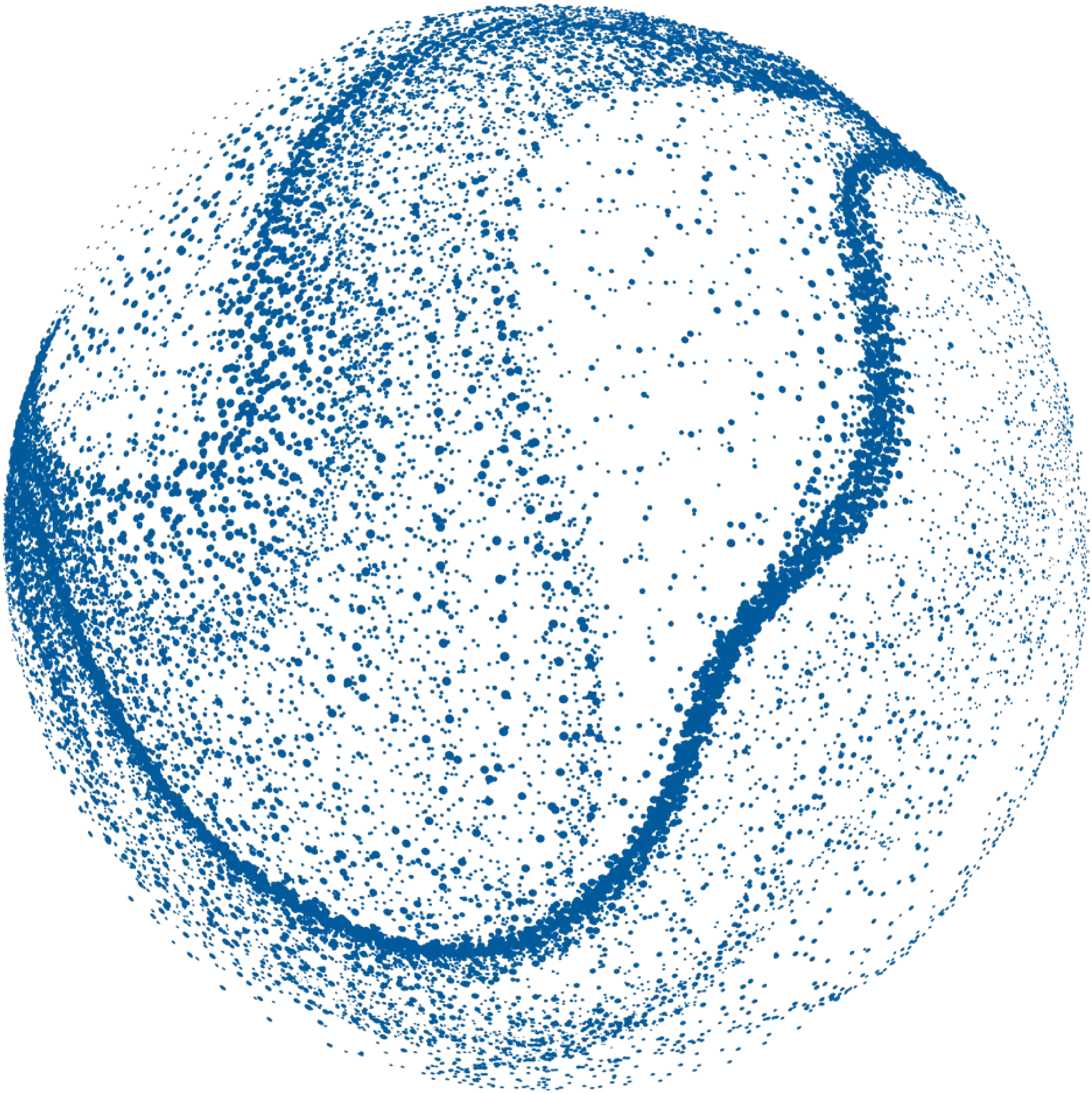
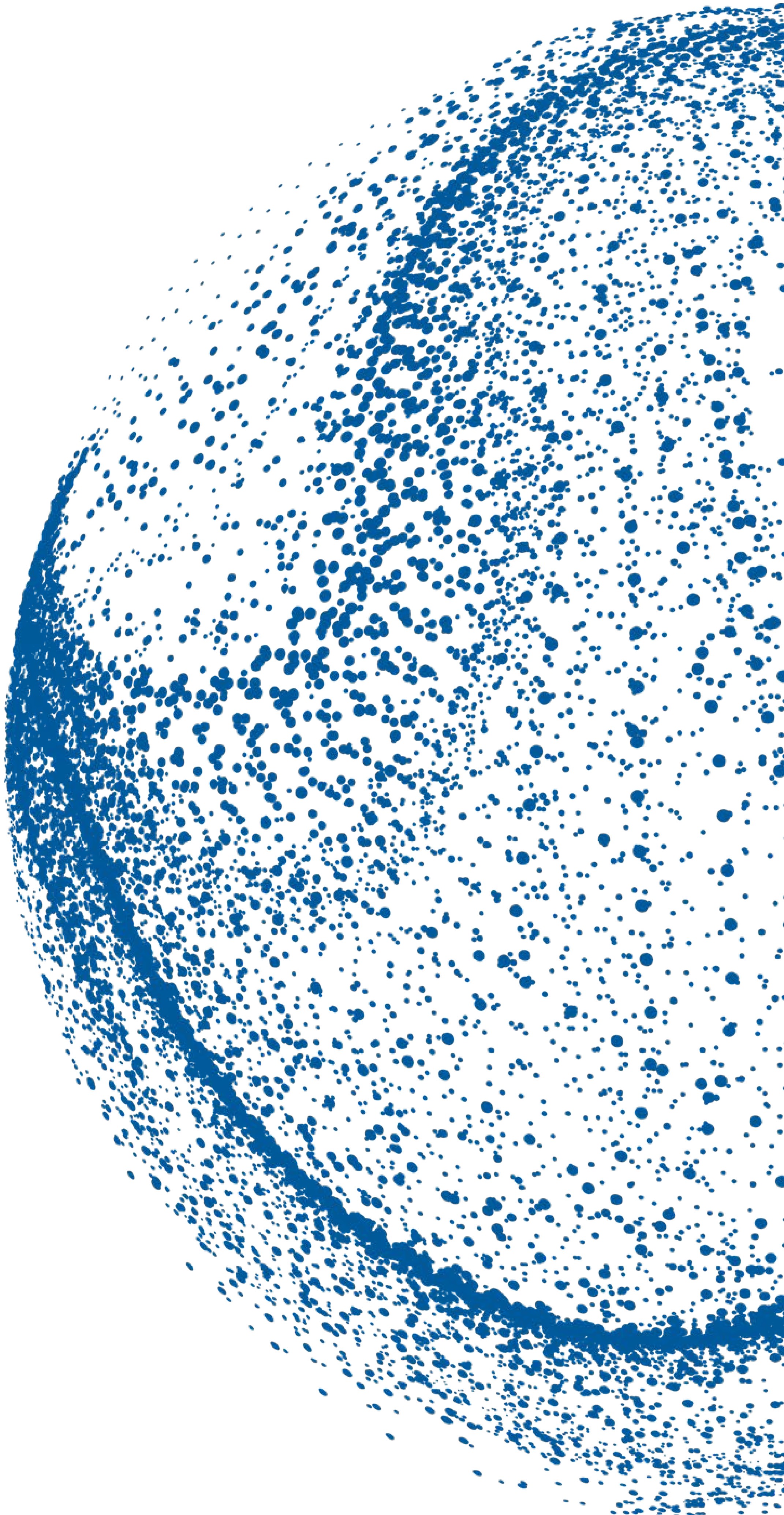
Wilhelmsen

Enable. Enhance. Simplify.

Annual report 2019





Key figures – consolidated accounts

		2019	2018	2017	2016	2015	2014
INCOME STATEMENT							
Total income *	USD mill	850	871	793	930	3 173	3 693
Operating profit before amortisation and impairment (EBITDA)*	USD mill	149	78	198	116	398	566
Operating profit *	USD mill	78	36	176	94	165	381
Profit/(loss) before tax *	USD mill	144	(86)	253	151	48	273
Net profit/(loss) *	USD mill	130	(75)	(2)	251	57	292
Net profit/(loss) after non-controlling interests *	USD mill	114	(69)	(64)	201	54	241
BALANCE SHEET							
Non current assets	USD mill	2 638	2 467	2 637	3 781	3 566	3 687
Current assets	USD mill	655	612	636	914	1 120	1 152
Equity	USD mill	2 082	2 017	2 188	2 492	2 206	2 329
Interest-bearing debt **	USD mill	583	533	601	1 533	1 660	1 693
Total assets	USD mill	3 293	3 079	3 273	4 695	4 686	4 839
KEY FINANCIAL FIGURES							
Cash flow from operation [(1)]	USD mill	98	62	70	420	258	241
Liquid funds at 31 December [(2)]	USD mill	255	227	268	580	638	688
Liquidy ratio [(3)]		1.2	1.1	1.4	1.9	1.7	2.1
Equity ratio [(4)]	%	63%	66%	67%	53%	47%	48%
YIELD							
Return on equity [(5)]	%	6%	(4%)	(3%)	11%	2%	13%
KEY FIGURES PER SHARE							
Earnings per share [(6)]	USD	2.46	(1.48)	(1.38)	4.34	1.16	5.20
Operating profit before amortisation and impairment (EBITDA) per share [(7)]*	USD	3.24	1.68	4.26	2.51	8.55	12.18
Average number of shares outstanding	Thousand	45 948	46 404	46 404	46 404	46 404	46 404
Dividend per share	NOK	5.00	5.50	5.00	5.00	5.00	5.00

Definition
(1) Net cash flow from operating activities
(2) Cash, bank deposits and current financial investments
(3) Current assets divided by current liabilities
(4) Equity in percent of total assets
(5) Profit after tax divided by average equity
(6) Profit for the period after non-controlling interests, divided by average number of shares
Earnings per share taking into consideration the number of shares reduced for own shares
(7) Operating profit for the period adjusted for depreciation and impairments of assets, divided by average number of shares outstanding

* Figures for 2016 are restated with Wilh. Wilhelmsen ASA reported as discontinued operation.
Figures for 2015, and 2014 are according to the proportinate method.
** Figures for 2019 including leasing debt of USD 181 mill.

Highlights for 2019

Positive development in operating result

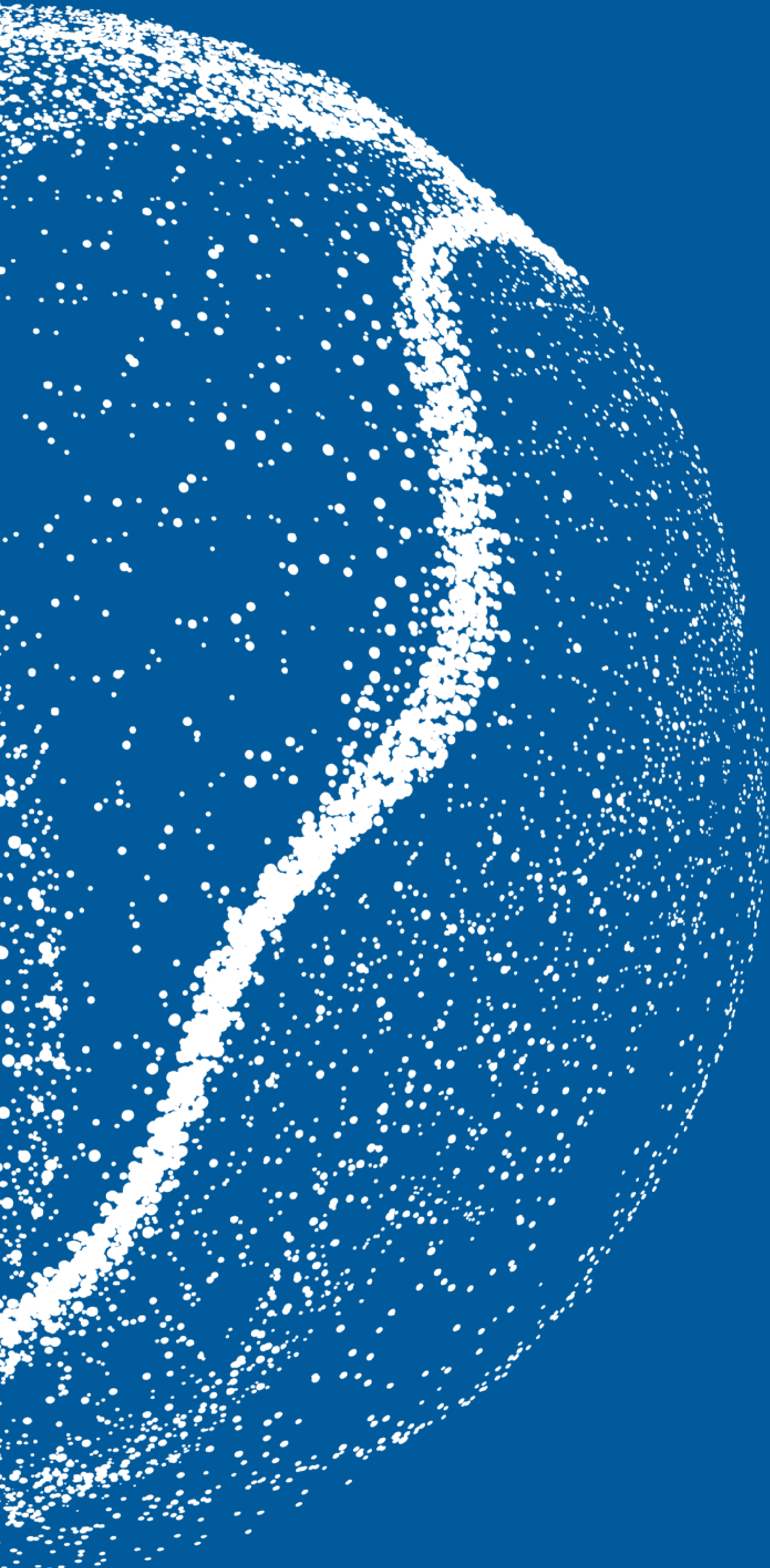
Developing new marine products and services

Strong increase in vessels on full technical management

Net gain on financial assets

Share buy back and dividend of NOK 5.00 per share

6% shareholder return



Content

Enabling sustainable global trade

Back in 2005, we developed the Orcelle concept – a zero emissions vessel. At the time, we said this could become a reality by 2025, which quite frankly seemed very far away. It seemed far not just in time, but in terms of both technology and the industry's ability and willingness to invest in the changes required. Orcelle was a drastic step in a sustainable future, especially in 2005 terms. Fast forward to 2020 and not only is 2025 right on our doorstep, but so are the elements of the vessel and the industry, which is ripe for change. For us, enabling sustainable global trade is not just about managing what is right in front of us, it's also about shaping what could come next.

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Group CEO's statement

Despite black swans and market corrections, our long-term ambition is unchanged

We believe in the positive benefits global trade can have for society – and we believe global trade will grow. At the same time, continued economic growth and increased global trade cannot happen at the expense of the environment or our future generations' needs. My ambition is for the Wilhelmsen group to be at the forefront, enabling sustainable global trade.

I don't believe in any app or a technology that will substantially reduce the need for, or replace, global trade in the decades to come. We must therefore look at how we can contribute to making global trade truly sustainable through other means.

Long-term goals drive actions now

We support the Paris agreement and a net zero greenhouse gas emission target for society. With expectations and requirements set by governments, international organisations, other players in our industry, employees and not least our customers, we need to be able to step up and play our part.

I don't believe we will reach our ambitions by hoping for the best. Change will require substantial investments, dedication, and hard work. Through our offshore wind investments, 3D printing, Massterly project with autonomous ships, smart ropes, and zero emission terminals to mention just a few examples, we have shown that we are able to deliver sustainable products and services here and now.

By 2030, I envision that we will have further developed these solutions and that a substantial part of our group portfolio will be related to safer, smarter and greener offerings. With our expertise, resources, and ambitions we have the best foundation to take the lead, or be active in contributing to reaching many of the ambitious, global targets set for the next decades. These include a 50% reduction of greenhouse gas emissions from shipping as a whole and a substantial increase in the use of renewable energy. We also see ourselves continuing to play an active role in reducing marine litter and pollution. And last, but not least, we are well-positioned to contribute to search for new potential in the unexplored areas of the ocean.

We will utilise technology, legal requirements, and changing customer and supplier behaviour to ensure we continue to deliver operational excellence to our customers. At the same time, we need to accelerate the transformation of our businesses to meet tomorrow's expectations. We will also continue to take advantage of our global presence and network, competence, brand, and culture, and retain, attract and develop the people necessary to take us into the future.

A global team effort

The UN Sustainable Development Goals help us to imagine where we need to be heading and kick-start a healthy and much needed discussion on the challenges we need to begin to tackle, hurdles we need to overcome. The goals also help us see and explore new business opportunities.

Our long-term strategy is securely aligned with the goals. However, the challenges we are facing will not be solved by any single person, company or government alone, this requires a global effort. In addition to cross-company collaboration within the group, I foresee a stronger cooperation within the maritime industry and even across industries to truly make a significant impact.

My commitment

We believe the potential for creating value in the ocean-based industries will increase in the coming decades. That is why we want the world to see the oceans and the sustainable players in the ocean industry as part of the solution to tackle some of our times biggest challenges. I am committed to ensuring that we, together with our customers and business partners, take our share of the responsibility. We already have 159 years of experience in changing and adapting to requirements from the society, our customers, and our employees. With the current momentum from customers, employees, financial institutions, shareholders and other industry players, I see a stronger commitment than ever to explore and invest in tomorrow's solutions. Together we will enable sustainable global trade and shape the maritime industry.

When I started writing this statement, the COVID-19 outbreak was already present in parts of the world. However, I don't think any of us could have foreseen the seismic impact the virus would have on the world. Now, at the beginning of April 2020, it is impossible to predict what its final and long-term effects will be.

I have decided to still share my original thoughts about the future, but also recognise the need to add one reflection. The corona virus can be seen as the ultimate 'acid test' for just how we want to do business when things are better and back to 'normal'. Who is – in spite of the current situation – still committed to contributing to the Sustainable Development Goals and will continue to walk the talk? Time will tell.

Despite the consequences of COVID-19, we have a long-term outlook. We will do what we can to get through with as limited an impact on our employees, customers, and shareholders as possible. Our and my commitment is still to shape the maritime industry and enable sustainable global trade.

Stay safe.

Thomas Wilhelmsen, group CEO

The decarbonisation of shipping

By 2050, the International Maritime Organization's (IMO) future emissions strategy calls for a reduction in total greenhouse gas (GHG) emissions by at least 50%, compared with 2008 – while simultaneously pursuing efforts to eliminate them entirely. The decarbonisation challenge for shipping is disruptive and transformational. It will require massive investments and will affect every part of the industry and value chain. We have a proactive approach, seeking out opportunities for new ventures and partnering with other serious actors to develop and advance new technologies and energy solutions. In addition to enabling modal shifts from road to sea and exploring opportunities linked to autonomous shipping, we are accelerating digitalization, connectivity and energy efficiency for the maritime industry.

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Directors' report

Directors' report for 2019

Wilh. Wilhelmsen Holding ASA

Highlights for 2019

- Drive to enable sustainable global trade
- Positive development in operating result
- Net gain on financial asset
- Developing new marine products and services
- Strong increase in vessels on full technical management
- Share-buy back
- Paid dividend of NOK 5.00 per share
- 6% shareholder return

Main development and strategic direction
The Wilh. Wilhelmsen Holding group (Wilhelmsen or group) is an industrial holding company within the maritime industry. The group activities are carried out through fully and partly owned entities, most of which are among the market leaders within their segments. Wilhelmsen's ambition is to develop companies within maritime services, shipping, logistics, and related infrastructure through active ownership.

The markets in which Wilhelmsen operates had mixed development in 2019. Global trade faced headwind, effected by geopolitical tension and the need to adjust to a more sustainable future. While reduced volumes hit car carriers and other operators, the general shipping market improved on the back of a tighter tonnage situation. Environmental related measures such as IMO 2020 created both operational challenges and new business opportunities.

