' fees	577	599
Accrued employee costs	5,494	5,617
Accrued off-hire	5,284	7,376
Accrued crew costs	4,027	3,729
Accrued purchases	4,227	18,578
Accrued financing cost	1,984	849
Accrued interest	27,851	38,107
Accrued payable to charterers	4,179	6,481
Other accruals	2,058	4,955
Total	<u>93,418</u>	<u>127,450</u>

The unearned revenue represents charter hires received in advance in December 2018 relating to the hire period of January 2019 for 17 vessels (December 2017: 15 vessels).

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15. Vessel Operating and Supervision Costs

An analysis of vessel operating and supervision costs is as follows:

	For the year ended December 31,		
	2016	2017	2018
Crew wages and vessel management employee costs . . .	63,605	72,652	79,624
Technical maintenance expenses	29,520	28,736	28,694
Other vessel operating expenses	19,507	21,098	19,766
Total	112,632	122,486	128,084

16. Voyage Expenses and Commissions

An analysis of voyage expenses and commissions is as follows:

	For the year ended December 31,		
	2016	2017	2018
Brokers' commissions on revenue	5,526	6,456	7,555
Bunkers' consumption and other voyage expenses	4,984	8,948	12,819
Total	10,510	15,404	20,374

As of December 31, 2018, the adjustment for net pool allocation was reclassified in a separate financial statement line "Net pool allocation", due to the materiality and the nature of the account that can be either positive or negative (Note 18). Due to the reclassification, the comparative balances of Voyage expenses and commissions for the years ended December 31, 2016 and 2017 decreased by \$4,674 and increased by \$7,254, respectively.

Bunkers' consumption and other voyage expenses represents mainly bunkers consumed during vessels' unemployment and off-hire.

17. General and Administrative Expenses

An analysis of general and administrative expenses is as follows:

	For the year ended December 31,		
	2016	2017	2018
Employee costs	17,037	18,789	20,980
Share-based compensation (Note 22)	3,869	4,565	5,216
Other expenses	17,736	16,496	15,797
Total	38,642	39,850	41,993

GasLog Ltd. and its Subsidiaries**Notes to the consolidated financial statements (Continued)****For the years ended December 31, 2016, 2017 and 2018****(All amounts expressed in thousands of U.S. Dollars, except share and per share data)****18. Revenues from Contracts with Customers**

The Group has recognized the following amounts relating to revenues:

	For the year ended December 31,		
	2016	2017	2018
Revenues from time charters	444,407	485,961	515,324
Revenues from The Cool Pool Limited (GasLog vessels)	19,789	38,046	102,253
Revenues from vessel management services	1,863	1,222	767
Total	466,059	525,229	618,344

Revenues from The Cool Pool Limited relate to revenues received from GasLog's vessels operating in the Cool Pool and do not include the net pool allocation to GasLog of \$17,818 for the year ended December 31, 2018 (\$7,254 for the year ended December 31, 2017 and loss of \$4,674 for the year ended December 31, 2016), which is recorded as a separate line item in the Profit or Loss Statement.

19. Financial Income and Costs

An analysis of financial income and costs is as follows:

	For the year ended December 31,		
	2016	2017	2018
Financial Income			
Interest income	720	2,650	4,784
Total financial income	720	2,650	4,784
Financial Costs			
Amortization and write-off of deferred loan/bond issuance costs and premium	35,141	12,398	12,593
Interest expense on loans and realized loss on cash flow hedges	76,495	85,813	111,600
Interest expense on bonds and realized loss on CCSs . .	11,723	27,085	30,029
Finance lease charge	9,367	10,875	10,520
Loss arising on NOK Bonds repurchase at a premium (Note 13)	2,120	1,459	—
Other financial costs	2,470	1,551	1,885
Total financial costs	137,316	139,181	166,627

During the year ended December 31, 2016, an amount of \$23,097 representing the write-off of the unamortized deferred loan and bond issuance costs in connection with the loan and NOK Bond refinancings described in Note 13 was included in Amortization and write-off of deferred loan/bond issuance costs and premium.

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20. Contingencies

Various claims, suits and complaints, including those involving government regulations, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, environmental claims, agents and insurers and from claims with suppliers relating to the operations of the Group's vessels. Currently, management is not aware of any such claims or contingent liabilities requiring disclosure in the consolidated financial statements.

21. Related Party Transactions

The Group had the following balances with related parties which have been included in the consolidated statements of financial position:

Dividends receivable and other amounts due from related parties

	As of December 31,	
	2017	2018
Dividends receivable from associate (Note 5)	125	885
Due from The Cool Pool Limited	8,186	32,397
Other receivables	355	113
Total	8,666	33,395

The amount due from The Cool Pool Limited represents outstanding pool distributions.

Current Liabilities

	As of December 31,	
	2017	2018
Ship management creditors	993	268
Amounts due to related parties	35	169

Ship management creditors' liability is comprised of cash collected from Egypt LNG Shipping Ltd. to cover the obligations of its vessel under the Group's management.

Amounts due to related parties of \$169 (December 31, 2017: \$35) are expenses paid by a related party on behalf of the Group and payables to other related parties for the office lease and other operating expenses.

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21. Related Party Transactions (Continued)

The Group had the following transactions with related parties which have been included in the consolidated statements of profit or loss for the years ended December 31, 2016, 2017 and 2018:

Company	Details	Statement of income account	2016	2017	2018
(a) Egypt LNG Shipping Ltd.	Vessel management services	Revenues	(211)	(752)	(703)
(b) Nea Dimitra Property	Office rent and utilities	General and administrative expenses	754	842	934
(b) Nea Dimitra Property	Other office services	General and administrative expenses	3	1	—
(c) Seres S.A.	Catering services	General and administrative expenses	181	281	372
(c) Seres S.A.	Consultancy services	General and administrative expenses	55	68	56
(d) Chartwell Management Inc.	Travel expenses	General and administrative expenses	323	111	—
(e) Ceres Monaco S.A.M.	Professional services	General and administrative expenses	—	159	144
(f) A.S. Papadimitriou and Partners Law Firm	Professional services	General and administrative expenses	73	15	4
(g) The Cool Pool Limited	Adjustment for net pool allocation	Net pool allocation	4,674	(7,254)	(17,818)
(h) Ceres Shipping Ltd.	Travel expenses	General and administrative expenses	—	—	38

- (a) One of the Group's subsidiaries, GasLog LNG Services Ltd. provides vessel management services to Egypt LNG Shipping Ltd., the LNG vessel owning company, in which another subsidiary, GasLog Shipping Company Ltd., holds a 25% ownership interest.
- (b) Through its subsidiary GasLog LNG Services Ltd., the Group leases office space in Piraeus, Greece, from an entity controlled by Ceres Shipping, Nea Dimitra Ktimatikh Kai Emporikh S.A.
- (c) GasLog LNG Services Ltd. has also entered into an agreement with Seres S.A., an entity controlled by the Livanos family, for the latter to provide catering services to the staff based in the Piraeus office. Amounts paid pursuant to the agreement are generally less than Euro 10 per person per day, but are slightly higher on special occasions. In addition, GasLog LNG Services Ltd. has entered into an agreement with Seres S.A. for the latter to provide human resources, telephone and documentation services for the staff based in Piraeus.
- (d) Chartwell Management Inc. is an entity controlled by the Livanos family which provides travel services to GasLog's directors and officers.
- (e) GasLog entered into a consulting agreement for the services of an employee of Ceres Monaco S.A.M., an entity controlled by the Livanos family, for consultancy services in connection with the acquisition of GasLog's shareholding in Gastrade. GasLog agreed to pay a fixed fee for work carried out between May 1, 2016 and December 31, 2017 in the sum of \$100 and an ongoing consultancy arrangement fee of \$12 per month for a minimum of 12 days per month, terminable upon notice by GasLog. For the year ended December 31, 2016, the amount of \$100 was included in the line "Other non-current assets".
- (f) A.S. Papadimitriou and Partners Law Firm, an entity controlled by one of our directors, provided legal services in relation to the legal due diligence process of our investment in Gastrade. In addition to the \$4 recognized in profit or loss (December 31, 2017: \$15), no amount was capitalized under "Investment in associates" (December 31, 2017: \$24).
- (g) GasLog's pool results were adjusted by a net gain of \$17,818 (2017: net gain of \$7,254) to include the net allocation from the pool in accordance with the profit sharing terms specified in the Pool Agreement.
- (h) Ceres Shipping Ltd., an entity controlled by the Livanos family, requested reimbursement of travel expenses provided during the year.