In this market environment, the Wilhelmsen operating companies continued to do what they do best: delivering premium services and new sustainable solutions to its customers, while at the same time tightly managing the cost base. This resulted in an improved operating profit for the year, both in reported figures and when adjusting for non-recurring items.

The maritime services subsidiaries deliver value creating solutions to the global merchant fleet, focusing on marine products, ships agency and ship management. In 2019, further progress was made on spare parts 3D printing, cargo hold cleaning chemicals, rope technology, and vessel performance systems. The gradual improvement in underlying operating margin continued in 2019, supported by an increase in sale of marine products and in vessels on full technical management.

For supply services, the offshore oil and gas industry remains the largest customer base, but with a gradual shift into other areas such as governmental services and offshore wind. In 2019, further expansion was made in offshore wind and a pilot was initiated to develop liquid hydrogen supply chain for maritime applications in Norway. Underlying operating profit was some down for the year.

The group's investment activities, including ownership in Wallenius Wilhelmsen ASA, Hyundai Glovis and Qube, made a strong contribution to the group's results in 2019. While the uplift in share price for the two largest investments was modest, cash flow improved strongly through introduction of dividend in Wallenius Wilhelmsen and a solid gain from sale of some of the Qube shares.

The Wilhelmsen group maintains a strong equity base. In 2019, total equity was up 3% and equity to holders of parent reached USD 1 880 million. A strong cash flow from operation and an increase in financial assets value supported a total USD 56 million pay-out to Wilhelmsen shareholders in form of dividend and buy-back of shares. Total assets were up 7% for the year partly due to IFRS 16 accounting, reducing the group equity ratio to a still strong 63%.

Liquidity also remains strong. Cash and cash equivalents totalled USD 153 million by end of 2019, increasing to USD 930 million if including financial investments. The debt repayment profile for the group remains healthy.

Wilhelmsen's goal is to provide shareholders with a high return over time through a combination of rising value for the company's shares and payment of dividend. The objective is to have consistent yearly dividend paid twice annually.

The long-term incentive plan for the executive management is based on a positive development in the group's value adjusted equity above set thresholds. This aligns the long-term interests of shareholders and management. The same measures have also been introduced as part of the short-term incentive plan for holding company employees.

After a fall in 2018, the WWI/WWIB share price recovered some lost ground in 2019. Total return (including dividends reinvested on ex-dates) was 5.8% for the WWI share and 7.2% for the WWIB share, trailing the 16.5% increase in the Oslo Børs Benchmark index (source Oslo Børs Exchange Annual statistics).

A total dividend of NOK 5.00 per share was paid in 2019. A first dividend of NOK 2.50 was paid in May, followed by a second dividend of NOK 2.50 paid in November. This represented a dividend yield of 3.1% based on the average WWI/WWIB share price by the end of 2018.

2019 was the year when the global maritime industry fully embraced the challenges faced by a changing climate. Wilhelmsen has for years been in the front of this development, with present projects including energy efficient vessel design and operation, and modal shift from land to shipping.

The board believes sound corporate governance is the foundation for profitable growth and a healthy company culture. Good governance contributes to reduced risk and creates value over time for shareholders and other stakeholders. The board further acknowledges that sustainability is a vital prerequisite for Wilhelmsen to be a profitable and responsible player in the industry and society. In 2019, employee engagement, ethics and anti-corruption, health and safety, responsible procurement, cyber security and data protection, climate risk, and partnerships for sustainable innovations received particular attentions.

Financial results

Income statement

Wilhelmsen group (USD mill)	2019	2018
Total income	**850**	**871**
– of wich operating revenue	*836*	*867*
– of wich gain/on sale of assets	*14*	*4*
EBITDA	**149**	**78**
EBITDA adjusted for IFRS 16	**112**	**78**
Operating profit/EBIT	**78**	**36**
Share of profit from associates	**49**	**36**
Change in fair value financial assets	**34**	**(116)**
Other financial income/(expenses)	**(17)**	**(41)**
Profit/(loss) before tax/EBT	**144**	**(86)**
Tax income/(expenses)	**(15)**	**12**
Profit/(loss) for the period	**130**	**(75)**
Profit/(loss) to owners of the parent	**114**	**(69)**
EPS (USD)	**2.46**	**(1.48)**
Other comprehensive income	**(3)**	**(53)**
Total comprehensive income	**127**	**(128)**
Tot. comprehensive income owners of parent	**111**	**(119)**
Total assets	**3 293**	**3 079**
Equity parent	**1 880**	**1 821**
Total equity	**2 082**	**2 017**
Equity ratio	**63%**	**66%**

Total income for Wilhelmsen was USD 850 million in 2019, down 2% from 2018. The reduction was due to lower operating revenue from supply services, partly offset by higher income from maritime services.

EBITDA (USD mill)	2019	2018
Reported	**149**	**78**
1H'18 M&A cost related to Drew		(27)
Q1'19 sales gain Maritime services[1]	6	
Total material non-recurring items	**6**	**(27)**
Adjusted	**143**	**105**
IFRS 16 effect	37	
Adjust including IFRS 16 effect	**106**	**105**

1) Sale of property is a core activity for supply services, with any gain/loss not adjusted for.

Group EBITDA came in at USD 149 million for the year, up 91%. Adjusting for non-recurring items and IFRS 16, EBITDA was stable. Adjusted EBITDA was up for maritime services, offsetting a reduction for supply services and holding and investments. Share of profit from associates was USD 49 million for the year. Of this, Wallenius Wilhelmsen ASA contributed with USD 39 million, up 66% from last year.

Change in fair value financial assets was positive with USD 34 million for the year. An uplift in value of the investments in Hyundai Glovis and Qube was partly offset by a full write down of the Survitec investment in the second quarter.

Other financials were a net expense of USD 17 million in 2019. A gain on current financial investments and dividend income contributed positively but was more than offset by interest expenses and a net loss on financial instruments and currencies.

Tax was included with an expense of USD 15 million, mainly related to maritime services.

Net profit after tax and minority interests was USD 114 million in 2019 compared with a USD 69 million net loss in 2018.

Other comprehensive income for the year was a loss of USD 3 million, compared with a loss of USD 53 million in the previous year. This mainly reflected currency translation differences on non-USD assets and liabilities when converting into USD.

Total comprehensive income for 2019 was USD 127 million, of which USD 111 million was attributable to owners of the parent. The corresponding figures for 2018 was a loss of USD 128 million and a loss of USD 119 million respectively.

Cash flow, liquidity and debt

The group had cash and cash equivalents of USD 153 million by the end 2019, up from USD 140 million by the end of 2018.

The net increase in cash and cash equivalents of USD 14 million for the year followed a strong contribution from operating and investing activities partly offset by financing activities.

Cash flow from operating activities was positive with USD 98 million in 2019, up from USD 62 million the previous year. The operating cash flow remained below EBITDA level partly due to an increase in working capital and inventory.

Cash flow (USD mill)	2019	2018
Cash and cash equivalents 1.1	**140**	**167**
From operating activities	**98**	**62**
Maritime services	*83*	*21*
Supply services	*32*	*44*
Other operating	*(17)*	*(3)*
From investing activities	**81**	**40**
From financing activities	**(165)**	**(128)**
Dividend and share buy back parent	*(56)*	*(31)*
Net debt	*(68)*	*(59)*
Other financing	*(42)*	*(39)*
Net cash flow	**14**	**(26)**
Cash and cash equivalents 31.12	**153**	**140**

Cash flow from investing activities was positive with USD 81 million for the year. Dividend from joint ventures and associates and net proceeds from sale of financial investments continued to exceed net investment in fixed assets.

Cash flow from financing activities was negative with USD 165 million in 2019. Net debt repayment counted for the largest share of net cash outflow, followed by share buy backs and dividend to shareholders, and ordinary interest payments.

Liquid assets (USD mill)	2019	2018
Cash and cash equivalents	153	140
of which maritime services	*116*	*110*
of which Supply services	*7*	*12*
of which holding and investments	*31*	*18*
Current financial investments	102	88
Financial assets to fair value	675	650
Total	**930**	**877**

By the end of 2019, the group had liquid financial assets of USD 930 million. In addition to cash, this included current financial investments and non-current financial assets reported as financial assets to fair value.

The parent company carries out active financial asset management of part of the group's liquidity. The current financial investment portfolio includes listed equities and investment grade bonds. The value of the portfolio amounted to USD 102 million at the

Maritime services

- Ships service
- Ship management
- Insurance services

end of 2019, up from USD 88 million one year earlier.

The group's investments classified as financial assets to fair value had a combined value of USD 675 million by the end of the year, up from USD 650 million at the end of 2018. The largest investments were the ~12% shareholding in Hyundai Glovis (held through Treasure ASA) and the ~2.5% shareholding in Qube. The ~20% shareholding in Survitec was valued at nil by the end of the year.

The main group companies fund their investments and operations on a standalone basis, with no recourse to the parent company. The primary funding source is the commercial bank loan market.

Interest-bearing debt (USD mill)	2019	2018
Maritime services	247	197
Supply services	401	330
Holding and investments	48	23
Elimination	(21)	(17)
Total	**675**	**533**
Leasing debt	181	
Total excluding leasing debt	**494**	**533**

As of 31 December 2019, the group's total interest-bearing debt was USD 675 million, compared with USD 533 million by end 2018. The increase followed reporting of leasing debt as interest bearing debt from 1 January 2019 in accordance with IFRS 16. When excluding leasing debt, interest bearing debt was down in 2019.

Going concern assumption
Pursuant to section 4, sub-section 5, confer section 3, sub-section 3a of the Norwegian Accounting Act, it is confirmed that the annual accounts have been prepared under the assumption that the enterprise is a going concern and that the conditions are present.

Maritime services

The maritime services segment includes ships service, ship management and other maritime services activities.

Total income for maritime services was USD 591 million in 2019, up from USD 582 million in 2018.

EBITDA for the year was USD 103 million, up from USD 42 million. When adjusting for material non-recurring items and IFRS 16, EBITDA was up 23% for the year. The underlying improvement was supported by increased sale of marine products in the second half, a steady growth of new vessels on management, and a strong USD.

The maritime services EBITDA margin was 17.4% in 2019. When adjusting for a sales gain, the EBITDA margin was 16.6%.

Maritime services (USD mill)	2019	2018
Total income	**591**	**582**
– Ships services	*534*	*540*
– Ship management	*56*	*41*
– Other/eliminations	*0*	*0*
EBITDA	**103**	**42**
– EBITDA margin (%)	*17%*	*7%*
EBITDA adjusted for IFRS 16	**90**	**42**
– Adjusted EBITDA margin (%)	*15%*	*7%*
Operating profit/EBIT	**73**	**26**
– EBIT margin (%)	*12%*	*4%*
Share of profit from associates	4	4
Change in fair value financial assets	(27)	(61)
Other financial incom/(expenses)	(24)	(37)
Tax income/(expense)	(12)	13
Profit/(loss)	**15**	**(55)**
– Profit margin (%)	*3%*	*9%*
– Non controlling interest	*1*	*2*
Operating profit/EBIT	**14**	**(56)**

Share of profit from associates was stable at USD 4 million.

Change in fair value financial assets was a loss of USD 27 million in 2019, which followed a loss of USD 61 million in 2018. The losses for both years related to the investment in Survitec Group, which was valued at nil by the end of 2019.

Other financial income/expenses for maritime services amounted to an expense of USD 24 million, compared with an expense of USD 37 million in 2018. The improvement followed reduced losses on currency and financial instruments, included with an expense of USD 7 million in 2019 compared with an expense of USD 23 million the previous year.

Tax was an expense of USD 12 million in 2019, compared with an income of USD 13 million the previous year. Tax in 2019 was up partly due to withholding tax and a negative adjustment in tax accruals, while tax in 2018 benefitted from a positive adjustment in deferred tax assets.

Net result after tax and non-controlling interests was a profit of USD 14 million in 2019 compared with a loss of USD 56 million in the previous year.

Supply services

- NorSea Group (owned ~75.2%)
- WilNor Governmental Services

Ships service
Wilhelmsen Ships Service is a global provider of standardised product brands and service solutions to the maritime industry, focusing on marine products, marine chemicals, maritime logistics and ships agency. Ships service is fully owned by Wilhelmsen.

Total income from ships service was USD 534 million in 2019, down 1% from the previous year. Income from marine products increased, offsetting a reduction in non-marine income. Income from agency services was stable.

EBITDA was up for the year, also when adjusting for IFRS 16.

Ship management
Wilhelmsen Ship Management provides full technical management, crewing and related services for all major vessel types, and includes 50% of NorSea Wind. Ship management is fully owned by Wilhelmsen.

Total income for ship management was USD 56 million in 2019, up 37%. Excluding sales gains, income was up 22%. The increase in income followed a steady growth in vessels on full technical management and upstart of new offshore wind activities.

EBITDA was up for the year, also when excluding sales gains and adjusting for IFRS 16.

Wilhelmsen Insurance Services
Wilhelmsen Insurance Services provides marine and non-marine insurance solutions for internal and external clients. Insurance services is fully owned by Wilhelmsen.

Total income for insurance services was USD 3 million in 2019, up 2% from the previous year.

EBITDA also improved for the year.

Supply services
The supply services segment includes NorSea Group, WilNor Governmental Services and other supply services activities.

Total income for supply services was USD 255 million in 2019. This was down from 285 million in 2018 which included services provided for the NATO exercise Trident Juncture.

EBITDA came in at USD 59 million, up from USD 51 million. When adjusting for IFRS 16, EBITDA was down 19%. Contribution from offshore supply base activities improved, while new offshore wind activities had a negative impact on results.

Supply services (USD mill)	2019	2018
Total income	**255**	**285**
– NorSea Group	*251*	*275*
– Other/eliminations	*4*	*11*
EBITDA	**59**	**51**
– EBITDA margin (%)	*23%*	*18%*
EBITDA adjusted for IFRS 16	**41**	**51**
– Adjusted EBITDA margin (%)	*16%*	*18%*
Operating profit/EBIT	**22**	**25**
– EBIT margin (%)	*9%*	*9%*
Share of profit from associates	6	9
Other financial incom/(expenses)	(19)	(15)
Tax income/(expense)	(3)	(4)
Profit/(loss)	**5**	**15**
– Profit margin (%)	*2%*	*5%*
– Non controlling interest	*1*	*4*
Profit/(loss) to owners of the parent	**4**	**11**

Share of profit from associates was USD 6 million, down from USD 9 million.

Net financial items were an expense of USD 19 million, and tax was an expense of USD 4 million in 2019.

Net profit after minority interests was USD 4 million for the year, down from USD 11 million in 2018.

NorSea Group AS
NorSea Group provides supply bases and integrated logistics solution to the offshore industry. Wilhelmsen owns ~75,2% of NorSea Group.

Total income for NorSea Group was USD 251 million in 2019, a 9% reduction from the previous year mainly due to a depreciation of NOK versus USD. Income from offshore supply base activities was up, while income from project related activities was down.

EBITDA was up for the year, but down if adjusting for IFRS 16.

WilNor Governmental Services
WilNor Governmental Services provides military logistics services in Norway and internationally. Wilhelmsen owns 51% of the company directly, with the remaining 49% owned through NorSea Group.

Total income for WilNor Governmental Services was USD 4 million in 2019, down from USD 11 million in the previous year which included activities related to the NATO exercise Trident Juncture 2018.

EBITDA was down for the year.

Holding and investments

The holding and investments segment include investments in Wallenius Wilhelmsen ASA and Treasure ASA, financial assets, and other holding and investments activities.

Holding and investments (USD mill)	2019	2018
Total income	**11**	**11**
– Operating revenue	*11*	*11*
– Gain on sale of assets	*0*	*0*
EBITDA	**(12)**	**(14)**
EBITDA adjusted for IFRS 16	**(18)**	**(14)**
Operating profit/EBIT	**(17)**	**(15)**
Share of profit from associates	**39**	**23**
– Wallenius Wilhelmsen ASA	*39*	*23*
– Other/eliminations	*0*	*(1)*
Change in fair value financial assets	**61**	**(56)**
– Hyundai Glovis	*37*	*(53)*
– Qube Holdings/other financial assets	*24*	*(3)*
Other financial income/(expenses)	**26**	**10**
– Investment management (Holding)	*12*	*(6)*
– Hyundai Glovis	*13*	*12*
– Qube Holdings/other financial assets	*3*	*5*
– Other financial income	*(1)*	*(1)*
Tax income/(expense)	**1**	**3**
Profit/(loss) for the period	**109**	**(35)**
– Non controlling interest	*13*	*(12)*
Profit/(loss) to owners of the parent	**96**	**(23)**

Total income for the holding and investments segment was USD 11 million in 2019, on par with the previous year.

EBITDA was a loss of USD 12 million, compared with a loss of USD 14 million in 2018. Adjusting for IFRS 16, EBITDA was down.

Share of profit from associates was USD 39 million for the year, up from USD 23 million. This mainly related to the 37.8% ownership in Wallenius Wilhelmsen ASA.

Change in fair value financial assets was a gain of USD 61 million in 2019, mainly related to the shareholdings in Hyundai Glovis and Qube. This compares with a net loss of USD 56 million in 2018.

Net financials were an income of USD 26 million, up from USD 10 million. The improvement followed a gain on investment management versus a previous year loss, while dividend income was fairly stable.

Net profit/(loss) after tax and minorities was a profit of USD 96 million compared with a loss of USD 23 million in the previous year.

Wallenius Wilhelmsen ASA

Wallenius Wilhelmsen ASA is a global provider of ocean and land-based logistics services towards car and ro-ro customers and is listed on Oslo Børs. Wilhelmsen owns ~37,8% of the company, which is reported as associate in Wilhelmsen's accounts.

Total income for Wallenius Wilhelmsen ASA was USD 3 909 million in 2019, a 4% reduction. Income was down for both the ocean and landbased segments. Ocean income was down driven by 6% lower volumes, but positively impacted by higher net freight per CBM and increased fuel compensation. Landbased income was down 1%.

EBITDA ended at USD 805 million in 2019. Adjusted for IFRS 16, EBITDA was USD 639 million, up from USD 601 million in 2018. The results were positively impacted by the performance improvement initiatives within the ocean segment leading to more efficient operations. Underlying results in the landbased segment were down compared to 2018, driven by higher costs.

Wilhelmsen's share of profit from Wallenius Wilhelmsen ASA was USD 39 million in 2019, up from USD 23 million in 2018.

The Wallenius Wilhelmsen ASA share price was down 26.5% in 2019, closing at NOK 21.82. As of 31 December 2019, the market value of Wilhelmsen's investment was USD 398 million, while the book value of the shareholding was USD 864 million.

Wallenius Wilhelmsen ASA paid USD 0.12 per share in dividends in 2019, with Wilhelmsen receiving USD 19 million.

Treasure ASA

Treasure ASA holds a 12.04% ownership interest in Hyundai Glovis and is listed on Oslo Børs. Wilhelmsen owns ~73,5% of Treasure ASA.

Treasure ASA's main source of income is the dividend received from Hyundai Glovis. This is reported as financial income in Wilhelmsen's accounts. Dividend received in 2019 was USD 13 million, in line with the previous year.

The value of Treasure ASA's investment in Hyundai Glovis was USD 560 million by the end of 2019, up from USD 523 million by the end of the previous year. The USD 37 million increase in value in 2019 was accounted for as change in fair value financial assets. In 2018, the value was down with USD 53 million.

Holding and investments

- Wallenius Wilhelmsen ASA (owned ~37.8%)
- Treasure ASA (owned ~73.5%)
- Financial assets

The Treasure ASA share price was up 17.7% for the year, closing at NOK 13.65. As of 31 December 2019, the market value of Wilhelmsen's shareholding in Treasure ASA was USD 249 million.

In 2019, Treasure ASA paid total dividend of NOK 0.30 per share. This was unchanged from the previous year. Total cash proceeds to Wilhelmsen was USD 6 million.

During the third quarter, Treasure ASA bought 0.465 million own shares in the market at NOK 13.50 per share. Wilhelmsen maintained a holding of 160 million shares in Treasure ASA.

Financial investments

Financial investments include cash and cash equivalents, current financial investments and other financial assets held by the parent and fully owned subsidiaries.

The value of the current financial investment portfolio held by the holding company was USD 102 million by the end of the year, compared with USD 88 million one year earlier. The portfolio primarily included listed equities and investment-grade bonds. Net income from investment management was a gain of USD 12 million in 2019, compared with a loss of USD 6 million in 2018.

Change in fair value of the shareholdings in Qube Holdings Ltd and other non-current financial assets was a gain of USD 13 million in 2019, compared with a gain of USD 12 million in 2018. Other financial income from the investments were USD 3 million, down from USD 5 million. Financial assets to fair value reported under the holding and investments segment was USD 109 million at the end of 2019 (excluding shareholding in Hyundai Glovis), up from USD 100 million one year earlier. During the year, Wilhelmsen reduced its shareholding in Qube from 50 million to 40 million shares.

Other holding and investments activities

Holding/other activities include general holding activities and certain non-financial investments, including Raa Labs AS (100% owned), Massterly AS (50%) and Dolittle AS (46%).

Net cost of other holding and investment activities remained stable. In 2019, Wilhelmsen increased the ownership in RaaLabs from 50% to 100%.

Risk review

The Wilhelmsen group consists of operating companies and investments exposed to the global economy and world merchandised trade.

From an operating perspective, ships service and ship management (both maritime services) and NorSea Group (supply services) are the most significant activities and exposures.

From an investment perspective, Wallenius Wilhelmsen ASA and Hyundai Glovis are the most significant exposures.

The changes in the Wilhelmsen group undertaken during recent years has created a more balanced portfolio.

Internal control and risk management

The group is committed to manage risks in a sound manner related to its businesses and operations. To accomplish this, the governing concept of conscious strategy and controllable procedures for risk mitigation ultimately provides a positive impact to profitability. The responsibility of governing boards, management and all employees are to be aware of the current environment in which they operate, implement measures to mitigate risks, prepare to act upon unusual observations, threats or incidents, and respond to risks to mitigate consequences. The group has put in place a risk monitoring process based on identification of risks for each business unit, and with a group risk matrix presented to the board on a quarterly basis for review and necessary actions.

Market risk

Demand for the group's service offerings are, to various degree, correlated with the general global economic activity and in particular trade in commodities and manufactured goods. Due to measures implemented to contain spread of covid-19, global economic development is presently very uncertain.

Maritime services' exposure is to the general shipping market. In 2019, the shipping market improved from previous low levels, but differences in sentiment between the various market segments remains. Slower trade, low newbuild orderbooks and new environmental regulations will continue to impact the shipping market over the next years. Short term, measures to contain covid-19 will have a significant impact on several shipping segments.

Supply services' exposure is mainly to the Norwegian offshore sector, and indirectly towards the global oil and gas market. After a downturn in 2016/17, the market sentiment gradually improved until recent turmoils.

Investment exposure is skewed towards the global automotive and high and heavy markets, through the investment in Wallenius Wilhelmsen ASA and, indirectly, Hyundai Glovis. During 2019, global automotive sales stalled, and market uncertainty increased. The automotive industry is sensitive to present disruptions to the global supply chain. From a geographical perspective, Wilhelmsen's exposure towards Korea and Oceania exceeds a neutral position due to the significant reliance on these markets of Wallenius Wilhelmsen ASA, Hyundai Glovis and Qube Holdings.

Operational risk
The various operating entities of the group are exposed to and manage risk specific to the markets in which they operate. The general risk picture broadly remains unchanged from previous years.

Through its global reach and broad product spectre, maritime services operations are exposed to a wide range of operational risk factors. These are, however, mainly related to local markets and specific product offerings. While any such incident will normally have limited global consequences, a major accident, turbulence within a key geographical market, product quality issues, a cyber attack or other disruption of IT systems, a pandemic, or loss of main customers may affect the wider financial and operational performance.

Supply services operations will have a similar risk exposure as maritime services, though mainly related to the offshore industry and the northern European region. In 2019, activity within the offshore wind sector has increased.

The group has established a range of measures in order to avoid and, potentially, mitigate the consequences of operational risk incidents. In 2019, cyber risk has received special attention.

Financial risk
Wilhelmsen remains exposed to a wide range of financial risk, either on a general basis or related to specific group companies. This includes exposure to currencies, oil prices, equity markets and interest rates, as well as credit risk and liquidity risk.

In the currency markets, the USD continued to strengthen against among others EUR and NOK in 2019, reaching a peak during the autumn. After a fall back, the USD has again strengthened in the first quarter of 2020.

In 2019, the oil price continued to fluctuate mainly within a USD 55-75 band, ending close to where it started. During the first quarter of 2020, the oil price has fallen significantly.

Interest rates remains at historic low levels in most markets, and with rate movements in US and certain other markets shifting from upwards to downwards during 2019. Further reduction has taken place in 2020.

The global equity market had a strong performance in 2019, supported by low interest rates. The start of 2020 has seen a reversal with a sharp fall in global market values.

The group's exposure to and management of financial risk are further described in Note 19 to the 2019 group accounts. This includes foreign exchange rate risk, interest rate risk, investment portfolio risk, credit risk and liquidity risk.

All group companies were compliant with their loan covenant requirements in 2019.

Climate risk
In 2019, a mapping has been initiated of climate risk management within main group operating companies and for the holding company. The mapping is made in accordance with the recommendations of the Task force on Climate-related Financial Disclosures (TCFD). The initial findings are that climate risk is not systematically managed, and that future cost may be underestimated.

The work to identify, measure and manage climate risk will continue.

Health, working environment, and safety
Working environment and occupational health
The company conducts its business with respect for human rights and labour standards, including conventions and guidelines related to the prevention of child or forced labour, minimum wage and salary, working conditions and freedom of association. Employees and external stakeholders are encouraged to report on non-compliant behaviour through the group's global whistleblowing system.

Exposure hours
In 2019, there were around 38.8 million exposure hours (work hours) in the group. Vessel based operations accounted for 77% of total exposure hours and onshore operations accounted for 23%.

Sickness absence and occupational disease
The group has a variety of ongoing initiatives to maintain a healthy work environment, for example focusing on monitoring and reporting absence cases, health and wellness awareness events, annual health checks, employee assistance program, adapted working hours, social activities, employee engagement surveys and opportunities for personal development.

The sickness absence rate for onshore operations was 1.68%, in line with previous year. There were no occupational disease cases recorded in 2019.

Turnover
The turnover rate for employees in the parent company and fully owned subsidiaries was 12.71% in 2019, in line with previous years. The turnover rate varies from segment to segment.

Lost time injuries and total recordable cases
There were zero work related fatalities in 2019.

For vessel-based operations, several safety campaigns aimed at creating safer and healthier working conditions on board the vessels continued during the year. Mental health wellbeing was one of the campaigns focusing on stress, sleep and overall psychological health of the seafarers.

In 2019, the lost-time injury frequency (LTIF) rate was 0.32, within the target not to exceed 0.50. The total recordable case frequency (TRCF) rate was 1.46 within the target not to exceed 2.60. The LTIF rate target for 2020 is not to exceed 0.50 and the TRCF rate is not to exceed 2.80.

For onshore operations, there was a continued focus on developing knowledge and understanding of the importance of personal safety and risk assessment. Management visibility, Take5 program, audits, safety talks and active safety delegates have been important actions to follow up employees most exposed to hazardous risk. The focus will continue in 2020 on risk assessment, increasing the number of auditors and audits, site assessment programs, and supplier audits.

The LTIF rate onshore was 0.18 in 2019, within target not to exceed 0.5. The TRCF rate result of 0.33 was within target not to exceed 1.0. Both targets will remain in place for 2020.

All reported incidents were investigated to avoid similar incidents in the future, improve necessary training and awareness measures.

Near miss incidents and safety observations
Safety observation reporting on vessel operations remains consistent with 9 782 observations reported for the year compared to 9126 in 2018.

Safety observation and risk assessment reporting onshore improved in 2019, mainly due to recording of the Take5 safety assessments conducted by Ships Agency employees. 5 414 observations were reported versus 3 597 in 2018.

All reported near misses were investigated to avoid similar incidents in the future, improve necessary training and awareness measures, and improve control measures.

Sharing of safety moments and lessons learned was increased. Reporting and utilization of analytics to identify key potential improvement areas continues to be in focus.

Working committee and executive committee
The management cooperates closely with employees through several bodies, including the joint working committee and the executive committee for industrial democracy in foreign trade shipping. This cooperation gives valuable input to solve company related issues in a constructive way.

The joint working committee discusses issues related to health, work environment and safety. The executive committee for industrial democracy in foreign trade shipping considers general business, financial and governance issues of importance to the company and the workforce. In 2019, both committees held official meetings according to plan.

Organisation and people development
Workforce
The group's head office is in Norway, and the group has 241 offices in 62 countries within its controlled structure. The group employed 10 230 seafarers and 4835 land-based employees at the end of 2019.

Equal opportunities
Wilhelmsen has a clear policy stating that employees have the right to equal opportunities. Harassment and discrimination based on race, gender or similar grounds, or other behaviour that may be perceived as threatening or degrading, is not acceptable.

Females represent 35% of the land-based work force, 25% of senior management positions, and 1% of the seafarer work force.

One of the four members of the company's group management is female and during 2019, two of the five directors on the board of directors of Wilhelmsen were female.

Driving performance
Wilhelmsen strives to create a performance culture where engaged employees deliver desired results and are rewarded accordingly. Employee performance and engagement is measured through annual surveys, performance appraisals and annual activity plans.

In the fourth quarter of 2019, Wilhelmsen conducted an employee engagement survey to measure the group's ability to provide an engaging and safe work environment where employees are motivated to work and achieve their full potential.

Whilst the results point to consistent and positive high engagement, there is always room for improvement. Senior management and individual managers in all locations were required to conduct follow up discussions with their teams. Where results were less than the expected benchmark, managers were required to implement specific actions to improve results.

Compensation and benefits
The purpose of Wilhelmsen's compensation and benefit framework is to drive performance and to attract and retain employees with the right experience and knowledge deemed necessary to achieve the company's strategic ambitions. The framework takes local regulations and competition into account, as well as the responsibility and complexity of the position.

The bonus schemes are one of several instruments to drive performance. Bonus is paid if set bonus targets are reached. Compensation to executives is described in the notes 6 and 2 to the group and parent accounts respectively. Wilhelmsen also issues a statement on the remuneration for senior executives, note 16 to the parent company accounts.

Investing in competence
"Learning and innovation" is one of the group's core values, and Wilhelmsen pays particular attention to competence and knowledge development. A learning organisation with motivated employees contributes to efficient operations and has a positive impact on revenue and earnings.

In 2019, emphasis was placed on continuous learning through on-the-job experiences, tasks and problem solving (70%); feedback, coaching (formal and informal) and networks (20%); and formal classroom courses, e-learning, seminars, videos etc. (10%).

Personal development plans are integrated in the performance appraisal and review process. In 2019, the average hours of formal training recorded per employee was 8 hours.

Developing leaders for the future
To meet challenging and changing environments, Wilhelmsen is dependent on highly qualified leaders.

In 2019, eight females and 21 males, from nine different nationalities participated in a three module Leadership Potential programme held in Oslo and Bangkok. The programme focused on design thinking methodology, leadership toolboxes, and an agile mindset.

Whistle blowing and anti-corruption
In 2019, we had 19 whistles regarding allegations of fraud/corruption, pollution/environmental, health and safety and more HR related matters. Almost half of the whistles originated from an anonymous source. All reports being forwarded through our whistleblowing channel are investigated and followed up according to our internal guidelines. A thorough investigation was conducted during the year on an alleged major internal fraud/corruption case that was reported through the whistleblowing channel. This resulted in proceedings being initiated against two employees and funds being retrieved.

At year end, we have two whistles that are pending a conclusion. We will continue to make employees aware of the whistleblowing opportunity, should they see or experience behaviour that is not in line with our policies and expectations. Our business standards and compliance training include the areas of anti-corruption, theft and fraud, whistleblowing, competition law and personal data protection.

Corporate governance
The board believes sound corporate governance is a foundation for profitable growth and that it provides a healthy company culture. A good governance contributes to reducing risk and creating long-term value for shareholders and other stakeholders.

Wilhelmsen observes the Norwegian Code of Practice for corporate governance, in addition to requirements as specified in the Norwegian Public Companies Act and the Norwegian Accounting Act. The board's corporate governance report for 2019 can be found in the group annual report for the year and on www.wilhelmsen.com. It is the board's view that the company has an appropriate governance structure and that it is managed in a satisfactory way. The corporate governance report is to be considered by the annual general meeting on 29 April 2020.

Sustainability
Wilhelmsen assesses environmental, social and corporate governance issues in its investment analysis, business decisions, ownership practises and financial reporting. The company has a sustainability policy that includes human rights, labour standards and a commitment to promote environmental responsibility.

UN Global Compact (UNGC) engagement
Wilhelmsen works actively within the UNGC Sustainable ocean business action platform to partner with other serious actors in contributing to the achievement of the Sustainable Development Goals. In 2019, the action platform delivered a report on ocean opportunities describing five tipping points for ocean health and productivity; a set of sustainable ocean principles; and started work on a governance framework report due for release in 2020.

Sustainability governance
The board acknowledges that sustainability is a vital prerequisite for Wilhelmsen to be a profitable and responsible player in the industry and society at large. With an aim to increase transparency, the board therefore issues a sustainability report following the guidelines set forward in the GRI Sustainability reporting standards. The report describes how Wilhelmsen combines long-term profitability with emphasis environmental, social and governance (ESG) factors.

Materiality assessment
The company conducted an extensive materiality assessment in 2018 to ensure attention is on material aspects of the group's business. The assessment concluded that the following topics are of most importance:
- Ethics and anti-corruption
- Health and safety
- Responsible procurement
- Cyber security and data protection

These aspects are addressed in the sustainability report. The full report is available on www.wilhelmsen.com and will be reviewed by the annual general meeting on 29 April 2020.

Focus areas and achievements in 2019
In 2019, the following areas received particular attention:
- Employee engagement
- Ethics and anti-corruption
- Health and safety
- Responsible procurement
- Cyber security and data protection
- Climate risk
- Partnerships for sustainable innovations

The company's achievements included:
- Positive and consistent employee engagement score
- Obtained TRACE certification in eight new countries (31 in total since 2016)
- Improved H&S risk assessments in the Take5 program
- Increased sustainability criteria in supplier assessments and requirements
- Increased cyber security detection and response capabilities
- Completed an initial climate risk management assessment
- Established partnership in liquid hydrogen supply chain project

Focus areas for 2020
The company will continue to focus its efforts on high materiality areas:
- Ethics and anti-corruption
- Health and safety
- Responsible procurement:
- Cyber security

In addition, the company will intensify focus on strategic areas of:
- Decarbonisation of shipping and maritime services
- Renewable energy transition
- Reducing marine litter and pollution

Stakeholder engagement
The company is regularly in dialogue with key stakeholders who engage with issues relating to the maritime industry and the activities of the Wilhelmsen group. The dialogue contributes to understanding the expectations of the community and transferring them to the group. It also enables the company to communicate decisions to stakeholders and provide them with explanations for our underlying motives.

In 2019, Wilhelmsen was engaged in dialogues with governments, investors, non-governmental organisations and other stakeholders discussing topics related to the group or industry at large. Topics covered included financial issues, compliance, innovation, decarbonisation of shipping, renewable energy and sustainability in general.

Management also initiated a dialogue with main shareholders and other stakeholders related to the statement on remuneration for senior executives.

Allocation of profit, dividend and buy back

The board's proposal for allocation of the net profit for the year is as follows:

The board is proposing a NOK 2.00 dividend per share payable during the second quarter of 2020, representing a total payment of NOK 89 million (excluding shares owned by the company).

Parent company accounts (NOK thousand)	
Profit for the year	**473 268**
To equity	272 658
Proposed dividend	89 160
Interim dividend paid	111 450
Total allocations	**473 268**

The board is granted an authorisation to, on behalf of the company, acquire up to 10% of the company's own issued shares. The authorisation is valid until the annual general meeting in 2020, but no longer than to 30 June 2020. In line with the authorisation, the company announced a share buyback in September 2019. Following completion of the program, Wilh. Wilhelmsen Holding ASA owns a total of 1 823 824 own shares, split on 537 092 A-shares and 1 286 732 B-shares. This is equivalent to 3.93% of total shares in the company.

Outlook

Events after the balance sheet date

The recent outbreak of covid-19 has since the start of 2020 had significant impact on the world and on Wilhelmsen. An update related to the impact on Wilhelmsen is included in note 24 of the group accounts and in note 16 of the parent company accounts for 2019.

Group business drivers

Wilhelmsen is a global provider of maritime related services, transportation and logistics solutions. The prospects for the group and its business segments are, to various degree, correlated with general development in world economy and trade.

Due to measures implemented to contain spread of covid-19, global economic development is presently very uncertain. Long term, annual growth in the vicinity of 3% remains a likely scenario.

Outlook for maritime services

General shipping markets improved in 2019, supported by continued global growth and low newbuilding activity. While most markets will in 2020 be affected by measures to contain the corona virus, many of the underlying positive factors remain.

Wilhelmsen's focus is maintaining a leading position within marine products, ships agency and ship management globally. For marine products, the steady work to improve products, services, and capabilities, will continue. For ships agency, a review is initiated to adjust the product to a more globally connected world. For ship management, the effort to expand the fleet on management will continue, with a need to increase the organisational capacity.

Increased activity level and a strong USD have supported an improved operating margin in 2019. The year also had its fair share of investment in new products and operating systems, reducing profit short term but necessary to remain competitive in the long term. All these factors will continue to have effect on the operating margin moving forward.

The measures taken to contain spread of covid-19 will have a significant impact on the maritime services activities in 2020 and potentially beyond. Operationally, travel restrictions impact crew changes and disruption in the global supply chain impacts product deliveries. Financially, reduced activity in cruise and other shipping segments impacts purchasing of among other marine products, port services and crewing services.

Outlook for supply services

NorSea Group, where Wilhelmsen has a ~75,2% shareholding, remains strongly exposed to the Norwegian oil and gas industry, but is gradually expanding into other activities. The sharp fall in oil prices combined with measures taken to contain covid-19 will have a negative impact on activity level. Income from supply base real estate properties will continue to be an important contributor, while offshore wind activities are expected to

The board of Wilh. Wilhelmsen Holding ASA

From left:
Carl Erik Steen
Irene Waage Basili
Diderik Schnitler (chair)
Trond Ø. Westlie

gradually increase but with some delay due to covid-19 measures.

For governmental services, no major change in activity level and income is projected in the short term.

Outlook for other activities

Wallenius Wilhelmsen ASA, where Wilhelmsen has a 37.8% stake, is a market leader in shipping and logistics services to the global automotive, rolling equipment, and breakbulk industries. Short term, measures to contain the corona virus will have a significant negative impact, with an expected 20% drop in ocean volumes in the first quarter. Wallenius Wilhelmsen ASA is taking decisive steps to prepare for this situation, including cancellation of dividend, recycling and layup of ships, and temporary layoffs of production workers.

Treasure ASA, where Wilhelmsen has a ~73.5% shareholding, is an investment company with currently one main asset. The prospects correlate strongly with the financial and share price performance of Hyundai Glovis. With its high exposure to the automotive supply chain, the Hyundai Share price has fallen significantly during first quarter of 2020.

Qube Holdings, where Wilhelmsen has a ~2.5% equity stake, remains exposed to the general Australian economy and trade, and to the successful development of new logistics infrastructure. The investment is mainly of a financial nature.

Outlook for the Wilhelmsen group

Wilhelmsen holds leading positions in several maritime industry segments. The combined forces of extensive business knowledge, global network, innovative organisation, and strong solidity will continue to support development of the group

Wilhelmsen is exposed towards global trade. Uncertainty remains on future development of global trade, including global economic growth, trade restrictions and the environment. In the short term, measures to stop the spread of the coronavirus will have a negative impact on most business activities. Wilhelmsen retains its robustness and capacity to meet such eventualities.