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21. Related Party Transactions (Continued)

Compensation of key management personnel

The remuneration of directors and key management was as follows:

	For the year ended December 31,		
	2016	2017	2018
Remuneration	6,117	7,603	7,011
Short-term benefits	73	106	136
Expense recognized in respect of share-based compensation . .	1,454	1,821	1,992
Total	<u>7,644</u>	<u>9,530</u>	<u>9,139</u>

22. Share-Based Compensation

Omnibus Incentive Compensation Plan

On May 17, 2013, April 1, 2014, April 1, 2015, April 1, 2016, April 3, 2017 and April 2, 2018, GasLog granted to executives, managers and certain employees of the Group, Restricted Stock Units (“RSUs”) and Stock Appreciation Rights or Stock Options (collectively, the “SARs”) in accordance with its 2013 Omnibus Incentive Compensation Plan (the “Plan”). The RSUs vest three years after the grant dates while the SARs vest incrementally with one-third of the SARs vesting on each of the three anniversaries of the grant dates. The compensation cost for the SARs is recognized on an accelerated basis as though each separate vesting portion of the SARs is a separate award. Prior to the exercise date the holders of the awards have no voting rights. In addition, the holders of the awards granted in 2013 and 2014 are not entitled to dividends or other distributions.

The details of the aforementioned awards are presented in the following table:

<u>Awards</u>	<u>Number</u>	<u>Grant date</u>	<u>Expiry date</u>	<u>Exercise price*</u>	<u>Fair value at grant date</u>
RSUs	64,792	May 17, 2013	n/a	n/a	\$ 11.95
SARs	325,943	May 17, 2013	April 29, 2023	\$12.86	\$2.3753
RSUs	76,251	April 1, 2014	n/a	n/a	\$ 22.58
SARs	286,746	April 1, 2014	March 31, 2024	\$23.60	\$6.0035
RSUs	88,492	April 1, 2015	n/a	n/a	\$ 19.48
SARs	305,859	April 1, 2015	March 31, 2025	\$19.08	\$5.6352
RSUs	212,837	April 1, 2016	n/a	n/a	\$ 9.28
SARs	848,981	April 1, 2016	March 31, 2026	\$8.88	\$2.3263
RSUs	144,142	April 3, 2017	n/a	n/a	\$ 15.55
SARs	448,045	April 3, 2017	April 3, 2027	\$15.15	\$5.0021
RSUs	149,786	April 2, 2018	n/a	n/a	\$ 16.30
SARs	416,458	April 2, 2018	April 2, 2028	\$15.90	\$5.3000

* The exercise prices were decreased by \$0.40 to reflect the effect from the distribution of the special dividend declared on November 28, 2018.

In accordance with the terms of the Plan, there are only service condition requirements. The awards will be settled in cash or in shares at the sole discretion of the compensation committee of the

GasLog Ltd. and its Subsidiaries**Notes to the consolidated financial statements (Continued)****For the years ended December 31, 2016, 2017 and 2018****(All amounts expressed in thousands of U.S. Dollars, except share and per share data)****22. Share-Based Compensation (Continued)**

board of directors. These awards have been treated as equity settled because the Group has no present obligation to settle in cash. The amount to be settled for each SAR exercised is computed in each case, as the excess, if any, of the fair market value (the closing price of shares) on the exercise date over the exercise price of the SAR.

Fair value

The fair value of the SARs has been calculated based on the Modified Black-Scholes-Merton method. Expected volatility was based on historical share price volatility for the period since the Group's initial public offering. The expected dividend is based on management's expectations of future payments on the grant date. The significant assumptions used to estimate the fair value of the SARs are set out below:

Inputs into the model	2013	2014	2015	2016	2017	2018
Grant date share closing price	\$ 13.26	\$ 24.00	\$ 19.48	\$ 9.28	\$ 15.55	\$ 16.30
Exercise price*	\$ 12.86	\$ 23.60	\$ 19.08	\$ 8.88	\$ 15.15	\$ 15.90
Expected volatility	29.31%	29.42%	39.3%	47.3%	46.0%	44.5%
Expected term	6 years	6 years	6 years	6 years	6 years	6 years
Risk-free interest rate for the period similar to the expected term	1.08%	2.03%	1.48%	1.37%	1.99%	2.61%

* The exercise prices were decreased by \$0.40 to reflect the effect from the distribution of the special dividend declared on November 28, 2018.

In 2013, the fair value of the RSUs in accordance with the Plan was determined by using the grant date closing price of \$13.26 per share and adjusting for the effect of the expected dividends to which holders of RSUs are not entitled using a risk-free interest rate of 0.4% for the three years until the expiry of the RSUs, which resulted in a fair value of \$11.95 per RSU.

In 2014, the fair value of the RSUs in accordance with the Plan was determined by using the grant date closing price of \$24.00 per share and adjusting for the effect of the expected dividends to which holders of RSUs are not entitled using a risk-free interest rate of 0.91% for the three years until the expiry of the RSUs which resulted in a fair value of \$22.58 per RSU.

In 2015, 2016, 2017 and 2018, the fair value of the RSUs in accordance with the Plan was determined by using the grant date closing price of \$19.48, \$9.28, \$15.55 and \$16.30 per share, respectively, and was not further adjusted since the holders are entitled to dividends.

In 2018, the fair value of the RSUs was determined by using the grant date closing price of \$16.30 per share and was not further adjusted since the holders are entitled to dividends.

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22. Share-Based Compensation (Continued)

Movement in RSUs and SARs

The summary of RSUs and SARs is presented below:

	Number of awards	Weighted average exercise price per share	Weighted average share price at the date of exercise	Weighted average contractual life	Aggregate fair value
RSUs					
Outstanding as of January 1, 2017 . . .	368,437	—	—	1.63	5,225
Granted during the year	144,142	—	—	—	2,241
Vested during the year	(72,189)	—	—	—	(1,630)
Forfeited during the year	(14,688)	—	—	—	(200)
Outstanding as of December 31, 2017 .	425,702	—	—	1.39	5,636
Granted during the year	149,786	—	—	—	2,441
Vested during the year	(86,136)	—	—	—	(1,655)
Forfeited during the year	(1,179)	—	—	—	(14)
Outstanding as of December 31, 2018 .	488,173	—	—	1.13	6,408
SARs					
Outstanding as of January 1, 2017 . . .	1,713,702	14.11	—	8.25	6,010
Granted during the year	448,045	15.55	—	—	2,241
Exercised during the year	(93,265)	11.06	18.69	—	(233)
Forfeited during the year	(37,203)	13.09	—	—	(144)
Outstanding as of December 31, 2017 .	2,031,279	14.59	—	7.68	7,874
Granted during the year	416,458	15.90	—	—	2,207
Exercised during the year	(60,043)	11.93	20.71	—	(158)
Forfeited during the year	(3,333)	11.46	—	—	(12)
Expired during the year	(12,198)	22.87	—	—	(72)
Outstanding as of December 31, 2018 .	2,372,163	14.51	—	7.17	9,839

As of December 31, 2018, 1,395,692 SARs have vested but not been exercised.

On April 1, 2015, April 1, 2016, April 3, 2017 and April 2, 2018, GasLog Partners granted to its executives RCUs and PCUs in accordance with the GasLog Partners' Plan. The RCUs and PCUs will vest three years after the grant dates subject to the recipients' continued service; vesting of the PCUs is also subject to the achievement of certain performance targets in relation to total unitholder return. Specifically, the performance measure is based on the total unitholder return ("TUR") achieved by the Partnership during the performance period, benchmarked against the TUR of a selected group of peer companies. TUR above the 75th percentile of the peer group results in 100% of the award vesting; TUR between the 50th and 75th percentile of the peer group results in 50% of award vesting; TUR below the 50th percentile of the peer group results in none of the award vesting. The holders are entitled to cash distributions that are accrued and will be settled on vesting.

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22. Share-Based Compensation (Continued)

The details of the aforementioned awards are presented in the following table:

<u>Awards</u>	<u>Number</u>	<u>Grant date</u>	<u>Expiry date</u>	<u>Fair value at grant date</u>
RCUs	16,999	April 1, 2015	n/a	\$24.12
PCUs	16,999	April 1, 2015	n/a	\$24.12
RCUs	24,925	April 1, 2016	n/a	\$16.45
PCUs	24,925	April 1, 2016	n/a	\$16.45
RCUs	26,097	April 3, 2017	n/a	\$23.85
PCUs	26,097	April 3, 2017	n/a	\$23.85
RCUs	24,608	April 2, 2018	n/a	\$23.40
PCUs	24,608	April 2, 2018	n/a	\$23.40

In accordance with the terms of the GasLog Partners' Plan, the awards will be settled in cash or in common units at the sole discretion of the board of directors or such committee as may be designated by the board to administer the GasLog Partners' Plan. These awards have been treated as equity settled because the Partnership has no present obligation to settle them in cash.