Lysaker, 31 March 2020
The board of directors of Wilh. Wilhelmsen Holding ASA

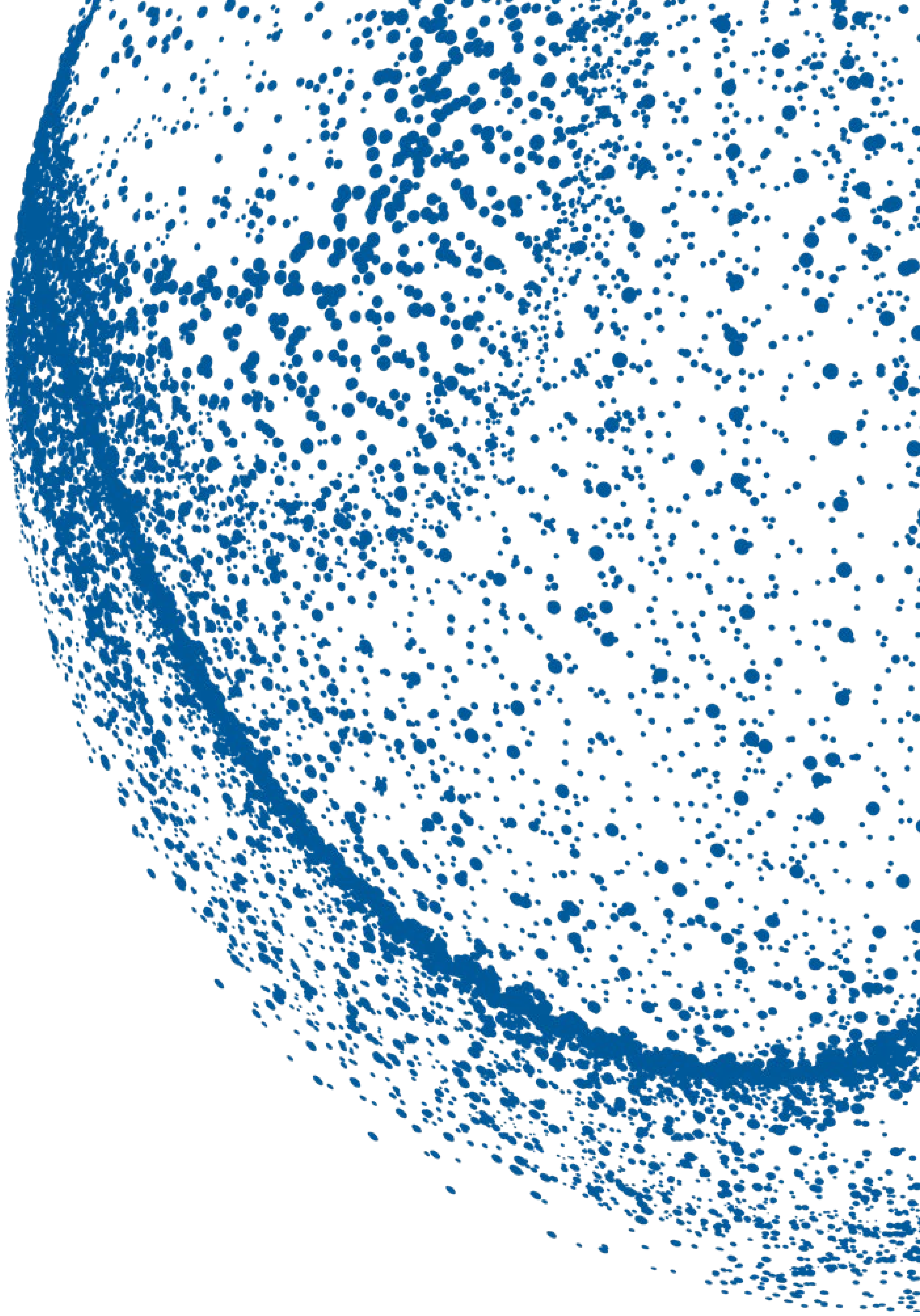
Diderik Schnitler
chair

Trond Westlie

Carl Erik Steen

Irene Waage Basili

Thomas Wilhelmsen
group CEO



Wilhelm Wilhelmsen

1937–2020

Wilhelm Wilhelmsen passed away on 22 February 2020. He represented the fourth-generation family owner of the Wilhelmsen group, a maritime industry group established by his great grandfather in Tønsberg, Norway in 1861.

Wilhelm Wilhelmsen was instrumental in developing the Wilhelmsen group from a traditional liner company with trades all over the world to one of the largest maritime industry groups with almost 15 000 employees in more than 70 countries. His extensive network and business relationships in Norway and internationally have been essential in building the company the past almost 60 years.

In addition to steering through many important and difficult situations in the company's history, including the offshore crisis in the 1980s and the Partnair and Tampa incidents, he will be remembered as a very well-respected business leader and spokesperson for Norwegian shipping and the maritime industry at large.

Rest in peace.

From the board and thousands of employees at sea and all around the world

Responsible employer

People are the foundation of our global business and have been for our last 159 years. Our approach as a responsible employer is to build a culture where all of our employees can come to work, do their best and go home safely. Whether it is investing in developing our employees, setting high standards regarding health and safety measures, or enhancing a culture where high ethical business standards always apply, our aim is to do the right things, the right way in every part of our business. The Take5 program for our ships agency division is just one example of how we act responsibility as an employer, building best in class practices for identifying and managing risks to keep employees engaged, healthy and safe.


Challenger
TAKE 5

3

Accounts and notes – group

Income statement Wilh. Wilhelmsen Holding group

USD mill	Note	2019	2018
Operating revenue	1/3/21	**836**	**867**
Other income			
Gain on sale of assets	1	14	4
Total income		**850**	**871**
Operating expenses			
Cost of goods and change in inventory	15	(247)	(267)
Employee benefits	6	(306)	(320)
Other expenses	1/21	(148)	(206)
Depreciation and impairments	7/8	(71)	(42)
Total operating expenses		**(772)**	**(835)**
Operating profit		**78**	**36**
Share of profits from joint ventures and associates	4	49	36
Change in fair value financial assets	14	34	(116)
Financial income	1	33	16
Financial expenses	1	(49)	(57)
Profit/(loss) before tax		**144**	**(86)**
Tax income/(expenses)	9	(15)	12
Profit/(loss) for the period		**130**	**(75)**
Of which:			
Profit attributable to non-controlling interests		16	(6)
Profit/(loss) attributable to owners of the parent		114	(69)
Basic / diluted earnings per share (USD)	10	2.46	(1.48)

Comprehensive income Wilh. Wilhelmsen Holding group

Profit/(loss) for the year		130	(75)
Items that may be reclassified to the income statement			
Cash flow hedges (net after tax)		1	2
Comprehensive income from associates		(2)	
Currency translation differences	19	(2)	(57)
Items that will not be reclassified to the income statement			
Remeasurement postemployment benefits, net of tax	11	(1)	1
Other comprehensive income, net of tax		**(3)**	**(53)**
Total comprehensive income for the year		**127**	**(128)**
Total comprehensive income attributable to:			
Owners of the parent		111	(119)
Non-controlling interests		16	(9)
Total comprehensive income for the year		**127**	**(128)**

Notes 1 to 24 on the next pages are an integral part of these consolidated financial statements.

Balance sheet Wilh. Wilhelmsen Holding group

USD mill	Note	31.12.2019	31.12.2018
ASSETS			
Non current assets			
Deferred tax asset	9	57	54
Goodwill and other intangible assets	7	151	156
Vessel, property and other tangible assets	7	555	567
Right-of-use assets	8	173	
Investments in joint ventures and associates	4	1 003	1 018
Financial assets to fair value	14/19	675	650
Other non current assets	12	25	23
Total non current assets		**2 638**	**2 467**
Current assets			
Inventories	15	82	74
Current financial investments	16/19	102	88
Other current assets	12/17	317	311
Cash and cash equivalents	17	153	140
Total current assets		**655**	**612**
Total assets		**3 293**	**3 079**
EQUITY AND LIABILITIES			
Equity			
Paid-in capital		118	122
Retained earnings and other reserves		1 762	1 699
Attributable to equity holders of the parent		**1 880**	**1 821**
Non-controlling interests		202	196
Total equity		**2 082**	**2 017**
Non current liabilities			
Pension liabilities	11	20	20
Deferred tax	9	11	12
Non current interest-bearing debt	18/19	429	448
Non current lease liabilities	8/18	154	
Other non current liabilities	12	28	23
Total non current liabilities		**643**	**503**
Current liabilities			
Current income tax	9	9	13
Public duties payable		12	9
Current interest-bearing debt	18/19	65	85
Current lease liabilities	8/18	27	
Other current liabilities	12	455	452
Total current liabilities		**568**	**559**
Total equity and liabilities		**3 293**	**3 079**

Lysaker, 31 March 2020
The board of directors of Wilh. Wilhelmsen Holding ASA

Diderik Schnitler
chair

Trond Westlie

Carl Erik Steen

Irene Waage Basili

Thomas Wilhelmsen
group CEO

Notes 1 to 24 on the next pages are an integral part of these consolidated financial statements.

Cash flow statement Wilh. Wilhelmsen Holding group

USD mill	Note	2019	2018
Cash flow from operating activities			
Profit/(loss) before tax		144	(86)
Share of (profit)/loss from joint ventures and associates	4	(49)	(36)
Changes in fair value financial assets	14	(34)	116
Financial (income)/expenses	1	17	41
Depreciation/impairment	7/8	71	42
(Gain)/loss on sale of fixed assets	1	(8)	(4)
Gain from sale of subsidiaries, joint ventures and associates	1/4	(6)	
Change in net pension asset/liability			(1)
Change in inventories		(9)	7
Change in working capital		(19)	(6)
Tax paid (company income tax, withholding tax)		(8)	(12)
Net cash provided by operating activities		**98**	**62**
Cash flow from investing activities			
Dividend received from joint ventures and associates	4	33	20
Proceeds from sale of fixed assets		17	14
Investments in tangible and intangible assets	7	(40)	(54)
Net proceeds from sale of subsidiaries		3	7
Net proceeds from sale of joint ventures and associates		34	
Investments in subsidiaries		(3)	(1)
Loan repayments received from sale of subsidiaries		6	17
Proceeds from dividend and sale of financial investments		65	71
Current financial investments		(38)	(38)
Interest received	1	4	4
Net cash flow from investing activities		**81**	**40**
Cash flow from financing activities			
Net proceeds from issue of debt after debt expenses	18	93	153
Repayment of debt	18	(136)	(211)
Repayment of leasing debt	8	(24)	
Interest paid including interest derivatives	1	(25)	(29)
Interest paid leasing debt	1/8	(11)	
Dividend to shareholders/purchase of own shares		(62)	(40)
Net cash flow from financing activities		**(165)**	**(128)**
Net increase in cash and cash equivalents		14	(26)
Cash and cash equivalents at the beginning of the period		140	167
Cash and cash equivalents at 31.12		**153**	**140**

The group is located and operating world wide and every entity has several bank accounts in different currencies. The cash flow effect from revaluation of cash and cash equivalents is included in net cash flow provided by operating activities.

Notes 1 to 24 on the next pages are an integral part of these consolidated financial statements.

Equity Wilh. Wilhelmsen Holding group

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

USD mill	Share capital	Own shares	Retained earnings	Total	Non-controlling interests	Total equity
Balance 31.12.2018	122	0	1 853	1 975	212	2 188
Implementation of IFRS 16 leasing						
Comprehensive income for the period:						
Profit for the period			114	114	16	130
Other comprehensive income			(3)	(3)		(3)
Total comprehensive income for the period	**0**	**0**	**111**	**111**	**16**	**127**
Transactions with owners:						
Change in non-controlling interests*			5	5	(5)	
Own shares**		(4)	(27)	(31)		(31)
Dividends			(26)	(26)	(5)	(31)
Balance 31.12.2019	**122**	**(4)**	**1 761**	**1 880**	**202**	**2 082**

*Liquidation of 2.200.000 own shares in Treasure ASA.

**WWH acquired own shares 30 September 2019 for USD 30.4 million, represented 537.092 A-shares and 1.286.732 B-shares. Average cost per shares was NOK 144.00.

USD mill	Share capital	Own shares	Retained earnings	Total	Non-controlling interests	Total equity
Balance 31.12.2017	122	0	1 853	1 975	212	2 188
Comprehensive income for the period:						
Profit/(loss) for the period			(69)	(69)	(6)	(75)
Other comprehensive income			(50)	(50)	(3)	(53)
Put option in associate			(5)	(5)		(5)
Total comprehensive income for the period	**0**	**0**	**(124)**	**(124)**	**(9)**	**(133)**
Transactions with owners:						
Change in non-controlling interests					(1)	(1)
Dividends			(31)	(31)	(6)	(37)
Balance 31.12.2018	**122**	**0**	**1 698**	**1 820**	**196**	**2 017**

Dividend for fiscal year 2018 was NOK 5.00 per share, where NOK 2.50 per share was paid in May 2019 and NOK 2.50 per share was paid in November 2019.

Dividend for fiscal year 2017 was NOK 5.50 per share, where NOK 3.50 per share was paid in May 2018 and NOK 2.00 per share was paid in November 2018.

The proposed dividend for fiscal year 2019 is NOK 2.00 per share, payable in the second quarter of 2020.

A decision on this proposal will be taken by the annual general meeting on 29 April 2020. The proposed dividend is not accrued in the year-end balance sheet. The dividend will have effect on retained earnings in second quarter of 2020.

Notes 1 to 24 on the next pages are an integral part of these consolidated financial statements.

Accounting policies
Wilh. Wilhelmsen Holding group and Wilh. Wilhelmsen Holding ASA

GENERAL INFORMATION
Wilh. Wilhelmsen Holding ASA (referred to as the parent company) is domiciled in Norway. The consolidated accounts for fiscal year 2019 include the parent company and its subsidiaries (referred to collectively as the group) and the group's share of joint ventures and associated companies.

The annual accounts for the group and the parent company were issued by the board of directors on 31 March 2020.

STATEMENT OF COMPLIANCE
The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union. The separate financial statements for the parent company have been prepared and presented in accordance with simplified IFRS as approved by Ministry of Finance 10 December 2019. In the separate statements the exception from IFRS for recognition of dividends and group contributions is applied. Otherwise, the explanations of the accounting policy for the group also apply to the separate statements, and the notes to the consolidated financial statements will to a large degree also cover the separate statements.

Wilhelmsen also provides additional disclosures in accordance with requirements in the Norwegian Accounting Act related to remuneration to the board and the management.

The company is a public limited liability company, listed on the Oslo Stock Exchange.

BASIC OF CONSOLIDATION
The consolidated financial statements comprise the financial statements of Wilh. Wilhelmsen Holding ASA and its subsidiaries (Wilhelmsen group or the group) as at 31 December 2019.

Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the group gains control until the date the group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in income statement. Any investment retained is recognised at fair value.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation. The accounts for the group and the parent company are referred to collectively as the accounts.

Entities in Maritime Services, Supply Services and Holding and Investments are measured using currency of primary economic location in which the entity operates. The exceptions are investments activity in Malta, where AUD is the functional currency and the parent company Wilhelmsen Maritime Services (WMS AS) has USD.

The income statements and balance sheets for group companies with a functional currency which differs from the presentation currency (USD) are translated as follows:

- the balance sheet is translated at the closing exchange rate on the balance sheet date
- income and expense items are translated at a rate that is representative as an average exchange rate for the period, unless the exchange rates fluctuate significantly for that period, in which case the exchange rates at the dates of the transactions are used
- the translation difference is recognised in other comprehensive income and split between controlling and non-controlling interests

Goodwill and fair value adjustments of assets and liabilities related to acquisition of entities which have a functional currency other than USD are attributed to the acquired entity's functional currency and translated at the exchange rate prevailing on the balance sheet date.

Non-controlling interests
The group treats transactions with non-controlling interests as transactions with equity owners of the group.

For purchases from non-controlling interests, the difference between any consideration paid and relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

Gains or losses on disposals to non-controlling interests are also recorded in equity.

BASIC OF PREPARATION
The group accounts are presented in US dollars (USD), rounded off to the nearest whole million.

The presentation currency of the separate statements of the parent is NOK which is also its functional currency. The accounts are rounded off to the nearest whole thousand.

The accounts have been prepared under the historical cost convention as modified by the revaluation of some financial assets and liabilities (including financial derivatives) at fair value through the income statement.

Preparing financial statements in conformity with IFRS and simplified IFRS requires the management to make use of estimates and assumptions which affect the application of the accounting policies and the reported amounts of assets and liabilities, revenues and expenses.

Estimates and associated assumptions are based on historical experience and other factors regarded as reasonable under the circumstances. The actual result may vary from these estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are described in more detail in the section on critical accounting estimates and assumptions.

The accounting policies outlined have been applied consistently for all periods presented in the group accounts.

When items are reclassified in the segment reporting, the comparative figures are included from the beginning of the earliest comparative period.

New and revised standards – adopted
The following new or amendments to standards and interpretations have been issued and become effective during the current period.

Standards, amendments and interpretations
The group has adopted IFRS 16 Leases from 1 January 2019 which resulted in material changes to the group's financial statement.

Under the new standard, a lessee is required to recognise all contracts that qualify under its definition of a lease as right-of-use assets and lease liabilities

Accounting policies
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in the balance sheet, while lease payments should be split in interest expense and reduction of lease liabilities. The right-of-use assets are to be depreciated in accordance with IAS 16 "Property, Plant and Equipment" over the shorter of each contract's term and the assets useful life. The standard consequently implies a significant change in lessees' accounting for leases previously defined as operating leases under IAS 17, both as regards impact on the balance period of time in exchange of consideration.

The group implemented IFRS 16 retrospectively with recognition of the cumulative implementation effect recognised at the date of initial application 1 January 2019. By doing this, comparative financial information shall not be restated, but the cumulative effect of initially applying this standard shall be reflected as an adjustment to the opening balance.

At the time of transition, leases entered under IAS 17 was not reassessed. The opening balance related to the transition and grouping of leased assets can be found in note 8, in the group accounts and note 4 in the parent accounts.

Amended standards early adopted
The group has elected to early adopt the 'Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform' issued in September 2019. In accordance with the transition provisions, the amendments have been adopted retrospectively to hedging relationships that existed at the start of the reporting period or were designated thereafter. The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by IBOR reform. The reliefs have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Furthermore, the amendments set out triggers for when the reliefs will end, which include the uncertainty arising from interest rate benchmark reform no longer being present.

There are no other new or amended standards adopted by the group or parent company from 1 January 2019 or later.

New and revised standards – not yet effective
Amendment to IAS 1 Classification of Liabilities as Current or Non-current applicable for annual periods beginning on or after 1 January 2022. The amendment changes the guidance for the classification of liabilities as current or non-current depending on the rights that exist at the end of the reporting period. The amendments are not expected to have a material effect compared to the group's current application of IAS 1.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group or the parent company.

SHARES IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (PARENT COMPANY)
Shares in subsidiaries, joint ventures and associates are presented according to the cost method. Group contribution received is included in dividends from subsidiaries. Group contributions and dividends from subsidiaries are recognised in the year for which they are proposed by the subsidiary to the extent the parent company can control the decision of the subsidiary through its share holdings on the balance sheet date. Shares in subsidiaries, joint ventures and associates are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the recoverable amount of the investment. An impairment loss is reversed if the impairment situation is deemed to no longer exist.

CONSOLIDATION POLICIES
Joint arrangements and associates
Joint arrangements and associates are entities over which the group or parent company has joint control or significant influence respectively but does not control alone.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations to each investor. The group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Significant influence generally accompanies investments where the group or the parent company has 20-50% of the voting rights. The group's investments in joint ventures and associates are accounted for by the equity method. Such investments are recognised at the date of acquisition at cost, including excess values and possible goodwill.