Fair value

The fair value of the RCUs and PCUs granted in 2015, 2016, 2017 and 2018 was determined by using the grant date closing price of \$24.12, \$16.45, \$23.85 and \$23.40 per common unit, respectively, and was not further adjusted since the holders are entitled to cash distributions.

Movement in RCUs and PCUs

The summary of RCUs and PCUs is presented below:

	<u>Number of awards</u>	<u>Weighted average contractual life</u>	<u>Aggregate fair value</u>
RCUs			
Outstanding as of January 1, 2017	41,924	1.84	820
Granted during the year	26,097	—	622
Forfeited during the year	(546)	—	(13)
Outstanding as of December 31, 2017	67,475	1.38	1,429
Granted during the year	24,608	—	576
Vested during the year	(16,999)	—	(410)
Outstanding as of December 31, 2018	75,084	1.25	1,595
PCUs			
Outstanding as of January 1, 2017	41,924	1.84	820
Granted during the year	26,097	—	622
Forfeited during the year	(546)	—	(13)
Outstanding as of December 31, 2017	67,475	1.38	1,429
Granted during the year	24,608	—	576
Vested during the year	(16,999)	—	(410)
Outstanding as of December 31, 2018	75,084	1.25	1,595

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22. Share-Based Compensation (Continued)

On April 3, 2018, 16,999 RCUs and 16,999 PCUs vested under the GasLog Partners' Plan.

The total expense recognized in respect of share-based compensation for the year ended December 31, 2018 was \$5,216 (December 31, 2017: \$4,565 and December 31, 2016: \$3,869). The total accrued cash distribution as of December 31, 2018 is \$1,265 (December 31, 2017: \$814).

23. Commitments

(a) On December 31, 2018, the Group had the following commitments as lessee relating to buildings under operating leases:

	<u>As of December 31, 2018</u>
Not later than one year	1,281
Later than one year and not later than three years	2,377
Later than three years and not later than five years	1,849
More than five years	<u>618</u>
Total	<u>6,125</u>

The rental expense relating to operating leases for the year ended December 31, 2018 was \$1,567 (December 31, 2017: \$1,525 and December 31, 2016: \$1,527).

(b) Commitments relating to the vessels under construction (Note 6) on December 31, 2018 payable to Samsung were as follows:

	<u>As of December 31, 2018</u>
Not later than one year	430,600
Later than one year and not later than three years	<u>1,122,465</u>
Total	<u>1,553,065</u>

(c) Pursuant to a Heads of Agreement entered into by GAS-twenty two Ltd. and GAS-twenty three Ltd. with Methane Services Limited ("MSL"), a subsidiary of Royal Dutch Shell plc ("Shell"), on March 8, 2016, the GasLog entities declared their options with Samsung to install Air Liquide Advanced Technologies ("ALAT") reliquefaction plants on board the vessels. MSL agreed to reimburse 50% of such cost per vessel, resulting in an aggregate commitment to pay \$3,200 per vessel to GasLog after the installation has been completed. In the event the ALAT reliquefaction plants do not meet certain specified performance criteria during operation, GasLog will have an obligation to pay to MSL a daily compensation amount per vessel, which obligation will in whole or in part be satisfied by certain obligations of the manufacturers incurred for failure to meet the specified performance criteria.

In addition, on November 2, 2015, a letter agreement between GasLog and MSL was signed reimbursing MSL the sum of \$2,654 for value as of November 1, 2015, adjusted for future value through January 2020 up to \$3,801, allowing for the future use of the reimbursement amount against

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23. Commitments (Continued)

the funding of specific MSL projects, such as costs associated with change orders on LNG newbuildings and/or modifications of existing vessels as agreed between the parties. On December 17, 2018, the agreement was terminated and the outstanding commitment of \$1,196 was deducted from the \$3,200 that was the amount that MSL reimbursed GasLog for the reliquefaction installation at GAS-twenty two Ltd.

The net amount of \$2,004 is included under Tangible fixed assets and an equal amount was deferred as a liability and amortized to profit or loss as income over the remaining tenor of the respective charter party agreement.

(d) Future gross minimum revenues receivable in relation to non-cancellable time charter agreements for vessels in operation, including a vessel held under finance lease (Note 7) as of December 31, 2018 are as follows (30 off-hire days are assumed when each vessel will undergo scheduled dry-docking; in addition, early delivery of the vessels by the charterers or any exercise of the charterers' options to extend the terms of the charters are not accounted for):

	<u>As of December 31, 2018</u>
Not later than one year	410,411
Later than one year and not later than three years	570,822
Later than three years and not later than five years	411,911
Later than five years	396,555
Total	<u>1,789,699</u>

Future gross minimum lease revenues disclosed in the above table excludes the revenues of the vessels that are under construction as of December 31, 2018 (Note 6). For these vessels, the following charter party agreements have been signed:

- In April 2015, GAS-twenty three Ltd. signed a time charter agreement with a subsidiary of Shell for the employment of its owned vessel for an average initial term of approximately 9.5 years, which was amended to commence early 2019.
- In October 2016, GAS-twenty eight Ltd., signed an agreement with a wholly owned subsidiary of Centrica plc ("Centrica") for its newbuilding Hull No. 2212 to be chartered to Centrica upon delivery in 2019 for an initial term of seven years. However, in December 2017, GasLog amended the shipbuilding contract for newbuilding Hull No. 2212 such that it becomes the GasLog uncommitted vessel and newbuilding Hull No. 2213 becomes the committed Centrica vessel. The charter will now commence in the second quarter of 2020.
- In May 2018, GAS-thirty Ltd., signed an agreement with Pioneer Shipping Limited, a wholly owned subsidiary of Centrica for its newbuilding Hull No. 2262 to be chartered to Centrica upon delivery in 2020 for an initial term of seven years.
- In August 2018, GAS-thirty two Ltd., signed an agreement with a wholly owned subsidiary of Cheniere Energy, Inc. ("Cheniere"), for its newbuilding Hull No. 2300 to be chartered to Cheniere upon delivery in 2020 for an initial term of seven years.

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23. Commitments (Continued)

- In August 2018, GAS-thirty three Ltd., signed an agreement with Cheniere, for its newbuilding Hull No. 2301 to be chartered to Cheniere upon delivery in 2020 for an initial term of seven years.
- In December 2018, GAS-thirty four Ltd., signed an agreement with Cheniere, for its newbuilding Hull No. 2311 to be chartered to Cheniere upon delivery in 2021 for an initial term of seven years.
- In December 2018, GAS-thirty five Ltd., signed an agreement with Cheniere, for its newbuilding Hull No. 2312 to be chartered to Cheniere upon delivery in 2021 for an initial term of seven years.

(e) In April and May 2017, GasLog LNG Services Ltd. entered into agreements in relation to some of the Group's vessels, with the aim of enhancing their operational performance. Commitments relating to these agreements, without including additional estimated costs for which no agreement had been signed as of December 31, 2018, are as follows:

	As of December 31, 2018
Not later than one year	2,280
Total	2,280

(f) Related to the acquisition of six vessels from a subsidiary of MSL in 2014 and another two vessels in 2015, the Group is committed to purchase depot spares from MSL with an aggregate value of \$8,000 of which depot spares with value \$660 have been purchased and paid as of December 31, 2018 and are included in Tangible fixed assets (Note 6). The remaining spares are expected to be acquired before March 31, 2020.

(g) On October 11, 2016, GasLog LNG Services Ltd. entered into an agreement whereby it has access to all long lead items ("LLIs") necessary for the conversion of a GasLog LNG carrier vessel into an FSRU whereby such conversion work would be undertaken by Keppel. GasLog is only obligated to pay for such LLIs if utilized for a GasLog vessel conversion, or, if the LLIs have not been utilized in a GasLog vessel conversion within three years from November 2016, the items may be put to GasLog at 110% of the original cost, or GasLog may call for the purchase of such LLIs at a discounted price of 85% of the original cost.

(h) On July 10, 2017, GasLog entered into an agreement with Keppel for the detailed engineering in relation to an FSRU conversion of one vessel. Commitment relating to this agreement as of December 31, 2018 is as follows:

	As of December 31, 2018
Not later than one year	1,894
Total	1,894

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23. Commitments (Continued)

(i) On September 27, 2017 (and in addition to the seven existing maintenance agreements signed in 2014 in relation to GasLog vessels), GasLog LNG Services Ltd. entered into further maintenance agreements with Wartsila Greece S.A. (“Wartsila”) in respect of eight GasLog LNG carriers. The agreements cover the renewal of existing maintenance agreements on four GasLog vessels and extend the servicing to four additional LNG carriers. On July 1, 2018, GasLog LNG Services Ltd. entered into maintenance agreements with Wartsila in respect of seven additional GasLog LNG carriers. The agreements ensure dynamic maintenance planning, technical support, security of spare parts supply, specialist technical personnel and performance monitoring.

(j) Other Guarantees:

As of December 31, 2018, GasLog LNG Services Ltd. has provided bank guarantees as follows:

- Up to \$500 to third parties relating to the satisfactory performance of its ship management activities;
- Bank guarantee of \$10 to the Greek Ministry of Finance relating to the satisfactory performance of the obligations arising under Greek laws 89/1967, 378/1968 as amended by law 814/1978.

24. Financial Risk Management

The Group’s activities expose it to a variety of financial risks, including market risk, liquidity risk and credit risk. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial performance. The Group makes use of derivative financial instruments such as interest rate swaps to moderate certain risk exposures.

Market risk

Interest rate risk: The Group is subject to market risks relating to changes in interest rates because it has floating rate debt outstanding. Significant increases in interest rates could adversely affect the Group’s results of operations and its ability to service its debt. The Group uses interest rate swaps to reduce its exposure to market risk from changes in interest rates. The principal objective of these contracts is to minimize risks associated with its floating rate debt and not for speculative or trading purposes. As of December 31, 2018, the Group has economically hedged 47.92% of its variable rate interest exposure relating to its existing loan facilities and the bonds by swapping the variable rate to a fixed rate (December 31, 2017: 53.92%).

The aggregate principal amount of our outstanding floating rate debt as of December 31, 2018 was \$1,369,428. As an indication of the extent of our sensitivity to interest rate changes, an increase in LIBOR of 10 basis points would increase the interest expense on the un-hedged portion of the Group’s loans by approximately \$1,395 (December 31, 2017: \$1,264 and December 31, 2016: \$1,433).

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24. Financial Risk Management (Continued)

Interest rate sensitivity analysis: The fair value of the interest rate swaps as of December 31, 2018 was estimated as a net asset of \$5,992 (December 31, 2017: net asset of \$10,325). The effective movement in the fair value of the interest rate swaps designated as cash flow hedging instruments (Note 26) amounting to \$0 (December 31, 2017: \$0 and December 31, 2016: \$4,922 loss) was recognized directly in equity.

The interest rate swap agreements described below are subject to market risk as they are recorded at fair value in the statement of financial position at year end. The fair value of interest rate swap liabilities increases when interest rates decrease and decreases when interest rates increase. As of December 31, 2018, if interest rates had increased or decreased by 10 basis points with all other variables held constant, the positive/(negative) impact, respectively, on the fair value of the interest rate swaps would have amounted to \$7,351 (December 31, 2017: \$4,416 and December 31, 2016: \$4,027) affecting loss/(gain) on swaps in the respective periods.

Other price risk: The decrease in the fair value of Egypt LNG Shipping Ltd., in response to unfavorable market conditions resulting in a decrease in charter rates and vessel values, could negatively impact the value of the Group's investment in associate. Therefore, management might conclude that impairment is necessary in the future.

Currency risk: Currency risk is the risk that the value of financial instruments and/or the cost of commercial transactions 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 Group's subsidiaries' functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to general and crew costs denominated in Euros ("EUR"). Specifically, for the year ended December 31, 2018, approximately \$116,252 of the operating and administrative expenses were denominated in EUR (December 31, 2017: \$87,400 and December 31, 2016: \$85,777). As of December 31, 2018, approximately \$21,177 of the Group's outstanding trade payables and accruals were denominated in EUR (December 31, 2017: \$14,743).

The Group has entered into CCSs (Note 26) to hedge its currency exposure from the NOK 2021 Bonds and forward foreign exchange contracts to hedge its currency exposure from payments in EUR and GBP. In addition, management monitors exchange rate fluctuations on a continuous basis. As an indication of the extent of the Group's sensitivity to changes in exchange rate, a 10% increase in the average EUR/USD exchange rate would have decreased the Group's profit and cash flows during the year ended December 31, 2018 by \$11,625, based upon its expenses during the year (December 31, 2017: \$8,740 and December 31, 2016: \$8,578).

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group minimizes liquidity risk by maintaining sufficient cash and cash equivalents and by having available adequate amounts of undrawn credit facilities.

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24. Financial Risk Management (Continued)

The following tables detail the Group's expected cash flows for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Variable future interest payments were determined based on an average LIBOR plus the margins applicable to the Group's loans at the end of each year presented.

	Weighted average effective interest rate	Less than 1 month	1 - 3 months	3 - 12 months	1 - 5 years	5+ years	Total
December 31, 2017							
Trade and other accounts payable		\$ 11,392	75	59	—	—	11,526
Amounts due to related parties		35	—	—	—	—	35
Other payables and accruals*		28,087	28,995	1,410	—	—	58,492
Other non-current liabilities*		—	—	—	579	1,006	1,585
Variable interest loans	3.70%	67,331	21,152	154,902	1,887,806	400,935	2,532,126
NOK Bonds		—	6,733	22,513	206,427	255,054	490,727
Finance lease liability		1,516	2,885	13,448	71,443	235,393	324,685
Total		\$108,361	59,840	192,332	2,166,255	892,388	3,419,176
December 31, 2018							
Trade and other accounts payable		\$ 11,627	58	205	—	—	11,890
Amounts due to related parties		169	—	—	—	—	169
Other payables and accruals*		31,835	52,782	2,200	—	—	86,817
Other non-current liabilities		—	—	—	637	1,059	1,696
Variable interest loans	4.68%	44,041	37,047	531,292	1,624,313	706,009	2,942,702
Bonds		—	7,526	22,513	397,366	—	427,405
Finance lease liability		1,516	2,885	13,448	71,443	217,544	306,836
Total		\$ 89,188	100,298	569,658	2,093,759	924,612	3,777,515

* Non-financial liabilities are excluded.

The amounts included above for variable interest rate instruments are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

The following tables detail the Group's expected cash flows for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that are settled on a net basis. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as

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24. Financial Risk Management (Continued)

illustrated by the yield curves existing at the end of the reporting period. The undiscounted contractual cash flows are based on the contractual maturities of the derivatives.

	<u>Less than 1 month</u>	<u>1 - 3 months</u>	<u>3 - 12 months</u>	<u>1 - 5 years</u>	<u>5+ years</u>	<u>Total</u>
December 31, 2017						
Interest rate swaps	20	249	1,343	(12,602)	—	(10,990)
Cross currency swaps	—	117	456	(4,863)	—	(4,290)
Forward foreign exchange contracts	(239)	(473)	(1,492)	—	—	(2,204)
Total	<u>(219)</u>	<u>(107)</u>	<u>307</u>	<u>(17,465)</u>	<u>—</u>	<u>(17,484)</u>
December 31, 2018						
Interest rate swaps	(161)	(442)	(5,546)	(235)	(2,120)	(8,504)
Cross currency swaps	—	108	407	914	—	1,429
Forward foreign exchange contracts	250	474	715	—	—	1,439
Total	<u>89</u>	<u>140</u>	<u>(4,424)</u>	<u>679</u>	<u>(2,120)</u>	<u>(5,636)</u>

Credit risk

Credit risk is the risk that a counterparty will fail to discharge its obligations and cause a financial loss and arises from cash and cash equivalents, short-term investments, favorable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including trade and other receivables, dividends receivable and other amounts due from related parties. The Group is exposed to credit risk in the event of non-performance by any of its counterparties. To limit this risk, the Group currently deals primarily with financial institutions and customers with high credit ratings.

	<u>As of December 31,</u>	
	<u>2017</u>	<u>2018</u>
Cash and cash equivalents	384,092	342,594
Short-term investments	—	25,000
Trade and other receivables	10,706	20,244
Dividends receivable and other amounts due from related parties	8,666	33,395
Derivative financial instruments	18,211	15,188

For the year ended December 31, 2018, 74.2% of the Group's revenue was earned from Shell (December 31, 2017 and December 31, 2016, 92.6% and 94.9%, respectively) and accounts receivable were not collateralized; however, management believes that the credit risk is partially offset by the creditworthiness of the Group's counterparties. BG Group was acquired by Shell on February 15, 2016. This acquisition does not impact the contractual obligations under the existing charter party agreements. The Group did not experience significant credit losses on its accounts receivable portfolio during the three years ended December 31, 2018. The carrying amount of financial assets recorded in the consolidated financial statements represents the Group's maximum exposure to credit risk.