The group's share of profit after tax from joint ventures and associates, are recognised in the income statement as an investing and financial activity. The share of profit after tax from joint ventures and associates is added to the carrying amount of the investments together with its share of equity movements not recognised in the income statement. Sale and dilution of the share of associate companies is recognised in the income statement when the transactions occur for the group. Unrealised gains on transactions are partially eliminated under the equity method.

When an investment ceases to be an associate, the difference between (1) the fair value of any retained investment and proceeds from disposing of the part interest in the associate and (2) the carrying amount of the investment at the date when significant influence is lost, is recognised in the income statement. If the ownership interest in a joint venture or an associate is reduced, but the investment continues to be a joint venture or an associate, a gain or loss is recognised in the income statement corresponding to the difference between the proportionate book value of the investment sold and the proceeds from disposing of the part interest in the joint venture or associate.

Business combination
The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition comprises the:

- fair value of the asset transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any assets or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the
- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interests in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the income statement.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gain or losses arising from such remeasurement are recognised in income statement.

SEGMENT REPORTING
The operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision-maker.

Comparative figures have been reclassified in the segment's figures from the beginning of earliest comparative period except for IFRS 16 effects.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been

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identified as the board and Group Management Team, consisting of the group chief executive officer (group CEO) and three executive managers.

RELATED PARTIES TRANSACTIONS
The group and the parent company have transactions with joint ventures and associated companies. These contracts are based on commercial market terms.

See note 12 and 21 to the group accounts for transactions with joint ventures and associates and note 7 and 15 to the parent company accounts.

See note 6 to the group accounts concerning remuneration of senior executives in the group and note 2 to the parent company accounts for information concerning loans and guarantees for employees in the parent company.

FOREIGN CURRENCY TRANSACTION AND TRANSLATION
Transactions
Individual companies' transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the respective functional currency at the rate of the exchange at the balance sheet date. The realised and unrealised currency gains or losses are included in financial income or expense. For qualified cash flow hedging derivatives, qualifying net investment hedges, gains and losses are recognised in other comprehensive income, and reclassified when the hedged object affects profit or loss.

Translations
In the consolidated financial statements, the assets and liabilities of the parent company (NOK functional) as well as all non USD functional currency subsidiaries, joint ventures and associates, including related goodwill, are translated into USD using the rate of exchange as of the balance sheet date. The results and cash flow of non USD functional currency subsidiaries, joint ventures and associates are translated into USD using average exchange rate for the period reported (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). Exchange adjustments arising when the opening net assets and the net income for the year retained by non USD operation are translated into USD are recognised in other comprehensive income. On disposals of a non USD functional currency subsidiary, joint ventures or associates, the deferred cumulative amount recognised in equity relating to that particular entity is recognised in the income statement.

REVENUE RECOGNITION
The group earns revenue from both sale of goods, rendering of services and rental activities. Information about the revenue streams and associated accounting principles are disclosed in note 3.

INVENTORIES
Inventories of purchased goods and work in progress, are valued at cost in accordance with the weighted average cost method. Impairment losses are recognised if the net realisable value is lower than the cost price. Sales costs include all remaining sales, administrative and storage costs.

EMPLOYEE BENEFITS - CASH-SETTLED ARRANGEMENTS
Cash–settled payments / bonus plans
For cash-settled payments, a liability equal to the portion services received is recognised at fair value determined at each balance sheet date.

See note 6 to the group accounts and note 2 and 17 to the parent accounts concerning remuneration of senior executives

TANGIBLE ASSETS
Vessel, property and other tangible assets acquired by group companies are stated at historical cost. Depreciation is calculated on a straight-line basis.

The carrying value of tangible assets equals the historical cost less accumulated depreciation and any impairment charges.

The group's borrowing costs are recognised in the income statement when they arise. Borrowing costs are capitalised to the extent that they are directly related to the acquisition of the asset.

Land is not depreciated. Other tangible assets are depreciated over the following expected useful lives:

Property	10-50 years
Other tangible assets	3-10 years

Each component of a tangible asset which is significant for the total cost of the item will be depreciated separately. Components with similar useful lives will be included in a single component.

The estimated residual value and expected useful life of long-lived assets are reviewed at each balance sheet date, and where they differ significantly from previous estimates, depreciation charges will be changed accordingly going forward.

LEASES
The group has applied IFRS 16 using the modified retrospective approach. The impact of changes in accounting policies and impact of the initial application is disclosed in note 8 in the group accounts and note 4 in the parent accounts.

Identifying a lease
At the inception of a contract, the group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To determine whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- The agreement creates enforceable rights of payment and obligations
- The identified asset is physically distinct
- It has the right to obtain substantially all of the economic benefits from use of the asset
- It has the right to direct the use of the asset
- The supplier does not have a substantive right to substitute the asset throughout the period of use

Lessee
Separating components in the lease contract:
For contracts that constitutes, or contains a lease, the group separates lease components if it benefits from the use of each underlying asset either on its own or together with other resources that are readily available, and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract. The group then accounts for each lease component within the contract as a lease separately from non-lease components of the contract. The group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. If an observable stand-alone price is not readily available, the group estimates this price by maximising the use of observable information.

Recognition of leases and exemptions:
At the lease commencement date, the group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the group recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur.

Measuring the lease liability:
The lease liability is initially measured at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option to extend the lease when the group is reasonably certain to exercise this option, and period's covered by an option to terminate the lease if the group is reasonably certain not to exercise that option.

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The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the group under residual value guarantees
- The exercise price of a purchase option, if the group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the group exercising an option to terminate the lease.

The group do not include variable lease payments in the lease liability arising from contracted index regulations subject to future events, such as inflation. Instead, the group recognizes these costs in profit or loss in the period in which the event or condition that triggers those payments occurs. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate. Group presents its lease liabilities as separate line items in the statement of financial position.

Measuring the right-of-use asset:
The right-of-use asset is initially measured at cost. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs incurred by the group
- An estimate of costs to be incurred by the group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses. The group applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. The group has not applied the revaluation model for its right of use asset for leased buildings.

The group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified. Group presents it's right-of-use assets as separate line items in the consolidated statement of financial position.

GOODWILL AND OTHER INTANGIBLE ASSETS
Amortisation of intangible fixed assets is based on the following expected useful lives:

Goodwill	Indefinite life
Software and licenses	3-5 years
Other intangible assets	5-10 years

Goodwill
Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of any previous equity interests in the acquiree over the fair value of the identifiable net assets of the acquired subsidiary, joint venture or associate. Goodwill arising from the acquisition of subsidiaries is classified as an intangible asset.

Goodwill arising from the acquisition of an interest in an associated company is included under investment in associated companies and tested for impairment as part of the carried amount of the investment when impairment indicators is present.

Goodwill from acquisition of businesses is tested annually for impairment and carried at cost less impairment losses. Impairment losses on goodwill are not reversed. Gain or loss on the sale of a business includes the carried amount of goodwill related to the sold business.

For impairment testing goodwill is allocated to relevant cash-generating units ("CGU"). The allocation is made to those CGU or groups of CGU which are expected to benefit from the acquisition.

Details concerning the accounting treatment of goodwill are provided in the section on consolidation policies above.

Other intangible assets
Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Trademark, technology/licenses and customer relationship have a finite life and are recognised at historical cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful life.

Capitalised expenses related to other intangible assets are amortised over the expected useful lives in accordance with the straight-line method.

IMPAIRMENT OF GOODWILL AND OTHER NON- FINANCIAL ASSETS
Non-financial assets
At each reporting date the accounts are assessed whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, estimates of the asset's recoverable amount are done. The recoverable amount is the highest of the fair market value of the asset, less cost to sell, and the net present value (NPV) of future estimated cash flow from the employment of the asset ("value in use"). The NPV is based on a discount rate according to a weighted average cost of capital ("WACC") reflecting the company's required rate of return. The WACC is calculated based on the company's long-term borrowing rate and a risk-free rate plus a risk premium for the equity. If the recoverable amount is lower than the book value, impairment has occurred, and the asset shall be revalued. Impairment losses are recognised in profit or loss. Assets are grouped at the lowest level where there are separately identifiable independent cash flows.

Goodwill
Goodwill acquired through business combinations has been allocated to the relevant CGU. An assessment is made as to whether the carrying amount of the goodwill can be justified by future earnings from the CGU to which the goodwill relates. If the "value in use" of the CGU is less than the carrying amount of the CGU, including goodwill, goodwill will be written down first. Thereafter the carrying amount of the CGU will be written down. Impairment losses related to goodwill cannot be reversed.

FINANCIAL ASSETS
From 1 January 2018, the group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss (FVPL)
- those to be measured at amortised cost

Management determines the classification of financial assets at their initial recognition.

Financial assets subsequently carried at fair value are initially recognised at fair value, and transaction costs are expensed in the income statement.

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The group and the parent company classified financial assets under IAS 39 into the following categories: trading financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depended on the purpose of the asset.

Operating leases
For operating leases, the group recognises lease payments as other income, mainly on a straight-line basis, unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The group recognise costs incurred in earning the lease income in other operating expenses. The group adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognise those costs as an expense over the lease term on the same basis as the rental income.

Current financial investments
This category consists of financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of profit from short term price gains. Current financial investments are measured at fair value. The resulting unrealised gains and losses are included in financial income and expense. Derivatives are also placed in this category unless designated as hedges. Assets in this category are classified as current.

Loans and receivables at amortised cost
Loans and receivables are non-derivative financial assets with fixed or determinable payments, which are not traded in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivable are classified as other current assets or other non-current assets in the balance sheet.

Loans and receivables are recognised initially at their fair value plus transaction costs. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred, and the group has transferred by and large all risk and return from the financial asset.

Realised gains and losses are recognised in the income statement in the period they arise.

Financial assets to fair value
The group continued measuring at fair value all financial assets previously held at fair value under IAS 39. The following are the changes in the classification of the group's financial assets

Equity investments in listed companies:
These financial assets were previously classified as "available-for-sale" financial assets are now classified and measured as equity instruments designated at fair value through the income statement.

Changes in fair value during the period, is recognised in the income statement.

Financial assets to fair value are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

FINANCIAL DERIVATIVES
Derivatives are included in current assets or current liabilities, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets or other non-current liabilities as they form part of the group's long-term economic hedging strategy and are not classified as held for trading.

Derivatives are recognised at fair value on the date a derivative contract is entered into and are revalued on a continuous basis at their fair value.

Derivatives which do not qualify for hedge accounting
Most derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments which do not qualify for hedge accounting are presented in the income statement as financial income/expense.

Derivatives which do qualify for hedge accounting
The group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges).

At the date of the hedging transaction, the group documents the relationship between hedging instruments and hedged items, as well as the objective of its risk management and the strategy underlying the various hedge transactions. The group also documents the extent to which the applied derivatives are effective in offsetting changes in fair value or cash flow associated with the hedge items. Such assessments are documented both initially and on an ongoing basis.

The fair value of derivatives used for hedging is shown in note 19 to the group accounts. Changes in the valuation of qualified hedges are recognised directly in other comprehensive income until the hedged transactions are realised.

The fair value of financial derivatives traded in active markets is based on quoted market prices at the balance sheet date. The fair value of financial derivatives not traded in an active market is determined using valuation methodology, such as the discounted value of future cash flows. Independent experts verify the value determination for instruments which are considered material.

Cash flow hedge
The effective portion of changes in the fair value of derivatives designated as cash flow hedges are recognised in other comprehensive income together with the deferred tax effect. Gain and loss on the ineffective portion is recognised in the income statement. Amounts recognised in other comprehensive income are recognised as income or expense in the income statement in the period when the hedged liability or planned transaction will affect the income statement.

Net investment hedge
Gain and losses arising from the hedging instruments relating to the effective portions of the net investment hedges are recognised in other comprehensive income. These translation reserves are reclassified to the income statement upon loss of control of the hedged net investments, offsetting the translation differences from these net investments. Any ineffective portion is recognised immediately in the income statement as financial income/(expenses).

DEFERRED TAX / DEFERRED TAX ASSET
Deferred tax is calculated using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws which have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available, and that the temporary differences can be deducted from this profit.

Deferred income tax is calculated on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group.

PENSION OBLIGATIONS
Group companies have various pension schemes, and the employees are covered by pension plans which comply with local laws and regulations. These schemes are generally funded through payments to insurance companies or pension funds on the basis of periodic actuarial calculations. The group and the parent company have both defined contribution and defined benefit plans up to 31 December 2019.

The group has "Ekstrapensjon", a contribution plan for all Norwegian employees with salaries exceeding 12 times the Norwegian National Insurance base amount (G). The contribution plan replaced the group obligations mainly financed from operation. However, the group still has obligations for some employees related to salaries exceeding 12 times the Norwegian National Insurance base amount (G) mainly financed from operations.

A defined contribution plan is one under which the group and the parent company pay fixed contributions to a separate legal entity. The group and the parent company have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Accounting policies
Wilh. Wilhelmsen Holding group and Wilh. Wilhelmsen Holding ASA

A defined benefit plan is one which is not a defined contribution plan. This type of plan typically defines an amount of pension benefit an employee will receive on retirement, normally dependent on one or more factors such as age, years of service and pay.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The pension obligation is calculated annually by independent actuaries using a straight-line earnings method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the income statement.

RECEIVABLES
Account receivables and other receivables, that have fixed or determinable payments that are not quoted in an active market are classified as receivables.

The group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables has been grouped based on shared credit risk characteristics and days past due.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include cash in hand, deposits held at call with banks and other liquid investments with maturities of three months or less. Bank overdrafts are presented under borrowings in current liabilities on the balance sheet.

SHARE CAPITAL AND TREASURY SHARES
When the parent company purchases its own shares (treasury shares), the consideration paid, including any attributable transaction costs net of income tax, is deducted from the equity attributable to the parent company's shareholders until the shares are liquidated or sold. Should such shares subsequently be sold or reissued, any consideration received is included in share capital.

DIVIDEND IN THE GROUP ACCOUNTS
Dividend payments to the parent company's shareholders are recognised as a liability in the group's financial statements from the date when the dividend is approved by the general meeting.

DIVIDEND AND GROUP CONTRIBUTION IN PARENT ACCOUNTS
Proposed dividend for the parent company's shareholders is shown in the parent company account as a liability at 31 December current year. Group contribution to the parent company is recognised as a financial income and current asset in the financial statement at 31 December current year.

LOANS
Loans are recognised at fair value when the proceeds are received, net of transaction costs. In subsequent periods, loans are stated at amortised cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the term of the loan. Loans are classified as current liabilities unless the group or the parent company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

PROVISIONS
The group and the parent company make provisions for legal claims when a legal or constructive obligation exists as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be estimated with a sufficient degree of reliability. Provisions are not made for future operating losses.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS
When preparing the financial statements, the group and the parent company must make assumptions and estimates. These estimates are based on the actual underlying business, its present and forecast profitability over time, and expectations about external factors such as interest rates, foreign exchange rates and oil prices which are outside the group's and parent company's control. This presents a substantial risk that actual conditions will vary from the estimates.

Sensitivity of the lease liability
The group cannot always determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate reflects what the group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when the rates need to be adjusted to reflect the term and currency of the lease.
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

See note 8 in the group accounts for additional information.

Impairment of goodwill
Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment.

The main risks are:
- Growth
- Net profit
- Cash flow

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. The group has financial models which calculate and determine the value in use through a combination of actual and expected cash flow generation discounted to present value. The expected future cash flow generation and models are based on assumptions and estimate.

See note 7 in the group accounts for additional information.

Note 1 Combined items, income statement

USD mill	Note	2019	2018
OPERATING REVENUE			
Ships service revenue	2/3	528	535
Supply services revenue	2/3	249	283
Ship management and crewing revenue	2/3	45	41
Revenue from services	2/3	13	8
Total operating revenue	21	**836**	**867**
GAIN ON SALE OF ASSETS			
Gain on sale of assets		14	4
Total gain on sale of assets		**14**	**4**
OTHER EXPENSES			
Office expenses		(16)	(58)
Communication and IT expenses		(26)	(27)
External services		(20)	(31)
Travel and meeting expenses		(9)	(8)
Marketing expenses		(3)	(4)
Lease expenses*	8	(10)	
Other operating expenses		(64)	(78)
Total other expenses	21	**(148)**	**(206)**

* Included in other operating expenses in 2018.

FINANCIAL INCOME AND EXPENSES		
Financial items		
Investment management	12	(6)
Interest income	4	4
Dividend from financial assets	16	13
Other financial items	1	5
Net financial items	**33**	**16**
Financial – interest expenses		
Interest expenses	(25)	(29)
Interest expenses – finance lease	(11)	
Other financial expenses	(5)	(5)
Net financial – interest expenses	**(41)**	**(34)**
Financial – currency gain/(loss)		
Net currency gain/(loss) – non financial currency	7	(4)
Net currency gain/(loss) – financial currency	(10)	(3)
Derivatives for hedging of cash flow risk – realised	(10)	(2)
Derivatives for hedging of cash flow risk – unrealised	4	(15)
Net financial – currency gain/(loss)	**(8)**	**(23)**
Financial income/(expenses)	**(17)**	**(41)**
Spesification of financial income and expenses		
Net financial items	33	16
Financial income	**33**	**16**
Net financial – interest expenses	(41)	(34)
Net financial currency loss	(8)	(23)
Financial expenses	**(49)**	**(57)**

See note 19 on financial risk and the section of the accounting policies concerning financial derivatives.

Note 2 Segment reporting

SEGMENTS
The chief operating decision-maker monitors the business by combining entities with similar operational characteristics such as product services, market and underlying asset base, into operating segments.

The Maritime Services segment offers marine products, ship agency services and logistics to the merchant fleet and ship management including manning for all major vessel types, through a worldwide network of more than 241 offices in some 62 countries.

The Supply Services segment is mainly related to the operation of supply bases for the oil industry in Norway, as well as real estate development and operation of properties both on and off the supply bases. In addition to the activity in Norway, the segment offers its services in both Denmark and in the UK. The international activity consists of both operation of supply bases, maintenance of rigs and handling of logistics related to international pipeline projects and windmill parks.

The Holding and Investments segment includes the parent company, Wilh. Wilhelmsen Holding ASA, Treasure ASA group, Wilh. Wilhelmsen Holding Invest AS group and other minor activities (WilService AS, Wilhelmsen Accounting Services AS and corporate group activities like operational management, legal, finance, portfolio management, communication and human relations) which fail to meet the definition for other core activities. The groups investment in WalWil is presented as part of Holding and Investments as an investment in associates.

Eliminations are between the group's three segments mentioned above.

The segment income statement are measured in the same way as in the financial statements.

The segment information provided to the chief operating decision-maker for the reportable segments for the year ended 31 December 2019 is as follows:

USD mill	Maritime Services		Supply Services		Holding and Investments		Eliminations		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
INCOME STATEMENT										
Operating revenue	582	580	249	283	11	11	(7)	(7)	836	867
Gain on disposals of assets	9	2	6	3					14	4
Total income	**591**	**582**	**255**	**285**	**11**	**11**	**(7)**	**(7)**	**850**	**871**
Cost of goods and change in inventory	(181)	(198)	(65)	(68)	(1)	(1)			(247)	(267)
Employee benefits	(204)	(212)	(89)	(96)	(14)	(13)			(306)	(320)
Other expenses	(103)	(130)	(42)	(71)	(9)	(12)	5	6	(148)	(206)
Depreciation and impairments	(29)	(16)	(37)	(26)	(5)	(1)	1		(71)	(42)
Total operating expenses	**(517)**	**(556)**	**(233)**	**(260)**	**(28)**	**(26)**	**7**	**7**	**(772)**	**(835)**
Operating profit/(loss)	**73**	**26**	**22**	**25**	**(17)**	**(15)**	**0**	**0**	**78**	**36**
Share of profit from associates	4	4	6	9	39	23			49	36
Changes in fair value financial assets	(27)	(61)			61	(56)			34	(116)
Net financial income / expenses	(24)	(37)	(19)	(15)	26	10			(17)	(41)
Profit/(loss) before tax	**27**	**(68)**	**8**	**20**	**109**	**(38)**	**0**	**0**	**144**	**(86)**
Tax income/(expense)	(12)	13	(3)	(4)	1	3			(15)	12
Profit/(loss)	**15**	**(55)**	**5**	**15**	**109**	**(35)**	**0**	**0**	**130**	**(75)**
Non-controlling interests	1	2	1	4	13	(12)			16	(6)
Profit/(loss) to the owners of the parent	**14**	**(56)**	**4**	**11**	**96**	**(23)**	**0**	**(0)**	**114**	**(69)**

Supply Services; one customer represent about 20% of the total revenue.