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24. Financial Risk Management (Continued)

Management monitors exposure to credit risk, and they believe that there is no substantial credit risk arising from the Group's counterparties.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

25. Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders value.

The Group monitors capital using a gearing ratio, which is total debt divided by total equity plus total debt. The gearing ratio is calculated as follows:

	As of December 31,	
	2017	2018
Borrowings, current portion	179,367	520,550
Borrowings, non-current portion	2,368,189	2,307,909
Finance lease liability, current portion	6,302	6,675
Finance lease liability, non-current portion	207,126	199,424
Total debt	2,760,984	3,034,558
Total equity	1,763,134	1,983,122
Total debt and equity	4,524,118	5,017,680
Gearing ratio	61.03%	60.48%

26. Derivative Financial Instruments

The fair value of the derivative assets is as follows:

	As of December 31,	
	2017	2018
Derivative assets carried at fair value through profit or loss (FVTPL)		
Interest rate swaps	11,535	15,188
Forward foreign exchange contracts	2,123	—
Derivative assets designated and effective as hedging instruments carried at fair value		
Cross currency swaps	4,553	—
Total	18,211	15,188
Derivative financial instruments, current assets	2,199	6,222
Derivative financial instruments, non-current assets	16,012	8,966
Total	18,211	15,188

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26. Derivative Financial Instruments (Continued)

The fair value of the derivative liabilities is as follows:

	<u>As of</u> <u>December 31,</u>	
	<u>2017</u>	<u>2018</u>
Derivative liabilities carried at fair value through profit or loss (FVTPL)		
Interest rate swaps	1,210	9,196
Forward foreign exchange contracts	—	1,467
Derivative liabilities designated and effective as hedging instruments carried at fair value		
Cross currency swaps	605	1,429
Total	<u>1,815</u>	<u>12,092</u>
Derivative financial instruments, current liability	1,815	2,091
Derivative financial instruments, non-current liability	—	10,001
Total	<u>1,815</u>	<u>12,092</u>

Interest rate swap agreements

The Group enters into interest rate swap agreements which convert the floating interest rate exposure into a fixed interest rate in order to hedge a portion of the Group's exposure to fluctuations in prevailing market interest rates. Under the interest rate swaps, the bank counterparty effects quarterly floating-rate payments to the Group for the notional amount based on the U.S. dollar LIBOR, and the Group effects quarterly payments to the bank on the notional amount at the respective fixed rates.

Interest rate swaps designated as cash flow hedging instruments

In July 2016, the Group terminated the interest rate swap agreements associated with the six legacy facilities that were refinanced by the Legacy Facility Refinancing (Note 13) paying the fair value on the date of termination. The cumulative loss of \$12,953 from the period that hedging was effective was recycled to profit or loss during the year ended December 31, 2016.

As of December 31, 2017 and 2018, there are no derivative financial instruments qualifying as cash flow hedging instruments for accounting purposes. For the year ended December 31, 2016, the effective portion of changes in the fair value of derivatives designated as cash flow hedging instruments amounting to a loss of \$7,550, has been recognized in Other comprehensive income. For the year ended December 31, 2016, a loss of \$2,628 was recycled to profit or loss representing the realized loss on interest rate swaps in relation to the interest expenses component of the hedge.

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26. Derivative Financial Instruments (Continued)

Interest rate swaps held for trading

The principal terms of the interest rate swaps held for trading were as follows:

Company	Counterparty	Trade Date	Effective Date	Termination Date	Fixed Interest Rate	Notional Amount	
						December 31, 2017	December 31, 2018
GasLog . . .	Deutsche Bank AG	July 2016	July 2016	July 2020	1.98%	66,667	66,667
GasLog . . .	Deutsche Bank AG	July 2016	July 2016	July 2021	1.98%	66,667	66,667
GasLog . . .	Deutsche Bank AG	July 2016	July 2016	July 2022	1.98%	66,667	66,667
GasLog ⁽¹⁾ . . .	DNB Bank ASA ("DNB")	July 2016	July 2016	July 2020	1.784%	73,333	73,333
GasLog ⁽²⁾ . .	DNB	July 2016	July 2016	July 2021	1.729%	73,333	—
GasLog . . .	DNB	July 2016	July 2016	July 2022	1.719%	73,333	73,333
GasLog ⁽³⁾ . .	HSBC Bank plc ("HSBC")	July 2016	July 2016	July 2020	1.896%	33,333	—
GasLog ⁽³⁾ . .	HSBC	July 2016	July 2016	July 2021	1.818%	33,333	—
GasLog . . .	HSBC	July 2016	July 2016	July 2022	1.79%	33,333	33,333
GasLog ⁽⁴⁾ . .	Nordea Bank Finland	July 2016	July 2016	July 2020	1.905%	66,667	—
GasLog ⁽⁵⁾ . .	Nordea Bank Finland	July 2016	July 2016	July 2021	1.84%	66,667	—
GasLog . . .	Nordea Bank Finland	July 2016	July 2016	July 2022	1.815%	66,667	66,667
GasLog ⁽⁶⁾ . .	Skandinaviska Enskilda Banken AB ("SEB")	July 2016	July 2016	July 2020	1.928%	50,000	—
GasLog . . .	SEB	July 2016	July 2016	July 2021	1.8405%	50,000	50,000
GasLog ⁽³⁾ . .	SEB	July 2016	July 2016	July 2022	1.814%	50,000	—
GasLog . . .	HSBC	Feb 2017	Feb 2017	Feb 2022	2.005%	100,000	100,000
GasLog . . .	Nordea Bank Finland	Feb 2017	Feb 2017	Mar 2022	2.0145%	100,000	100,000
GasLog . . .	ABN Amro Bank NV ("ABN")	Feb 2017	Feb 2017	Mar 2022	2.003%	100,000	100,000
GasLog ⁽⁷⁾ . .	Nordea Bank Finland	May 2018	July 2020	July 2026	3.070%	—	N/A
GasLog ⁽⁵⁾ . .	Nordea Bank Finland	May 2018	May 2018	July 2026	2.562%	—	66,667
GasLog ⁽⁷⁾ . .	SEB	May 2018	July 2020	July 2024	3.025%	—	N/A
GasLog ⁽³⁾ . .	SEB	May 2018	Apr 2018	July 2025	2.300%	—	50,000
GasLog ⁽⁷⁾ . .	DNB	May 2018	July 2020	July 2024	3.056%	—	N/A
GasLog ⁽²⁾ . .	DNB	May 2018	July 2018	July 2025	2.472%	—	73,333
GasLog ⁽³⁾ . .	HSBC	May 2018	Apr 2018	July 2024	2.475%	—	33,333
GasLog ⁽³⁾ . .	HSBC	May 2018	Apr 2018	July 2025	2.550%	—	33,333
GasLog ⁽⁷⁾ . .	Citibank Europe Plc. ("CITI")	May 2018	July 2020	July 2024	3.082%	—	N/A
GasLog ⁽⁷⁾ . .	CITI	May 2018	July 2021	July 2025	3.095%	—	N/A
GasLog ⁽⁶⁾ . .	SEB	December 2018	October 2018	July 2026	2.745%	—	50,000
GasLog ⁽⁴⁾ . .	Nordea	December 2018	October 2018	July 2028	2.793%	—	66,667
GasLog ⁽¹⁾ . .	DNB	December 2018	January 2019	July 2025	2.685%	—	N/A
GasLog ⁽⁸⁾ . .	SEB	December 2018	July 2020	July 2024	2.9575%	—	N/A
GasLog ⁽⁸⁾ . .	Nordea	December 2018	July 2020	July 2024	2.937%	—	N/A
GasLog ⁽⁸⁾ . .	DNB	December 2018	April 2020	April 2025	2.979%	—	N/A
					Total	1,170,000	1,170,000

⁽¹⁾ In December 2018, the Group terminated an interest rate swap originally maturing in July 2020 with an effective date of January 2019. This swap was subsequently replaced with a new swap of the same notional amount of \$73,333 with an effective date of January 2019 and a new maturity date of July 2025.

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26. Derivative Financial Instruments (Continued)

- (2) In May 2018, the Group terminated an interest rate swap originally maturing in July 2021 with an effective date of July 2018. This swap was subsequently replaced with a new swap of the same notional amount of \$73,333 with an effective date of July 2018 and a new maturity date of July 2025.
- (3) Effective May 2018, the Group terminated the interest rate swap with SEB originally maturing in July 2022 and replaced with a new swap of the same notional amount of \$50,000 with an effective date of April 2018 and a new maturity date of July 2025. In addition, in May 2018, the Group terminated the interest rate swap agreements with HSBC with an aggregate notional value of \$66,667 and entered into new agreements of the same notional amounts with an effective date April 2018.
- (4) Effective December 2018, the Group terminated the interest rate swap with Nordea originally maturing in July 2020 and replaced with a new swap of the same notional amount of \$66,667 with an effective date of October 2018 and a new maturity date of July 2028.
- (5) Effective May 2018, the Group terminated the interest rate swap originally maturing in July 2021 and replaced it with a new swap of the same notional amount of \$66,667 maturing in July 2026.
- (6) Effective December 2018, the Group terminated the interest rate swap with SEB originally maturing in July 2020 and replaced with a new swap of the same notional amount of \$50,000 with an effective date of October 2018 and a new maturity date of July 2026.
- (7) In May 2018, the Group entered into new interest rate swap agreements with various counterparties with an aggregate notional value of \$250,000, with effective dates in July 2020 and July 2021, maturing between 2024 and 2026.
- (8) In December 2018, the Group entered into new interest rate swap agreements with various counterparties with an aggregate notional value of \$210,000, with effective dates in April and July 2020, maturing between 2024 and 2025.

In July 2016, the Group terminated the interest rate swap agreements associated with the six legacy facilities that were refinanced by the Legacy Facility Refinancing (Note 13) paying their fair value on that date. During the year ended December 31, 2016, the amount of the cumulative loss from the period that these hedges were effective that was recycled to profit or loss was \$4,978.

The derivative instruments listed above were not designated as cash flow hedging instruments. The change in the fair value of these contracts for the year ended December 31, 2018 amounted to a net loss of \$4,333 (December 31, 2017: \$8,529 net gain, December 31, 2016: \$18,448 net gain), which was recognized against profit or loss in the period incurred and is included in (Loss)/gain on derivatives. During the year ended December 31, 2018, the net loss of \$4,333 derived from changes in the LIBOR curve as well as modifications of the Group's interest rate swap portfolio that includes interest rate swap agreements with maturities out to 2028.

Cross currency swap agreements

The Group enters into CCSs which convert the floating interest rate exposure and the variability of the USD functional currency equivalent cash flows into a fixed interest rate and principal on maturity, in order to hedge the Group's exposure to fluctuations deriving from its NOK 2021 Bonds.

GasLog Ltd. and its Subsidiaries
Notes to the consolidated financial statements (Continued)
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26. Derivative Financial Instruments (Continued)

The CCSs qualified as cash flow hedging instruments for accounting purposes.

The principal terms of the CCSs designated as cash flow hedging instruments were as follows:

Company	Counterparty	Trade Date	Effective Date	Original Termination Date	Fixed Interest Rate	Notional Amount	
						December 31, 2017	December 31, 2018
GasLog ⁽¹⁾	DNB Bank ASA	June 2016	June 2016	May 2021	8.59%	30,050	30,050
GasLog ⁽¹⁾	SEB	June 2016	June 2016	May 2021	8.59%	30,050	30,050
GasLog ⁽¹⁾	Nordea Bank Finland	June 2016	June 2016	May 2021	8.59%	30,050	30,050
					Total	90,150	90,150

⁽¹⁾ On June 27, 2017, GasLog terminated the three CCS agreements by paying their fair value of \$20,603 on that date. The cumulative loss of \$4,368 from the period that hedging was effective was recycled to profit or loss during the year ended December 31, 2017.

On June 27, 2016, GasLog terminated three CCS agreements and decreased the notional amount of the other three CCSs by paying their fair value on that date. The cumulative loss of \$5,583 from the period that hedging was effective was recycled to profit or loss during the year ended December 31, 2016.

For the year ended December 31, 2018, the effective portion of changes in the fair value of CCSs amounting to a loss of \$5,543 has been recognized in Other comprehensive income (December 31, 2017: \$7,291 gain, December 31, 2016: \$2,559 loss). For the year ended December 31, 2018, a loss of \$454 was recycled to profit or loss representing the realized loss on CCSs in relation to the interest expenses component of the hedge (December 31, 2017: \$398 loss, December 31, 2016: \$2,446 loss). Additionally, for the year ended December 31, 2018, a gain of \$4,831 was recognized in Other comprehensive income in relation to the retranslation of the NOK 2021 Bonds in U.S. dollars as of December 31, 2018 (December 31, 2017: \$5,022 loss, December 31, 2016: \$1,487 loss).

Forward foreign exchange contracts

The Group uses forward foreign exchange contracts to mitigate foreign exchange transaction exposures in British Pounds Sterling (“GBP”) and EUR. Under these forward foreign exchange contracts, the bank counterparty will effect fixed payments in GBP or EUR to the Group and the Group will effect fixed payments in USD to the bank counterparty on the respective settlement dates. All forward foreign exchange contracts are considered by management to be part of economic hedge arrangements but have not been formally designated as such.

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Notes to the consolidated financial statements (Continued)
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26. Derivative Financial Instruments (Continued)

The principal terms of the forward foreign exchange contracts held for trading are as follows:

<u>Company</u>	<u>Counterparty</u>	<u>Trade Date</u>	<u>Number of contracts</u>	<u>Settlement Dates</u>	<u>Fixed Exchange Rate (USD/GBP)</u>	<u>Total Exchange Amount (in thousands)</u>
GasLog	SEB	August 2018	3	January - March 2019	1.2860	£1,200
GasLog	SEB	October 2018	3	April - June 2019	1.3128	£1,350
GasLog	SEB	October 2018	6	July - December 2019	1.3228	£2,700
					Total	£5,250

<u>Company</u>	<u>Counterparty</u>	<u>Trade Date</u>	<u>Number of contracts</u>	<u>Settlement Dates</u>	<u>Fixed Exchange Rate (USD/EUR)</u>	<u>Total Exchange Amount (in thousands)</u>
GasLog	Citibank	May 2018	1	January 2019	1.1954	€ 2,500
GasLog	Citibank	May 2018	1	February 2019	1.1983	€ 2,500
GasLog	Citibank	May 2018	1	March 2019	1.2012	€ 2,500
GasLog	SEB	May 2018	3	January - March 2019	1.1984	€ 7,500
GasLog	ABN	June 2018	1	April 2019	1.1903	€ 2,500
GasLog	ABN	June 2018	1	May 2019	1.1936	€ 2,500
GasLog	ABN	June 2018	1	June 2019	1.1968	€ 2,500
GasLog	DNB	June 2018	1	April 2019	1.1910	€ 2,500
GasLog	DNB	June 2018	1	May 2019	1.1943	€ 2,500
GasLog	DNB	June 2018	1	June 2019	1.1975	€ 2,500
GasLog	Nordea Bank Finland	August 2018	1	July 2019	1.1715	€ 2,500
GasLog	Nordea Bank Finland	August 2018	1	September 2019	1.1784	€ 5,000
GasLog	DNB	August 2018	1	July 2019	1.1711	€ 2,500
GasLog	DNB	August 2018	1	August 2019	1.1747	€ 5,000
					Total	€45,000

The derivative instruments listed above were not designated as cash flow hedging instruments as of December 31, 2018. The change in the fair value of these contracts for the year ended December 31, 2018 amounted to a net loss of \$3,589 (for the year ended December 31, 2017: \$2,041 net gain, December 31, 2016: \$82 net gain), which was recognized against profit or loss in the year incurred and is included in Loss on derivatives.

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26. Derivative Financial Instruments (Continued)

An analysis of (Loss)/gain on derivatives is as follows:

	For the year ended December 31,		
	2016	2017	2018
Unrealized gain/(loss) on derivative financial instruments held for trading	18,530	10,570	(7,922)
Realized (loss)/gain on interest rate swaps held for trading	(8,435)	(7,842)	1,893
Realized gain on forward foreign exchange contracts held for trading	—	3,730	241
Recycled loss of cash flow hedges reclassified to profit or loss	(23,514)	(4,368)	—
Ineffective portion of cash flow hedges	—	(65)	(289)
Total	<u>(13,419)</u>	<u>2,025</u>	<u>(6,077)</u>

Fair value measurements

The fair value of the Group's financial assets and liabilities approximate to their carrying amounts at the reporting date.