Cont. note 2 Segment reporting

The amounts provided to the chief operating decision-maker with respect to total assets, liabilities and equity are measured in the same way as in the financial statements.

USD mill	Maritme Services		Supply Services		Holding and Investments		Eliminations		Total	
	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18
BALANCE SHEET										
Assets										
Deferred tax asset	42	42	5	5	10	7			57	54
Intangible assets	145	149	5	6					151	156
Tangible assets*	228	188	478	377	27	2	(6)		728	567
Investments in joint ventures and associates	11	11	126	159	867	848			1 003	1 018
Financial assets to fair value		27			675	623			675	650
Other non current assets	19	13	7	6	15	24	(16)	(20)	25	23
Current financial investments					102	88			102	88
Other current assets	327	294	82	107	27	14	(35)	(30)	400	385
Cash and cash equivalents	116	110	7	12	31	18			153	140
Total assets	**887**	**834**	**710**	**671**	**1 753**	**1 624**	**(57)**	**(50)**	**3 293**	**3 079**
Equity and liabilities										
Equity majority	204	237	154	152	1 523	1 431			1 880	1 821
Equity non-controlling interests	(1)	(1)	54	54	149	144			202	196
Deferred tax	11	12							11	12
Interest-bearing debt**	247	197	401	330	48	23	(21)	(17)	675	533
Other non current liabilities	22	97	22	18	6	9	(1)	(3)	49	120
Other current liabilities	404	292	80	117	27	17	(35)	(30)	476	397
Total equity and liabilities	**887**	**834**	**710**	**671**	**1 753**	**1 624**	**(57)**	**(50)**	**3 293**	**3 079**
Investments in tangible assets	14	19	20	29	1				36	48
IFRS16 leasing										
*Right-of-use (included in tangible assets)	46		108		24		(6)		173	
**Leasing debt (included in interest-bearing debt)	49		113		25		(6)		181	

Cont. note 2 Segment reporting

The amounts provided to the chief operating decision-maker with respect to cash flows are measured in a manner consistent with that of the balance sheet.

USD mill	Maritime Services		Supply Services		Holding and Investments	
	2019	2018	2019	2018	2019	2018
CASH FLOW						
Profit/(loss) before tax	27	(68)	8	20	109	(38)
Changes in fair value financial assets	27	61			(61)	56
Share of profit from joint ventures and associates	(4)	(4)	(6)	(9)	(39)	(23)
Net financial (income)/expenses	24	37	19	15	(26)	(10)
Depreciation/impairment	29	16	37	26	5	1
Change in working capital	(21)	(20)	(18)	(6)	3	5
Net gain from sale of assets/change in accounting principle	1	(2)	(8)	(3)		
Net cash provided by operating activities	**83**	**20**	**32**	**42**	**(8)**	**(9)**
Dividend received from joint ventures and associates	3	3	10	17	19	
Net sale/(investments) in fixed assets	(8)	(13)	(20)	(24)	(1)	
Net sale/(investments) in entities and segments	(3)	18	39	6	3	(3)
Net investments in financial investments	3	(2)	1	1	(3)	40
Net changes in other investments				1	23	
Net cash flow from investing activities	**(5)**	**7**	**29**	**(0)**	**42**	**36**
Net change of debt	(9)	1	(48)	(17)		(27)
Net change in other financial items	(15)	(15)	(12)	(14)		(3)
Net dividend from other segments/ to shareholders	(48)	(47)	(5)	(6)	(22)	7
Net cash flow from financing activities	**(73)**	**(61)**	**(66)**	**(38)**	**(22)**	**(23)**
Net increase in cash and cash equivalents	**6**	**(34)**	**(5)**	**4**	**12**	**3**
Cash and cash equivalents at the beginning of the period	110	144	12	8	18	15
Cash and cash equivalents at the end of period	**116**	**110**	**7**	**12**	**31**	**18**

GEOGRAPHICAL AREAS

USD mill	Europe		Americas		Asia & Africa		Oceania		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Total income	479	513	70	66	273	262	27	30	850	871
Total assets	2 940	2 367	25	34	297	562	31	115	3 293	3 079
Investment in tangible assets	25	38	1		9	10	1		36	48

Russia is defined as Europe.

Total income
Area income is based on the geographical location of the company and includes sales gains.

Total assets
Area assets are based on the geographical location of the assets.

Investments in tangible assets
Area capital expenditure is based on the geographical location of the assets.

Note 3 Revenue from contracts with customers

OPERATING REVENUE

USD mill

2019

Revenue segments	Maritime services				Supply services			Holding and Investments	Elimination	Total
	Marine Products	Ships Agency	Technical/ crewing management	Other	Operation	Property	Other	Other		
Revenue from external customers	366	129	45	42	216	24	9	11	(7)	836
Total	**366**	**129**	**45**	**42**	**216**	**24**	**9**	**11**	**(7)**	**836**
Timing of revenue recognition										
At a point in time	366			39						405
Over time		129	45	3	216	24	9	11	(7)	431
Total	**366**	**129**	**45**	**42**	**216**	**24**	**9**	**11**	**(7)**	**836**

2018

Revenue segments	Marine Products	Ships Agency	Technical/ crewing management	Other	Operation	Property	Other	Other	Elimination	Total
Revenue from external customers	358	126	41	55	238	26	18	11	(7)	867
Total	**358**	**126**	**41**	**55**	**238**	**26**	**18**	**11**	**(7)**	**867**
Timing of revenue recognition										
At a point in time	358			55						413
Over time		126	41		238	26	18	11	(7)	454
Total	**358**	**126**	**41**	**55**	**238**	**26**	**18**	**11**	**(7)**	**867**

MARITIME SERVICES

Marine Products – Sale of goods

The group offers a wide range of products to the maritime industry. The products are delivered to the customer at vessel or warehouse, which is also the point in time where control transfers to the customer and revenue is recognized net of any discounts. Some customers are entitled to retrospective volume discounts based on aggregate sales over a defined period. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities) is recongized for expected volume discounts payable to customers in relations to sales made until the end of the reporting period. The contracts typically has payment terms of 30 days after delivery, and no significant financing component is identified.

Ships Agency – Sale of services

The group offers ships agency services coverering 2 200 port locations world wide. The agents facilitates efficent port calls for vessels, by procuring goods and services on behalf of the customers and to assist with required permits and custom declaration assocuated with the port call. Prior to the port call, the customer is required to make available funds for the expected disbursements (pre funding). Following the completion of the services the group prepare a final disbursement account to the customer documenting all disbusement for the port call. The group is only acting as an agent, and control of goods and services transfers directly from the relevant suppliers to the customer. The group does not have inventory risk or the discretion on establishing prices. For the services rendered, the group is entitled to a fee that consist of a payment based on services delivered to customer.

Technical / crewing management

Wilhelmsen Ship Management (WSM) offers technical management and crew management for all vessel segments. Ususally the contracts will include an annual compensation payable in monthly arreas, in addition the ship owner is charged a monthly fee per crew onboard the vessel. The ship owner simultaniously receives and consumes the benefits provided by the entity, and hence revenue is recognised over time. Since WSM has the right to invoice the services delivered at the end of each month, this is also the basis for revenue recognition. The invoices are payable 30 days after the end of each month.

Other revenue in the Maritime services segment

These revenues mainly consist of sale of ropes to non-maritime customers and chemicals for the consumer markets. Most of the sales are to wholesale customers. Revenue is recognised net of any discounts at delivery. Time and place of delivery, and transfer of control, depend on agreed delivery terms but usually when the customer receives the goods. The group is acting as an agent, and is entitled to a defined commission of the insurance premium. The comission is per year and recognised on a straight line basis thorugh the year.

SUPPLY SERVICES

Operations

NorSea Group provides supply bases and integrated logistics solution to the offshore industry. Revenues from external customers come from sale of services to the oil and gas industry (Operations), from the rental of properties (Property) and from the sale of services to other industries (Other).

Property

The group is a lessor for parts of the properties located on or near the bases. This is typically warehouses and some office facilities. This is ordinary operational lease contracts with a typical duration of 2-10 years. For contracts with a duration of more than one year the rent is adjusted annually based on commonly used indexes. Lease revenue is recognised on a straight line basis over the lease term.

HOLDING AND INVESTMENTS

The operation revenue is related to inhouse services to external customers as house rent, canteen services, HR services and salary services.

INFORMATION ABOUT TRANSACTION PRICE ALLOCATED TO UNSATISFIED PERFORMANCE OBLIGATIONS

In general the contracts with customers are of a short term nature, except for the framework agreements described under Supply Services and Ship Management. For Supply Services the framework agreements can be for a period of up to 10 years, but do not define any minimum volume. For Ship Management contracts the customer can terminate the contract without cause on a 3 months basis. Because of this there is no significant unsatisfied performance obligations as of year end.

Note 4 Investments in associates

	Business office/country	2019	2018
		Voting share/ownership	
Holding and Investments			
Wallenius Wilhelmsen ASA	Lysaker, Norway	37.8%	37.8%
Denholm Port Services Limited	Grangemouth, United Kingdom	40.0%	40.0%
Raa Labs AS	Lysaker, Norway		50.0%
Dolittle AS	Lysaker, Norway	45.9%	50.0%
Massterly AS	Lysaker, Norway	50.0%	50.0%
Maritime Services – companies with significant shares of profits			
Almoayed Wilhelmsen Ltd	Bahrain	50.0%	50.0%
Wilhelmsen Huayang Ships Services (Shanghai) Co Ltd	China	50.0%	50.0%
Wilhelmsen Huayang Ships Services (Beijing) Co Ltd	China	50.0%	50.0%
Diana Wilhelmsen Management Limited	Cyprus	50.0%	50.0%
Barwil Arabia Shipping Agencies SAE	Egypt	35.0%	35.0%
Wilhelmsen Ships Service Georgia Ltd	Georgia	50.0%	50.0%
Barwil Georgia Ltd.	Georgia	50.0%	50.0%
Barklav (Hong Kong) Ltd	Hong Kong	50.0%	50.0%
BWW LPG Limited	Hong Kong	49.0%	49.0%
Alghanim Barwil Shipping Co-Kutayba Yusuf Ahmed & Partner WLL	Kuwait	49.0%	49.0%
Wilhelmsen Ships Service Lebanon S.A.L.	Lebanon	49.0%	49.0%
BWW LPG Sdn. Bhd.	Malayisia	49.0%	49.0%
Wilhelmsen Ships Service (Private) Limited	Pakistan	50.0%	50.0%
Wilhelmsen-Smith Bell Shipping Inc	Philippines	25.0%	25.0%
Wilhelmsen-Smith Bell (Subic) Inc.	Philippines	25.0%	25.0%
Wilhelmsen-Smith Bell Manning, Inc.	Philippines	25.0%	25.0%
Perez Torres - Portugal Lda	Portugal	50.0%	50.0%
Wilhelmsen Hyopwoon Ships Services Ltd	Republic of Korea	50.0%	50.0%
Barklav S.R.L.	Romania	50.0%	50.0%
Binzagr Barwil Maritime Transport Co Ltd	Saudi Arabia	50.0%	50.0%
Krew-Barwil (Pty) Ltd	South Africa	49.0%	49.0%
Wilhelmsen Meridian Navigation Ltd, Sri Lanka	Sri Lanka		40.0%
Baasher Barwil Agencies Ltd	Sudan	50.0%	50.0%
Triangle Shipping Agencies LLC	United Arab Emirates	50.0%	50.0%
Wilhelmsen Ships Service LLC	United Arab Emirates	43.0%	43.0%
Barwil Abu Dhabi Ruwais LLC	United Arab Emirates	50.0%	50.0%
Barwil Dubai LLC	United Arab Emirates	50.0%	50.0%
Wilhelmsen Sunnytrans Co Ltd	Vietnam	50.0%	50.0%
Supply Services – companies with significant shares of profits			
Risavika Havn AS	Tananger, Norway	42.8%	42.8%
Risavika Eiendom AS	Tananger, Norway	42.0%	42.0%
Hammerfest Næringsinvest AS	Hammerfest, Norway	32.3%	32.3%
Bring Polarbase AS	Hammerfest, Norway	41.0%	41.0%
Strandparken Holding AS	Hammerfest, Norway	33.1%	33.1%
Eldøyane Næringspark AS	Stord, Noway	37.9%	37.9%
Risavika Havnering 14 AS	Stavanger, Norway	33.3%	33.3%

An overview of actual equity holdings can be found in the presentation of company structure on page 138.

Cont. note 4 Investments in associates

USD mill	2019	2018
Share of profit/(loss) from associates		
WalWil group	39	23
Other associates Holding and Investments		(1)
Other associates Maritime Services	4	4
Other associates Supply Services	(2)	
Share of profit from associates	**41**	**27**
Book value of material associates		
WalWil group	864	847
Specification of share of equity and profit/loss:		
Share of equity 01.01	900	900
Share of profit for the year	41	27
Associates in Supply Services	3	
Dividend	(29)	(16)
Disposals associates	(31)	
Financial derivatives in associates		(5)
Other comprehensive income	(2)	(6)
Share of equity 31.12	**883**	**900**

There are no contingent liabilities relating to the group's interest in the associates.

Set out below are the summarised financial information, based on 100%, for WalWil group, which, in the opinion of the directors, is the material associates to the group.

Associates not considered to be material is defined under "other" (based on 100%).

USD mill	WalWil		Other	
	2019	2018	2019	2018
SUMMARISED STATEMENT OF COMPREHENSIVE INCOME				
Total income	3 909	4 065	57	75
Operating expenses	(3 551)	(3 821)	(52)	(60)
Net operating profit	**358**	**244**	**4**	**16**
Finance income/(expenses)	(190)	(152)		(6)
Other financial expenses	(56)	(15)		
Profit before tax	**112**	**78**	**5**	**10**
Tax	(10)	(20)	(1)	(2)
Profit/(loss) after non-controlling interests	**93**	**52**	**4**	**8**
Other comprehensive income	(2)	(16)		(1)
Total comprehensive income	**90**	**36**	**3**	**7**
WWH share of dividend from associates	19		10	16

Cont. note 4 Investments in associates

USD mill	WalWil		Other	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
SUMMARISED BALANCE SHEET				
Non current assets	6 747	6 110	22	174
Other current assets	650	818	45	34
Cash and cash equivalents	399	485	39	77
Total assets	**7 796**	**7 414**	**105**	**285**
Non current financial liabilities	1 729	3 055	4	68
Other non current liabilities	2 108	361	14	5
Current financial liabilities	175	530	52	66
Other current liabilities	863	588	1	35
Non-controlling interest	239	228		
Total liabilities	**5 114**	**4 767**	**71**	**174**
Net assets	**2 682**	**2 647**	**34**	**112**

The information above reflects the 100% amount presented in the financial statements of the associates, adjusted for differences in accounting policies between the group and the associates. The effects of IFRS 16 lease are included in the balance 31 December 2019.

USD mill	WalWil		Other	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
RECONCILIATION OF SUMMARISED FINANCIAL INFORMATION				
Net assets 01.01	**2 647**	**2 563**	**112**	**127**
Profit for the period	93	52	4	8
Other comprehensive income	(12)	(16)		(1)
Currency translation differences			(1)	(1)
Disposal			(66)	
Transaction with non controlling interests	6	48		
Dividend	(51)		(15)	(20)
Net assets 31.12	**2 682**	**2 647**	**34**	**112**
WWH share	1 014	1 001	15	53
Currency	(2)	(3)		
Fair value adjustment vessel and goodwill*	(148)	(151)	5	
Carrying value 31.12	**864**	**847**	**20**	**53**

*The share price of Wallenius Wilhelmsen ASA at the merger (April 2017) was lower than booked equity in Wallenius Wilhelmsen group.

The group market value of the investment in Wallenius Wilhelmsen ASA at 31 December 2019 was USD 398 million (2018: USD 547 million).
WalWil is a separately listed company on Oslo Stock Exchange. The market capitalisation of its shares at year end is 49% lower than the carrying amount of the investment, as accounted for under the equity method.

The market price is an objective indicator of impairment. In spite of this, the value in use calculation based on projections prepared by management of WalWil, indicates that the recoverable amount is higher than WalWils carrying amounts for the key assets of WalWil. This impairment test has been reviewed by the management of WWH, and adjusted for factors related to the financing and working capital of WalWil in order to assess a reasonable value in use for the investment in the shares of WalWil. Based on this assessment, the recoverable amount attributable to the shares is higher than the carrying amount. The recoverable amount is particularly sensitive to volume and/or prices, and interest rate levels for the financing within WalWil.

Reconciliations of the group's income statement and balance sheet

USD mill	2019	2018
Share of profit from joint ventures	8	9
Share of profit from associates	41	27
Share of profit from joint ventures and associates	**49**	**36**
Share of equity from joint ventures	121	117
Share of equity from associates	883	901
Share of equity from joint ventures and associates	**1 003**	**1 018**

The group's share of profit, after tax from joint ventures and associates is recognised in the income statement as financial income. All joint ventures and associates are equity consolidated.

Note 4 Investments in joint ventures

	Business office, country	2019 Voting share/ownership	2018
NorSea Group			
Coast Center Base AS (CCB)	Fjell, Norway	50.0%	50.0%
KS Coast Center Base (CCB)	Fjell, Norway	50.0%	50.0%
Vikan Næringspark AS	Kristiansund, Norway	50.0%	50.0%
SørSea AS	Tananger, Norway	50.0%	50.0%
Polar Lift AS	Hammerfest, Norway	50.0%	50.0%

Coast Center Base AS is a joint venture between NorSea Group and Bernh. Larsen Holding AS and was established in 1998. It delivers services related to logistics, quay, project and maintenance to the oil & gas industry in addition to maritime industry.

KS Coast Center Base AS is a joint venture between NorSea Group and Bernh. Larsen Holding AS and was established in 1973. It is mainly a property company owning infrastructure rented out to Coast Center Base AS.

Vikan Næringspark AS is a joint venture between NorSea Group and Kristiansund Baseselskap AS. It owns property that is rented out to Vestbase AS, a subsidiary of NorSea Group, in Kristiansund.

SørSea AS is a joint venture between NorSea Group and Røsi AS/Stangeland Gruppen AS. It owns land in Risavika in Norway.

Polar Lift AS is a joint venture between NorSea Group and Havator AS. It rents out cranes and other equipment and is located in Hammerfest, Norway.

All companies are private companies and there are no quoted market price available for the shares.

There are no other contingent liabilities relating to the group's interest in the joint ventures. However, see note 23.

Cont. note 4 Investments in joint ventures

USD mill	2019	2018
Summarised financial information – according to the group's ownership		
Share of total income	96	75
Share of operating expenses	(75)	(59)
Share of depreciation	(8)	(5)
Share of net financial items	(4)	(1)
Share of tax expense	(1)	(1)
Share of profit/(loss) for the year	**8**	**9**
Share of equity (equity method)		
Book value	76	69
Excess value (goodwill)	44	48
Investments in joint ventures	**121**	**117**

USD mill	2019	2018
Joint ventures' assets, equity and liabilities (group's share of investments)		
Share of non current assets	167	153
Share of cash and cash equivalents	27	21
Share of current assets	16	6
Total share of assets	**209**	**180**
Share of equity	68	69
Share of profit for the period	8	9
Dividend received/repayments of share capital	(4)	(4)
Currency translation differences	3	(5)
Share of equity 31.12	**76**	**68**
Share of non current financial liabilities	98	86
Share of other non current liabilities	7	3
Share of other current liabilities	28	22
Total share of liabilities	**133**	**111**
Total share of equity and liabilities	**209**	**180**

Set out below are the summarised financial information, based on 100%, for Coast Center Base (CCB), which, in the opinion of the directors, is a material joint venture to the group.