The fair value of the interest rate swaps at the end of reporting period was determined by discounting the future cash flows using the interest rate yield curves at the end of reporting period and the credit risk inherent in the contract. The fair value of the CCSs at the end of the reporting period was determined by discounting the future cash flows that are estimated based on forward exchange rates and contract forward rates, discounted at a rate that reflects the credit risk of the counterparties. The Group uses its judgment to make assumptions that are primarily based on market conditions for the estimation of the counterparty risk and the Group's own risk that are considered for the calculation of the fair value of the interest rate and CCSs. The interest rate swaps, the forward foreign exchange contracts and the CCSs meet Level 2 classification, according to the fair value hierarchy as defined by IFRS 13 *Fair Value Measurement*. There were no financial instruments in Levels 1 or 3 and no transfers between Levels 1, 2 or 3 during the periods presented. The definitions of the levels provided by IFRS 13 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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Notes to the consolidated financial statements (Continued)

For the years ended December 31, 2016, 2017 and 2018

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27. Cash Flow Reconciliations

The reconciliation of the Group's non-cash investing and financing activities for the two years ended December 31, 2018 are presented in the tables below:

A reconciliation of borrowings arising from financing activities is as follows:

	Opening balance	Cash flows	Other comprehensive income	Non-cash items	Deferred financing costs, assets	Total
Borrowings outstanding as of January 1, 2017	2,652,026	—	—	—	—	2,652,026
Proceeds from bank loans and bonds . .	—	280,000	—	—	—	280,000
Bank loans and bond repayments	—	(397,008)	—	—	—	(397,008)
Additions in deferred loan/bond fees . .	—	(8,830)	—	(1,526)	5,474	(4,882)
Amortization of deferred loan and bond issuance costs and premium (Note 19)	—	—	—	12,398	—	12,398
Retranslation of the NOK Bonds in U.S. dollars	—	—	5,022	—	—	5,022
Borrowings outstanding as of December 31, 2017	<u>2,652,026</u>	<u>(125,838)</u>	<u>5,022</u>	<u>10,872</u>	<u>5,474</u>	<u>2,547,556</u>
	Opening balance	Cash flows	Other comprehensive income	Non-cash items	Deferred financing costs, assets	Total
Borrowings outstanding as of January 1, 2018	2,547,556	—	—	—	—	2,547,556
Proceeds from bank loans and bonds . .	—	524,165	—	—	—	524,165
Bank loans and bond repayments	—	(231,753)	—	—	—	(231,753)
Additions in deferred loan/bond fees . .	—	(7,449)	—	1,119	(12,941)	(19,271)
Amortization of deferred loan and bond issuance costs and premium (Note 19)	—	—	—	12,593	—	12,593
Retranslation of the NOK Bonds in U.S. dollars	—	—	(4,831)	—	—	(4,831)
Borrowings outstanding as of December 31, 2018	<u>2,547,556</u>	<u>284,963</u>	<u>(4,831)</u>	<u>13,712</u>	<u>(12,941)</u>	<u>2,828,459</u>

GasLog Ltd. and its Subsidiaries

Notes to the consolidated financial statements (Continued)

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27. Cash Flow Reconciliations (Continued)

A reconciliation of derivatives arising from financing activities is as follows:

	Opening balance	Cash flows	Other comprehensive income	Non-cash items	Total
Net derivative liabilities as of January 1, 2017	(22,401)	—	—	—	(22,401)
Unrealized gain on derivative financial instruments held for trading including ineffective portion of cash flow hedge	—	—	—	10,505	10,505
Payment for CCS termination (Note 26)	—	20,603	—	—	20,603
Effective portion of changes in the fair value of derivatives designated as cash flow hedging instruments	—	—	7,689	—	7,689
Net derivative (liabilities)/assets as of December 31, 2017	<u>(22,401)</u>	<u>20,603</u>	<u>7,689</u>	<u>10,505</u>	<u>16,396</u>

	Opening balance	Cash flows	Other comprehensive income	Non-cash items	Total
Net derivative assets as of January 1, 2018	16,396	—	—	—	16,396
Unrealized loss on derivative financial instruments held for trading	—	—	—	(7,922)	(7,922)
Ineffective portion of cash flow hedges	—	—	—	(289)	(289)
Effective portion of changes in the fair value of derivatives designated as cash flow hedging instruments	—	—	(5,089)	—	(5,089)
Net derivative assets as of December 31, 2018	<u>16,396</u>	<u>—</u>	<u>(5,089)</u>	<u>(8,211)</u>	<u>3,096</u>

A reconciliation of tangible fixed assets, vessels under construction and vessel held under finance lease arising from investing activities is as follows:

	Opening balance	Cash flows	Non-cash items	Total
Tangible fixed assets, vessels under construction and vessel held under finance lease as of January 1, 2017 . .	4,207,407	—	—	4,207,407
Additions (Note 6)	—	82,352	978	83,330
Depreciation expense (Note 6)	—	—	(137,187)	(137,187)
Tangible fixed assets, vessels under construction and vessel held under finance lease as of December 31, 2017	<u>4,207,407</u>	<u>82,352</u>	<u>(136,209)</u>	<u>4,153,550</u>

GasLog Ltd. and its Subsidiaries

Notes to the consolidated financial statements (Continued)

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27. Cash Flow Reconciliations (Continued)

	<u>Opening balance</u>	<u>Cash flows</u>	<u>Non-cash items</u>	<u>Total</u>
Tangible fixed assets, vessels under construction and vessel held under finance lease as of January 1, 2018 . . .	4,153,550	—	—	4,153,550
Additions (Note 6)	—	673,823	17,080	690,903
Transfer under “Other non-current assets”	—	—	(1,650)	(1,650)
Depreciation expense (Note 6)	—	—	(153,193)	(153,193)
Tangible fixed assets, vessels under construction and vessel held under finance lease as of December 31, 2018	<u>4,153,550</u>	<u>673,823</u>	<u>(137,763)</u>	<u>4,689,610</u>

A reconciliation of finance lease liabilities arising from financing activities is as follows:

	<u>Opening balance</u>	<u>Cash flows</u>	<u>Non-cash items</u>	<u>Total</u>
Finance lease liabilities as of January 1, 2017	220,401	—	—	220,401
Finance lease charge (Note 19)	—	—	10,875	10,875
Payments for interest	—	(14,276)	—	(14,276)
Payments for finance lease liability	—	(3,572)	—	(3,572)
Finance lease liabilities as of December 31, 2017	<u>220,401</u>	<u>(17,848)</u>	<u>10,875</u>	<u>213,428</u>

	<u>Opening balance</u>	<u>Cash flows</u>	<u>Non-cash items</u>	<u>Total</u>
Finance lease liabilities as of January 1, 2018	213,428	—	—	213,428
Finance lease charge (Note 19)	—	—	10,520	10,520
Payments for interest	—	(10,520)	—	(10,520)
Payments for finance lease liability	—	(7,329)	—	(7,329)
Finance lease liabilities as of December 31, 2018	<u>213,428</u>	<u>(17,849)</u>	<u>10,520</u>	<u>206,099</u>

A reconciliation of equity offerings arising from financing activities is as follows:

	<u>Cash flows</u>	<u>Non-cash items</u>	<u>Total</u>
Proceeds from GasLog Partners’ common unit offerings (net of underwriting discounts and commissions)	141,395	—	141,395
Proceeds from GasLog Partners’ preference unit offerings (net of underwriting discounts and commissions)	139,222	—	139,222
Offering costs	(2,032)	(359)	(2,391)
Net proceeds from equity offerings in the year ended December 31, 2017	<u>278,585</u>	<u>(359)</u>	<u>278,226</u>

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27. Cash Flow Reconciliations (Continued)

	<u>Cash flows</u>	<u>Non-cash items</u>	<u>Total</u>
Proceeds from GasLog Partners' common unit offerings (net of underwriting discounts and commissions)	60,345	—	60,345
Proceeds from GasLog Partners' preference unit offerings (net of underwriting discounts and commissions)	208,394	—	208,394
Offering costs	<u>(917)</u>	<u>(703)</u>	<u>(1,620)</u>
Net proceeds from equity offerings in the year ended December 31, 2018	<u>267,822</u>	<u>(703)</u>	<u>267,119</u>

28. Taxation

Under the laws of the countries of the Group's domestication/incorporation and/or vessels' registration, the Group is not subject to tax on international shipping income. However, it is subject to registration and tonnage taxes, which are included in vessel operating and supervision costs in the consolidated statement of profit or loss.

Under the United States Internal Revenue Code of 1986, as amended (the "Code"), the U.S. source gross transportation income of a ship-owning or chartering corporation, such as GasLog, is subject to a 4% U.S. Federal income tax without allowance for deduction, unless that corporation qualifies for exemption from tax under Section 883 of the Code and the Treasury Regulations promulgated thereunder. U.S. source gross transportation income consists of 50% of the gross shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States.