Joint venture not considered to be material, is defined under "other" (based on 100%).

USD mill	CCB		Other	
	2019	2018	2019	2018
SUMMARISED STATEMENT OF COMPREHENSIVE INCOME				
Total income	182	139	10	11
Operating expenses	(149)	(117)	(1)	(1)
Depreciation / amortisation	(15)	(7)	(1)	(3)
Net operating profit	**19**	**15**	**8**	**7**
Financial income/(expenses)	(5)		(2)	(3)
Profit before tax	**13**	**16**	**6**	**5**
Tax income/(expense)	(1)	(2)	(1)	(1)
Profit after non-controlling interests	**12**	**14**	**4**	**3**
Other comprehensive income				
Total comprehensive income	**12**	**14**	**4**	**3**
WWH share of dividend from joint ventures	3		1	

Cont. note 4 Investments in joint ventures

USD mill	CCB		Other	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
SUMMARISED BALANCE SHEET				
Non current assets	209	179	124	128
Other current assets	50	39	3	3
Cash and cash equivalents	30	11	3	1
Total assets	**289**	**229**	**130**	**132**
Non current financial liabilities	118	92	78	81
Other non current liabilities	12	3	2	2
Other current liabilities	50	38	7	7
Total liabilities	**179**	**132**	**88**	**90**
Net assets	**110**	**96**	**43**	**42**

The information above reflects the 100% amount presented in the financial statements of the joint ventures, adjusted for differences in accounting policies between the group and the joint ventures.

USD mill	CCB		Other	
	2019	2018	2019	2018
RECONCILIATION OF SUMMARISED FINANCIAL INFORMATION				
Opening net assets 31.12	**96**	**93**	**42**	**46**
Profit for the period	12	14	4	3
Other comprehensive income				
Currency translation differences	6	(11)		(7)
Dividend to shareholder	(4)		(3)	
Closing net assets 31.12	**110**	**96**	**43**	**42**
WWH share	55	48	21	21
Goodwill/ Surplus value / Reversal of internal gain	48	52	(3)	(4)
Carrying value 31.12	**102**	**100**	**18**	**17**

Note 5 Principal subsidiaries

	Business office/country	Nature of business	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the group (%)
Maritime Services				
Wilhelmsen Maritime Services AS	Lysaker, Norway	Maritime products and services	100%	100%
Wilhelmsen Ships Service AS	Lysaker, Norway	Maritime products and services		100%
Wilhelmsen Ship Management Ltd	Hong Kong	Ship management		100%
Supply Services				
NorSea Group AS	Tananger, Norway	Supply Services		75.15%
Holding and Investments				
Wilh. Wilhelmsen Holding Invest AS	Lysaker, Norway	Investment	100%	100%
Treasure ASA*	Lysaker, Norway	Investment	73.46%	73.46%
Wilh. Wilhelmsen Holding Invest Malta Ltd	Valletta, Malta	Investment		100%

The group's principal subsidiaries at 31 December 2019 are set out above. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

*At 31.12.2019 Treasure ASA had 465 000 own shares.

Note 6 Employee benefits

USD mill	Note	2019	2018
Pay		243	255
Payroll tax		23	24
Pension cost	11	10	10
Other remuneration		31	31
Total employee benefits		**306**	**320**

	2019	2018
Number of employees:		
Group companies in Norway	1 028	872
Group companies abroad	3 807	3 879
Seagoing personnel Ship Management	10 230	9 334
Total employees	**15 065**	**14 085**
Average number of employees	14 575	14 357

REMUNERATION OF SENIOR EXECUTIVES

USD thousand	Pay	Bonus	Pension premium	*Other remuneration	Total	Total in NOK thousand
2019						
Group CEO	569		231	216	1 016	8 939
Group CFO	401		49	50	501	4 404
President and CEO Wilhelmsen Ships Service	358	93	112	24	588	5 170
President and CEO Wilhelmsen Ship Management	234	38	31	122	425	3 741
CEO NorSea Group	254	105	9	20	388	3 410
2018						
Group CEO	598	243	226	208	1 276	10 385
Group CFO	416	116	55	57	642	5 228
President and CEO Wilhelmsen Ships Service	376	122	109	24	630	5 130
President and CEO Wilhelmsen Ship Management	272	56	51	102	482	3 923
CEO NorSea Group	267	65	9	21	362	2 946

Remuneration is paid in NOK, which means that the USD amounts are not comparable from year to year. Rates of remuneration can be compared by taking account of changes in the USD exchange rate.

*Mainly related to gross up pension expenses and company car.

Cont. note 6 Employee benefits

Remuneration of the board of directors

USD thousand	2019	2018
Diderik Schnitler (chair)	80	80
Trond Westlie	48	
Carl E. Steen	48	46
Irene Waage Basili	48	46
Cathrine Løvenskiold Wilhelmsen	48	46
Odd Rune Austgulen		46

The board's remuneration for fiscal year 2019 will be approved by the general meeting 29 April 2020.

Remuneration of the nomination committee, for both Wilh. Wilhelmsen Holding ASA and Treasure ASA, totalled USD 21 thousand for 2019 (2018: USD 21 thousand).

Senior executives
Thomas Wilhelmsen – group CEO
Christian Berg – group CFO
Bjoerge Grimholt – President and CEO Wilhelmsen Ships Service
Carl Schou – President and CEO Wilhelmsen Ship Management
John Stangeland – CEO NorSea Group

See note 2 Employee benefits in the parent company accounts, and note 21 Related party transaction.

LONG-TERM INCENTIVE SCHEME
The long term incentive scheme (LTI) was introduced in 2015. Participants are members of the group management team and the presidents for Wilhelmsen Ships Service and Wilhelmsen Ship Management. For the group CEO, maximum annual payment is 100% of base salary. For the remaining participants, the maximum annual payment is 50% of base salary.

The LTI focuses on long term shareholder value creation and is based on positive development of the Wilhelmsen group's value adjusted equity. The ambitions set for the programme are to increase alignment with value creation for shareholders, to attract, retain and motivate participants and drive long-term group performance.

Settlement is based on return on value adjusted equity the last four years leading up to the settlement. The value adjusted equity is determined by using a "sum-of-the-parts" principle. For listed companies, value adjusted equity is based on market price, while earnings multiples or net asset value are used for non-listed entities.

The board sets value adjusted equity targets at the beginning of each four year measurement period. Without consultation or agreement with the individual, the board has the right to change or terminate the incentive programme after each year.

Per 31 December 2019, a provision has been made related to the four-year LTI programme ending on 31 December 2020. Potential payment will be done in March 2021. The provision has been calculated based on the gap between value adjusted equity per 31 December 2019 and target for 31 December 2020, risk free return, and standard deviation of historic annual value creation. No provision has been made for the LTI programme expiring on 31 December 2022.

For further details, see note 17 Statement on the remuneration for senior executives in the parent company accounts.

EXPENSED AUDIT FEE

USD mill	2019	2018
Statutory audit	2.5	2.9
Other assurance services	0.4	0.4
Tax advisory fee	1.4	1.0
Other assistance	0.1	0.3
Total expensed audit fee	**4.4**	**4.6**

The fees above cover the group expenses to all external auditors and tax advisors.

Note 7 Property, vessels and other tangible assets

USD mill	Property	Vessels	Other tangible assets	Total tangible assets
TANGIBLE ASSETS				
2019				
Cost 1.1	550	35	251	836
Acquisition	19		17	36
Reclass/disposal	(5)		(24)	(29)
Currency translation differences	(5)		1	(4)
Cost 31.12	**560**	**35**	**244**	**839**
Accumulated depreciation and impairment losses 1.1	(162)	(18)	(89)	(269)
Depreciation/amortisation	(17)	(1)	(11)	(29)
Reclass/disposal	4		10	13
Impairment	(1)			(1)
Currency translation differences	1		1	2
Accumulated depreciation and impairment losses 31.12	**(175)**	**(19)**	**(90)**	**(284)**
Carrying amounts 31.12	**384**	**16**	**154**	**555**
2018				
Cost 1.1	575	36	269	880
Acquisition	28	1	24	53
Reclass/disposal	(18)		(32)	(50)
Currency translation differences	(34)	(2)	(10)	(46)
Cost 31.12	**550**	**35**	**251**	**836**
Accumulated depreciation and impairment losses 1.1	(159)	(17)	(114)	(290)
Depreciation/amortisation	(19)	(1)	(11)	(31)
Reclass/disposal	7		32	39
Currency translation differences	9	1	5	15
Accumulated depreciation and impairment losses 31.12	**(162)**	**(17)**	**(89)**	**(269)**
Carrying amounts 31.12	**388**	**18**	**162**	**567**
Economic lifetime	10-50 years	25 years	3-10 years	
Depreciation schedule	Straight-line	Straight-line	Straight-line	

Cont. note 7 Goodwill and other intangible assets

USD mill	Goodwill	Other intangible assets	Software and licences	Total intangible assets
INTANGIBLE ASSETS				
2019				
Cost 01.01	124	34	67	225
Acquisition		1	5	6
Reclass/disposal	(2)			(2)
Currency translation differences	(1)		(1)	(2)
Cost 31.12	**121**	**35**	**71**	**227**
Accumulated amortisation and impairment losses 01.01	(1)	(15)	(53)	(68)
Amortisation/impairment	(1)	(4)	(4)	(9)
Currency translation differences				1
Accumulated amortisation and impairment losses 31.12	**(2)**	**(19)**	**(56)**	**(77)**
Carrying amounts 31.12	**119**	**16**	**16**	**151**
2018				
Cost 01.01	133	16	95	244
Acquisition		2	1	3
Reclass/disposal	(3)	16	(26)	(12)
Currency translation differences	(6)	1	(4)	(10)
Cost 31.12	**124**	**34**	**67**	**225**
Accumulated amortisation and impairment losses 01.01	(2)	(7)	(63)	(72)
Amortisation/impairment		(7)	(4)	(11)
Reclass/disposal	1	(2)	11	11
Currency translation differences		1	3	4
Accumulated amortisation and impairment losses 31.12	**(1)**	**(15)**	**(53)**	**(68)**
Carrying amounts 31.12	**123**	**20**	**14**	**156**

Segment-level summary of the goodwill allocation:	2019	2018
Maritime Services	119	123
Total goodwill allocation	**119**	**123**

The group conducted no material acquisition in 2019 or 2018.

Cont. note 7 Goodwill and other intangible assets

Impairment testing of goodwill
In the Maritime Services segment, USD 119 million relate to business area Ships Service Service (all activities in the Maritime Services segment except for technical /crewing management) mainly to the acquisition of Unitor ASA and Kemetyl. The goodwill figures are originally calculated in NOK and USD (2018: NOK and USD).

For the purpose of impairment testing, goodwill is allocated to the respective cash generating unit which are Ships Service. No impairment was conducted in 2019 (analogus for 2018).

Value in use was determined by discounting the future cash flows generated from the continuing operation of the units.

Cash flows were projected based on actual operating results and next year's forecast. Cash flows is based on a 5-year strategy plan period with terminal value (terminal growth rate 1%) were extrapolated using the following key assumptions:

	2019	2018
USD/NOK	8.77	8.30
Discount rate	7.4%	7.6%
Growth rate	1-5%	1-5%
Increase in material cost	1-5%	1-5%
Increase in pay and other remuneration	1-3%	0-3%
Increase in other expenses	2-4%	0-3%

The values assigned to the key assumptions represent management's assessment of future trends in the maritime industry and are based on both external sources and internal sources.

No reasonably possible change in any of the key assumptions on which management has based its determination of the recoverable amount would cause the carrying amount to exceed its recoverable amount.

Note 8 Leases

The IFRS 16 Leasing standard was effective from 1 January 2019. The standard significantly changed how the group accounts for its lease contracts for land, buildings and equipment previously accounted for as operating leases. All leases are brought into the balance sheet increasing the groups assets and liabilities, in addition to affecting income statement figures. This note summarizes the impact on the financial reporting of Wilhelmsen group from implementing the new standard.

The Lease Contracts

The group has a number of leases related to property and land that account for the significant part of the lease liability. The group also leases vechicle and equipment. A lease liability and right-of-use asset are presented for these contracts which previously were reported as operating leases.

Recognition and Measurement Approach on Transition

The group applied IFRS 16 retrospectively with recognition of the cumulative implementation effect recognised at the date of initial application 1 January 2019. By doing this, comparative financial information shall not be restated, but the cumulative effect of initially applying this standard shall be reflected as an adjustment to the opening balance. At the time of transition, leases entered under IAS 17 will not be reassessed.

In calculating the present value of lease payments, the group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. To arrive at the incremental borrowing rate the group applies the respective country's (economic environment) risk free rate for the term corresponding to the lease term, adjusted for own credit risk. The right-of-use assets are measured at an amount equal to the lease liability.

The standard has provided options on scope and exemptions and below the group's policy choices are described:

- The standard will not be applied to leases of intangible assets and these will continue to be recognized in accordance with IAS 38 Intangible assets.
- All leases deemed short-term by the standard are exempt from reporting.
- All leases deemed to be of low value by the standard are exempt from reporting.
- Non-lease components shall be separated from the lease component in all vessel leases. For other lease agreements, the group will apply a materiality threshold when evaluating separation.

Implementation effect

The net effect of implementation of IFRS 16 at January 1, 2019 is presented below.

USD mill	
Lease liability at 1 January 2019	220
Right-of-use asset at 1 January 2019	222
Difference between lease liability and right-of-use asset per January 1, 2019	**2**
Prepayments and currency translation	**2**
Differences explained	**2**

USD mill	
Reconciliation of lease commitment and lease liability	
Material operating lease commitment as at 31 December 2018	204
Operating lease commitment as at 31 December 2018 (not included in material operating lease committment)	16
Relief option for leases of low-value assets	(1)
Option periods not previously reported as lease commitments	15
Undiscounted lease liabililty	234
Effect of discounting lease commitment to net present value	(14)
Lease liability at 1 January 2019	**220**

Cont. note 8 Leases

RIGHT-OF-USE-ASSETS
The group leases several assets such as buildings, machinery, equipment and vehicles. The group's right-of-use assets are categorised and presented in the table below:

USD mill	Buildings and land	Machinery, equipment and vehicles	Total intangible assets
2019			
Acquisition cost 1.1	210	12	222
Change of estimates	(11)		(11)
Currency exchange differences	(8)		(8)
Acquisition cost 31.12	**192**	**12**	**204**
Accumulated depreciation and impairment 1.1			
Depreciation	(26)	(4)	(30)
Currency exchange differences	(1)		(1)
Accumulated depreciation and impairment 31.12	**(28)**	**(4)**	**(31)**
Carrying amount of right-of-use assets 31.12	**164**	**8**	**173**
Lower of remaining lease term or economic life	5-12 years	3-8 years	
Depreciation method	Linear	Linear	

Lease liabilities

2019	Total
Undiscounted lease liabilities and maturity of cash outflows	
Less than 1 year	(36)
1-2 years	(33)
2-3 years	(30)
3-4 years	(29)
4-5 years	(27)
More than 5 years	(63)
Total undiscounted lease liabilities at 31.12	**(217)**

2019	Total
Summary of the lease liabilities in the financial statements	
At initial application 01.01.2019	220
Cash payments for the principal portion of the lease liability	(24)
Cash payments for the interest portion of the lease liability	(11)
Interest expense on lease liabilities	11
Change of estimates	(20)
Currency exchange differences	5
Total lease liabilities at 31.12	**181**
Current lease liabilities	27
Non-current lease liabilities	154

The leases do not contain any restrictions on the group's dividend policy or financing. The group does not have significant residual value guarantees related to its leases to disclose.

	Total
Summary of other lease expenses recognised in income statement	
Variable lease payments expensed in the period	1
Operating expenses related to short-term leases (including short-term low value assets)	6
Operating expenses period related to low value assets (excluding short-term leases included above)	3
Total lease expenses included in other operating expenses	**10**

Cont. note 8 Leases

Practical expedients applied
The group leases personal computers, IT equipment and machinery with contract terms of 1 to 3 years. The group has elected to apply the practical expedient of low value assets and does not recognise lease liabilities or right-of-use assets. The leases are instead expensed when they incur. The group has also applied the practical expedient to not recognise lease liabilities and right-of-use assets for short-term leases, presented in the table above.

Further, the group has lease commitments, not yet commenced and therefore not included in the lease liabilities of approximately USD 4 million as of 31 December 2019.

Extension options
The group's lease of buildings have lease terms that varies from 5 years to 25 years, and several agreements involve a right of renewal which may be exercised during the last period of the lease terms. The group assesses at the commencement whether it is reasonably certain to exercise the renewal right. The option related to headquarter, at Lysaker is removed from right-of-use assets at 31 December 2019.

Purchase options
The group leases machinery, equipment and vehicles with lease terms of 3 to 5 years. Some of these contracts includes a right to purchase the assets at the end of the contract term. The group assesses at the commencement whether it is reasonably certain to exercise the purchase right. All the options are based on market value.

Subleases
The group has subleased an immaterial part of its redundant office buildings, classified as an operating lease.

Note 9 Tax

Ordinary taxation
The ordinary rate of corporation tax in Norway is 22% of net profit for 2019 (2018: 23%). Norwegian limited liability companies are encompassed by the participation exemption method for share income. Thus, share dividends and gains are tax free for the receiving company. Corresponding losses on shares are not deductible. The participation exemption method does not apply to share income from companies considered low taxed and that are located outside the European Economic Area (EEA), and on share income from companies owned by less than 10% resident outside the EEA.

For group companies located in the same country and within the same tax regime, taxable profits in one company can be offset against tax losses and tax loss carry forwards in other group companies. Deferred tax/deferred tax asset has been calculated on temporary differences to the extent that it is likely that these can be utilised in each country and for Norwegian entities the group has applied a rate of 22% (2018: 22%).

The effective tax rate for the group will, from period to period, change dependent on the group gains and losses from investments inside the exemption method and tax exempt revenues from tonnage tax regimes.

Foreign taxes
Companies domiciled outside Norway will be subject to local taxation, either on ordinary terms or under special tonnage tax rules. When dividends are paid, local withholding taxes may be applicable. This generally applies to dividends paid by companies domiciled outside the EEA.

USD mill	2019	2018
Allocation of tax income/(expense) for the year		
Payable tax in Norway	(8)	(10)
Payable tax foreign	(12)	(10)
Change in deferred tax	5	32
Total tax income/(expense)	**(15)**	**12**

Reconciliation of actual tax cost against expected tax cost in accordance with the ordinary Norwegian income tax rate of 22%

Profit/(loss) before tax	144	(86)
22% tax (2018: 23%)	**32**	**(20)**
Tax effect from:		
Permanent differences	7	14
Non-taxable income	(19)	(4)
Share of profit from joint ventures and associates	(11)	(8)
Change in difference tax rate and currency translation		1
Withholding tax and payable tax previous year	6	5
Calculated tax (income)/expense for the group	**15**	**(12)**
Effective tax rate for the group	10.2%	13.4%

Cont. note 9 Tax

USD mill	2019	2018
Net deferred tax assets at 01.01	42	12
Currency translation differences	(1)	(2)
Tax charged to equity		1
Income statement charge	5	32
Net deferred tax assets at 31.12	**46**	**42**
Deferred tax assets in balance sheet	57	54
Deferred tax liabilities in balance sheet	(11)	(12)
Net deferred tax assets at 31.12	**46**	**42**

Deferred tax asset and liabilities has been netted in the balance sheet with USD 1 million (2018: USD 6 million). The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

USD mill	Fixed assets	Other	Total
Deferred tax liabilities			
At 31.12.2018	**(13)**	**(5)**	**(18)**
Through income statement	1	4	5
Charged directly to equity			
Currency translations	1		1
Deferred tax liabilities at 31.12.2019	**(11)**	**(1)**	**(12)**
At 31.12.2017	**(16)**	**(3)**	**(19)**
Through income statement	3	(2)	1
Charged directly to equity			
Currency translations			
Deferred tax liabilities at 31.12.2018	**(13)**	**(5)**	**(18)**

Cont. note 9 Tax

USD mill	Non current assets and liabilities	Current assets and liabilities	Tax losses carried forward	Total
Deferred tax assets				
At 31.12.2018	**19**	**25**	**17**	**60**
Through income statement	(14)	(12)	25	
Charged directly to equity	1			1
Currency translations		(2)		(2)
Deferred tax assets at 31.12.2019	**6**	**11**	**42**	**59**
At 31.12.2017	**14**	**(1)**	**18**	**31**
Through income statement	4	26	1	31
Discontinued operations	1			1
Currency translations			(2)	(2)
Deferred tax assets at 31.12.2018	**19**	**25**	**17**	**60**

The mainly part of tax loss carry forward is related to entities in Norway and USA, without expiration of the tax loss carry forward.