GasLog has qualified for the statutory tax exemption for the year of 2018 and intends to continue to qualify for the foreseeable future.

29. Earnings/(losses) per share ("EPS")

Basic earnings/(losses) per share was calculated by dividing the profit for the year attributable to the owners of the common shares after deducting the dividend on Preference Shares by the weighted average number of common shares issued and outstanding during the year.

Diluted EPS is calculated by dividing the profit for the year attributable to the owners of the Group adjusted for the effects of all dilutive potential ordinary shares by the weighted average number of all potential ordinary shares assumed to have been converted into common shares, unless such potential ordinary shares have an antidilutive effect.

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29. Earnings/(losses) per share (“EPS”) (Continued)

The following reflects the earnings/(losses) and share data used in the basic and diluted earnings/(losses) per share computations:

	For the year ended December 31,		
	2016	2017	2018
Basic (loss)/earnings per share			
Profit/(loss) for the year attributable to owners of the Group	(21,486)	15,506	47,683
Less: Dividends on Preference Shares	(10,063)	(10,064)	(10,063)
(Loss)/profit for the year available to owners of the Group	(31,549)	5,442	37,620
Weighted average number of shares outstanding, basic	80,534,702	80,622,788	80,792,837
Basic (loss)/earnings per share	(0.39)	0.07	0.47
Diluted (loss)/ earnings per share			
(Loss)/profit for the year available to owners of the Group used in the calculation of diluted EPS	(31,549)	5,442	37,620
Weighted average number of shares outstanding, basic	80,534,702	80,622,788	80,792,837
Dilutive potential ordinary shares	—	643,342	844,185
Weighted average number of shares used in the calculation of diluted EPS	80,534,702	81,266,130	81,637,022
Diluted (loss)/earnings per share	(0.39)	0.07	0.46

The Group excluded the effect of 555,453 SARs and 0 RSUs in calculating diluted EPS for the year ended December 31, 2018, as they were anti-dilutive (December 31, 2017: 998,502 SARs and 0 RSUs, December 31, 2016: 1,713,702 SARs and 368,437 RSUs).

30. Subsequent Events

On January 29, 2019, the board of directors of GasLog Partners authorized a unit repurchase programme of up to \$25,000 covering the period January 31, 2019 to December 31, 2021. Under the terms of the repurchase programme, GasLog Partners may repurchase common units from time to time, at its discretion, on the open market or in privately negotiated transactions.

On February 13, 2019, the board of directors declared a quarterly cash dividend of \$0.15 per common share payable on March 14, 2019 to shareholders of record as of March 4, 2019.

On February 20, 2019, GasLog Partners entered into a credit agreement with Credit Suisse AG, Nordea Bank ABP, filial i Norge and Iyo Bank, Ltd., Singapore Branch, each an original lender, of up to \$450,000 (the “2019 GasLog Partners Facility”), in order to refinance the existing indebtedness due in November 2019 on five of its vessels. Subsequently on February 20, 2019, the Development Bank of Japan, Inc. entered the 2019 GasLog Partners Facility as lender via transfer certificate. The agreement provides for an amortising revolving credit facility which can be repaid and redrawn at any time for a period of five years. The total available facility amount will be reduced on a quarterly basis, with a final balloon amount payable concurrently with the last quarterly instalment, if any, in February 2024. The vessels covered by the 2019 GasLog Partners Facility are the *GasLog Shanghai*, the *GasLog Santiago*, the *GasLog Sydney*, the *Methane Rita Andrea* and the *Methane Jane Elizabeth*. The facility is subject to customary conditions precedent.

On February 26, 2019, the Partnership entered into a Third Amended and Restated Equity Distribution Agreement to further increase the size of the ATM Programme from \$144,000 to \$250,000.

SUBSIDIARIES OF GASLOG LTD.

The following companies are subsidiaries of GasLog Ltd.

<u>Name of Subsidiary</u>	<u>Jurisdiction of Incorporation</u>	<u>Proportion of Ownership Interest</u>
Gaslog Investments Ltd.	BVI	100%
GasLog Monaco S.A.M.	Monaco	100%
GasLog LNG Services Ltd.	Bermuda	100%
GasLog Carriers Ltd.	Bermuda	100%
GasLog Shipping Company Ltd.	Bermuda	100%
GasLog Shipping Limited.	BVI	100%
GasLog Services US Inc.	Delaware, U.S.	100%
GasLog Services UK Ltd.	England and Wales	100%
GasLog Asia Pte. Ltd.	Singapore	100%
GasLog Cyprus Investments Ltd	Cyprus	100%
GAS-one Ltd.	Bermuda	100%
GAS-two Ltd.	Bermuda	100%
GAS-six Ltd.	Bermuda	100%
GAS-nine Ltd.	Bermuda	100%
GAS-ten Ltd.	Bermuda	100%
GAS-twelve Ltd.	Bermuda	100%
GAS-fifteen Ltd.	Bermuda	100%
GAS-eighteen Ltd.	Bermuda	100%
GAS-twenty two Ltd.	Bermuda	100%
GAS-twenty three Ltd.	Bermuda	100%
GAS-twenty four Ltd.	Bermuda	100%
GAS-twenty five Ltd.	Bermuda	100%
GAS-twenty six Ltd.	Bermuda	100%
GAS-twenty eight Ltd.	Bermuda	100%
GAS-twenty nine Ltd.	Bermuda	100%
GAS-thirty Ltd.	Bermuda	100%
GAS-thirty one Ltd.	Bermuda	100%
GAS-thirty two Ltd.	Bermuda	100%
GAS-thirty three Ltd.	Bermuda	100%
GAS-thirty four Ltd.	Bermuda	100%
GAS-thirty five Ltd.	Bermuda	100%
GasLog Partners GP LLC	Marshall Islands	100%
GasLog Partners LP	Marshall Islands	27.5%
GasLog Partners Holdings LLC	Marshall Islands	27.5%
GAS-three Ltd.	Bermuda	27.5%
GAS-four Ltd.	Bermuda	27.5%
GAS-five Ltd.	Bermuda	27.5%
GAS-seven Ltd	Bermuda	27.5%
GAS-eight Ltd	Bermuda	27.5%
GAS-eleven Ltd	Bermuda	27.5%
GAS-thirteen Ltd	Bermuda	27.5%
GAS-fourteen Ltd.	Bermuda	27.5%
GAS-sixteen Ltd.	Bermuda	27.5%
GAS-seventeen Ltd.	Bermuda	27.5%
GAS-nineteen Ltd.	Bermuda	27.5%
GAS-twenty Ltd.	Bermuda	27.5%
GAS-twenty one Ltd.	Bermuda	27.5%
GAS-twenty seven Ltd.	Bermuda	27.5%

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Paul Wogan, certify that:

1. I have reviewed this annual report on Form 20-F of GasLog Ltd. (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Dated: March 5, 2019

By: /s/ PAUL A. WOGAN

Name: Paul A. Wogan

Title: *Chief Executive Officer*

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Alastair Maxwell, certify that:

1. I have reviewed this annual report on Form 20-F of GasLog Ltd. (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Dated: March 5, 2019

By: /s/ ALASTAIR MAXWELL _____

Name: Alastair Maxwell

Title: *Chief Financial Officer*

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report on Form 20-F of GasLog Ltd., a Bermuda exempted company (the “Company”), for the period ending December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned officer of the Company certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the report.

The foregoing certification is provided solely for purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act of 2002 and is not intended to be used or relied upon for any other purpose.

Date: March 5, 2019

By: /s/ PAUL A. WOGAN
Name: Paul A. Wogan
Title: *Chief Executive Officer*

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report on Form 20-F of GasLog Ltd., a Bermuda exempted company (the “Company”), for the period ending December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned officer of the Company certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the report.

The foregoing certification is provided solely for purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act of 2002 and is not intended to be used or relied upon for any other purpose.

Date: March 5, 2019

By: /s/ ALASTAIR MAXWELL
Name: Alastair Maxwell
Title: *Chief Financial Officer*

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements No. 333-210169 and 333-194894 on Form F-3 and No. 333-187020 on Form S-8, of our reports dated March 5, 2019, relating to the consolidated financial statements of GasLog Ltd., and the effectiveness of GasLog Ltd.'s internal control over financial reporting, appearing in this Annual Report on Form 20-F of GasLog Ltd. for the year ended December 31, 2018.

Deloitte LLP

London, United Kingdom

March 5, 2019