Temporary differences related to joint ventures and associates are USD 0 for the group, since all the units are regarded as located within the area in which the exemption method applies, and no plans exist to sell any of these companies.

The Maritime Services segment will have shares in subsidiaries not subject to the exemption method which could give rise to a tax charge in the event of a sale, where no provision has been made for deferred tax associated with a possible sale or dividend. There are currently no plans to dispose of such companies.

Note 10 Earnings per shares

Earnings per share taking into consideration the number of outstanding shares in the period. WWH conducted a share buyback program in September 2019. At 31 December 2019 WWH owns a total of 1 823 824 own shares, split on 537 092 A-shares and 1 286 732 B-shares.

Basic / diluted earnings per share is calculated by dividing profit for the period after non-controlling interests, by average number of total outstanding shares.

Earnings per share is calculated based on an average of 45 947 868 shares for 2019 and 46 403 824 shares for 2018.

See note 10 in the parent accounts, for an overview of the largest shareholders at 31 December 2019.

Note 11 Pension

Description of the pension scheme
The group's defined contribution pension schemes for Norwegian employees are with financial institutions providing solutions based on investment funds.

Subsidiaries outside Norway have separate schemes for their employees in accordance with local rules, and the pension schemes are for the material part defined contribution plans.

The group has "Ekstrapensjon", a contribution plan for all Norwegian employees with salaries exceeding 12 times the Norwegian National Insurance base amount (G). The contribution plan replaced the group obligations, mainly financed from operation. However, the group still has obligations for some employees' related to salaries exceeding 12 times the Norwegian National Insurance base amount (G) mainly financed from operations.

In addition, the group has agreements on early retirement. These obligations are mainly financed from operations.

The group has obligation towards one employee in the group's senior executive management. The obligation is mainly covered throgh group annuity policies in Storebrand.

Pension costs and obligations include payroll taxes. No provision has been made for payroll tax in pension plans where the plan assets exceed the plan obligations.

The liability recognised in the balance sheet in respect of the remaining defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In a few countries without deep markets in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

	Funded		Unfunded	
Number of people covered by pension schemes at 31.12	2019	2018	2019	2018
In employment	16	18	4	3
On retirement (inclusive disability pensions)	140	146	26	27
Total number of people covered by pension schemes	**156**	**164**	**30**	**30**

	Expenses		Commitments	
Financial assumptions for the pension calculations:	2019	2018	31.12.2019	31.12.2018
Discount rate	2.70%	2.30%	2.30%	2.70%
Anticipated pay regulation	2.50%	2.00%	2.00%	2.50%
Anticipated increase in National Insurance base amount (G)	2.50%	2.00%	2.00%	2.50%
Anticipated regulation of pensions	0.10%	0.10%	0.10%	0.10%

USD mill	2019			2018		
Pension expenses	Funded	Unfunded	Total	Funded	Unfunded	Total
Service cost						1
Net interest cost						
Cost of defined contribution plan	9		9	9		9
Net pension expenses	**9**	**0**	**10**	**10**	**1**	**10**

USD mill	2019	2018
Remeasurements – Other comprehensive income		
Total remeasurements included in OCI	**(1)**	**1**

Cont. note 11 Pension

USD mill	2019	2018
Pension obligations		
Defined benefit obligation at end of prior year	40	45
Effect of changes in foreign exchange rates		(2)
Service cost	1	1
Interest expense	1	2
Benefit payments from plan	(5)	(2)
Benefit payments from employer		(2)
Remeasurements – change in assumptions		(2)
Pension obligations 31.12	**36**	**40**
Fair value of plan assets		
Fair value of plan assets at end of prior year	20	22
Interest income	1	
Benefit payments from plan	(1)	(1)
Settlement payments from plan assets	(4)	
Return on plan assets (excluding interest income)		(1)
Gross pension assets 31.12	**16**	**20**

USD mill		2019			2018	
Total pension obligations	Funded	Unfunded	Total	Funded	Unfunded	Total
Defined benefit obligation	17	19	36	20	19	39
Fair value of plan assets	16		16	19		19
Net liability (asset)	**1**	**19**	**20**	**1**	**19**	**20**

USD mill	31.12.2019	31.12.2018	31.12.2017	31.12.2016**	31.12.2015	31.12.2014
Historical developments						
Gross pension obligations, including payroll tax	(36)	(40)	(45)	(71)	(73)	(109)
Gross pension assets	16	20	22	7	6	17
Net recorded pension obligations	**(20)**	**(20)**	**(23)**	**(63)**	**(67)**	**(92)**

**Net liability at 31.12.2016 and years before includes discontinued operations.

Note 12 Combined items, balance sheet

USD mill	Note	2019	2018
OTHER NON CURRENT ASSETS*			
Non current share investments	19	1	4
Other non current assets**	19	23	19
Total other non current assets		**25**	**23**
OTHER CURRENT ASSETS*			
Account receivables		233	229
Financial derivatives	19	1	
Restricted cash	17	1	2
Other current assets***	19	82	80
Total other current assets		**317**	**311**
OTHER NON CURRENT LIABILITIES*			
Related party non current liabilities		3	
Other non current liabilities		25	23
Total other non current liabilities		**28**	**23**
OTHER CURRENT LIABILITIES*			
Account payables		223	222
Financial derivatives	19	16	21
Other current liabilities***		216	209
Total other current liabilities		**455**	**452**

*Current assets and current liabilities are due within 12 months. Non current assets and non current liabilities are due in more than 12 months.

**As part of the settlement of the sale of Callenberg group, Maritime Services agreed a vendor note and an earn out of USD 16.5 million and USD 6 million, respectively. The vendor note was paid in 2018 and the earn out was paid in 2019.

***Maritime Services has 612 738 (2018: 611 683) cylinders booked as other tangible asset in the balance sheet, see note 7. The cylinders are valued at USD 112 million (2018: USD 114 million). These cylinders are partly in the group's own possession and partly on board customers vessels. Most customers have paid a deposit for the cylinders they have onboard their vessels. The total deposit liability booked is USD 85 million (2018: USD 77 million).

Note 13 Receivables

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk charateristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2019 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

USD mill	Current	Less than 90 days past due	Between 90 and 180 days past due	More than 180 days past due
31 December 2019				
Expected loss rate	0%	1%	3%	57%
Gross carrying amount – trade receivables	216	7	7	7
Loss allowance	**0**	**(0)**	**(0)**	**(4)**
31 December 2018				
Expected loss rate	0%	1%	20%	21%
Gross carrying amount – trade receivables	208	3	10	12
Loss allowance	**0**	**0**	**(2)**	**(2)**

ACCOUNT RECEIVABLES
At 31 December 2019, USD 21 million (2018: USD 20 million) in account receivables had fallen due but not been subject to impairment. These receivables are related to a number of separate customers. Historically, the percentage of bad debts has been low and the group expects the customers to settle outstanding receivables. Receivables fallen due but not subject to impairment have the following age composition:

USD mill	2019	2018
Aging of account receivables past due but not impaired		
Up to 90 days	7	3
90-180 days	7	8
Over 180 days	7	9
Movements in group provision for impairment of account receivables are as follows		
Balance at 01.01	4	6
Net provision for receivables impairment		(1)
Balance 31.12	**4**	**4**
Account receivables per segment		
Maritime Services	176	159
Supply Services	53	70
Holding and Investments	3	
Total account receivables	**233**	**229**

See note 19 on credit risk.

ACCOUNT PAYABLES

USD mill	2019	2018
Account payables per segment		
Maritime Services	197	181
Supply Services	23	40
Holding and Investments	3	1
Total account payables	**223**	**222**

See note 19 on credit risk.

Note 14 Financial assets to fair value

Effective from 1 January 2018 the financial assets to fair value are measured at fair value through the income statement in accordance with IFRS 9.

USD mill	2019	2018
Financial assets to fair value		
At 1 January	650	801
Acquisition	9	6
Reclassified	2	
Sale during the year	(20)	(27)
Return of capital		(1)
Currency translation adjustment through other comprehensive income		(13)
Change in fair value through income statement	34	(116)
Total financial assets to fair value	**675**	**650**

Financial assets to fair value		
Qube Holdings Limited	92	89
Kaplan Equity Limited (KEL)	18	11
Survitec UK Ltd.		27
Hyundai Glovis	560	523
Other	6	
Total financial assets to fair value	**675**	**650**

Financial assets to fair value are held in subsidiaries with different reporting currency and thereby creating translation adjustments.

Qube Holdings Limited is Australia's largest integrated provider of import and export logistics services, and listed on the Australian Securities Exchange (ASX). Following sale of 10 million shares in 2019, Wilhelmsen held 40 million shares in Qube per 31 December 2019 (2.5% of total). The shares in Qube serve as collateral for a credit facility. See note 18.

Survitec Group holds market-leading positions worldwide in marine, offshore, defence and aerospace survival technology. Changes in fair value of the investment in Survitec has been recognised through the income statement. While Wilhelmsen retains a 20% ownership in Survitec, the investment is recognised with a fair value of nil end of December 2019.

Hyundai Glovis Co., Ltd., is a global Korean based general logistics and distribution company, providing business service such as logistics, marine transportation, KD, used cars and trading. Glovis is listed on the Korean Stock Exchange. As per 31 December 2019, Treasure ASA group held 4.5 million shares in Glovis (12.04% of total). Treasure ASA is listed on the Oslo Stock Exchange.

Note 15 Inventories

USD mill	2019	2018
Inventories		
Raw materials	7	7
Goods/projects in process	2	2
Finished goods/products for onward sale	73	65
Others	1	
Total inventories	**82**	**74**
Obsolescence allowance, deducted above	2	3

Note 16 Current financial investments

USD mill	2019	2018
Market value current financial investments		
Equities	57	42
Bonds	44	45
Total current financial investments	**102**	**88**

The fair value of all equity securities, bonds and other financial assets is based on their closing prices in an active market.

The net unrealised gain at 31.12	10	4

The parent company's portfolio of financial investments USD 102 million is held as collateral within a securities' finance facility. See note 18.

Note 17 Cash, restricted bank deposits and undrawn credit facilities

USD mill	2019	2018
Payroll tax withholding account	1	1

Companies that do not have payroll tax withholding account use bank guarantees. As per 31.12.2019 total guarantees amounted to USD 6.3 million (2018: USD 2.6 million).

Committed undrawn credit facilities	299	364

Committed undrawn credit facilities are key part of the liquidity reserve, amounting to USD 299 million at 31.12.2019 (2018: USD 364 million).

Cash and cash equivalents		
Banks	153	140
Total cash and cash equivalents	**153**	**140**

The group has cash pool arrangements within each segments and this is presented as cash and cash equivalents. WWH ASA (Holding and Investment segment) owns and operates a multicurrency cash pool with a header-account in NOK, comprising of subsidiaries registered in Norway. WMS AS (Maritime Services segment) owns and operates a multicurrency cash pool with a header-account in USD, comprising of subsidiaries in Europe, Asia-Pacific and North America. NorSea Group AS (Supply Services segment) owns and operates a multicurrency cash pool with a header-account in NOK, comprising of subsidiaries in Norway, Denmark, Germany and U.K.

Note 18 Interest-bearing debt

USD mill	Note	2019	2018
Interest-bearing debt			
Bank and mortgages loan		494	533
Leasing debt		181	
Total interest-bearing debt	19	**675**	**533**
Book value of collateral, mortgaged and leased assets:			
Financial assets to fair value, current financial investments	14/16	193	175
Assets Supply Services		411	461
Total book value of collateral, mortgaged and leased assets		**605**	**636**

The parent company's portfolio of financial investments is held as collateral within a securities' finance facility.

Repayment schedule for interest-bearing debt			
Due in year 1		92	85
Due in year 2		40	27
Due in year 3		40	22
Due in year 4		251	217
Due in year 5 and later		252	182
Total interest-bearing debt	19	**675**	**533**

The overview above shows the actual maturity structure, with the amount due in year one as the first year's instalment classified under other current liabilities.

Loan agreements entered into by the group contain financial covenants relating to liquidity, leverage and value-adjusted equity. The group was in compliance with all covenants at 31 December 2019.

USD mill		2019	2018
The group net interest-bearing debt			
Non current interest-bearing debt		429	448
Non current lease liabilities		154	
Current interest-bearing debt		65	85
Current lease liabilities		27	
Total interest-bearing debt		**675**	**533**
Cash and cash equivalents		153	140
Current financial investments	16	102	88
Net interest-bearing debt		**419**	**306**
Net interest-bearing debt in joint ventures			
Non current interest-bearing debt	4	98	86
Total interest-bearing debt in joint ventures		**98**	**86**
Cash and cash equivalents	4	27	21
Net interest-bearing debt in joint ventures		**71**	**65**

Cont. note 18 Interest-bearing debt

USD mill	2019	2018
Guarantee commitments		
Guarantees for group companies	55	34
Total	**55**	**34**

The carrying amounts of the group's bank loan are denominated in the following currencies		
USD	198	197
NOK	285	322
DKK	10	14
Total	**494**	**533**

See otherwise note 19 for information on financial derivatives (currency hedges) relating to interest-bearing debt.

USD mill	Note	2019	2018
Net debt			
Cash and cash equivalents		153	140
Liquid investments*		102	88
Borrowings – repayable within one year**		(92)	(85)
Borrowings – repayable after one year**		(583)	(448)
Net debt		**(419)**	**(306)**

*Liquid investments are investment grade bonds and liquid equities traded in active markets. These assets are held at fair value recognized through the income statement.

**Interest-bearing debt is exposed to movements in floating interest rates in USD and NOK. Material parts of the interest rate risk in the NOK-denominated debt is hedged within the Supply Services segment.

	Other assets		Liabilites from financing activities					
USD mill	Cash/ bank overdrafts	Liquid invest- ments	Finance leases due within 1 year	Finance leases due after 1 year	Borrow. due within 1 year	Borrow. due after 1 year	Total financing activities	Total
Net debt 31.12.2018	**140**	**88**	**1**	**10**	**85**	**437**	**534**	**(306)**
Implementation of IFRS 16			27	193			220	(220)
Net debt 01.01.2019	**140**	**88**	**28**	**203**	**85**	**437**	**754**	**(526)**
Reclass				(10)	119	(109)		
Cash flows	13	27		(24)	(136)	93	(68)	108
Foreign exchange adjustments	1	(4)	(1)			8	6	(9)
Other non-cash movements	(1)	(10)		(15)	(3)		(18)	7
Net debt 31.12.2019	**153**	**102**	**27**	**154**	**65**	**429**	**675**	**(419)**
Net debt 01.01.2018	**167**	**101**	**2**	**9**	**106**	**483**	**601**	**(333)**
Reclass	2		(1)	1	8	(5)	2	
Cash flows	(29)	2			(26)	(31)	(58)	30
Foreign exchange adjustments		(8)			(2)	(10)	(12)	3
Other non-cash movements		(6)						(6)
Net debt 31.12.2018	**140**	**88**	**1**	**10**	**85**	**437**	**534**	**(306)**

Note 19 Financial risk

The group has exposure to the following financial risks from its operations:

- Market risk
  - Foreign exchange rate risk
  - Interest rate risk
  - Equity market risk
- Credit risk
- Liquidity risk

MARKET RISK
The group has established hedging strategies to mitigate risks on material exposures originating from movements in currencies and interest rates. This is compliant with the financial strategy approved by the board of directors.

Changes in the market value of financial derivatives are recognised through the income statement with the exception of the Supply Service segment, where derivatives are recognised in Other Comprehensive Income.

Associates hedge their own exposures. The group records the effects of realised and unrealised changes in financial derivatives held in these entities in accordance with the equity method under "share of profit from joint ventures and associates". The material associates are Wallenius Wilhelmsen ASA group in Holding and Investment segment and Coast Center Base group in Supply Service segment.

Foreign exchange rate risk
The group is exposed to currency risk on revenues and costs in non-functional currencies (transaction risk), and balance sheet items denominated in currencies other than non-functional currencies (translation risk).

The group's largest foreign exchange exposures are NOK, EUR, SGD and KRW – all against USD.

TRANSACTION RISK HEDGING (CASH FLOW)
The group's operating segments are responsible for hedging their own material transaction risk. Within Maritime Services, USDNOK, EURUSD and USDSGD exposures are subject to a systematic 3-year rolling hedge program, utilizing a portfolio of currency options and currency forwards. Remaining exposures are non-material and not hedged.

TRANSLATION RISK HEDGING (BALANCE SHEET)
The group's policy for mitigating translation risk is to match the denomination currency of assets and liabilities to as large extent as possible.

FX SENSITIVITES (TRANSLATION RISK)
The group monitors the net exposure and calculates sensitivities on a regular basis, based on average market volatility per currency cross. Sensitivities showing a potential accounting effect below USD 5 million on group level are considered non-material.

USD mill	Note	2019	2018
Through income statement			
Financial – currency gain/(loss)			
Net currency gain/(loss) – Operating currency		7	(4)
Net currency gain/(loss) – Financial currency		(10)	(3)
Currency derivatives – realised		(10)	(2)
Currency derivatives – unrealised		4	(15)
Net financial – currency gain/(loss)	1	**(8)**	**(23)**
Through other comprehensive income			
Currency translation differences through other comprehensive income		(2)	(57)
Total net currency effect		**(11)**	**(79)**

For Maritime Services, Supply Services and Holding and Investments, material translation risks are booked to other comprehensive income due to the functional currency for most of the entities being different from the reporting currency USD.

The group's segments perform sensitivity analyses on the unhedged part of the transaction risk on a regular basis.

The portfolio of derivatives used to hedge the group's transaction risk (described above), exhibit the following income statement sensitivity:

USD mill Sensitivity	(10%)	(5%)	0%	5%	10%
Income statement sensitivities of economic hedge program					
Transaction risk					
USD/NOK spot rate	7.90	8.33	8.77	9.21	9.65
Income statement effect (post tax)	**21**	**11**		**(12)**	**(25)**
EUR/USD spot rate	1.01	1.07	1.12	1.18	1.23
Income statement effect (post tax)	**(12)**	**(5)**		**5**	**9**
USD/SGD spot rate	1.22	1.29	1.36	1.43	1.50
Income statement effect (post tax)	**8**	**3**		**(3)**	**(7)**

(Tax rate used is 22% that equals the Norwegian tax rate)

Cont. note 19 Financial risk

Interest rate risk
The group's strategy is to hedge material parts of the interest-bearing debt against rising interest rates. As the capital intensity varies across the group's business segments, which have their own policies on hedging of interest rate risk, hedge ratios vary.

Within Holding and Investments and Maritime Services respectively, no interest rate hedging is implemented due to low net interest-bearing debt (NIBD), whereas Supply Services have hedged about 50% of its NIBD as of 31 December 2019.

USD mill	2019	2018
Maturity schedule interest rate hedges (nominal amounts)		
Due in year 1	23	12
Due in year 2		23
Due in year 3	12	
Due in year 4	46	
Due in year 5 and later	67	125
Total interest rate hedges	**148**	**161**

The Supply Services segment has entered swaption contracts with a notional value of about USD 16 million, with expiry date in 2022. Depending on interest rate levels on the expiry date, exercising the swaptions by the counterparties will extend the maturity of expiring swaps until 2032.

The average remaining term of the existing total debt portfolio is approximately 5 years. The hedges have an average remaining term of approximately 6 years.

Interest rate sensitivity
The group's interest rate risk originates from differences in duration between assets and liabilities. On the asset side, bank deposits and investments in interest-bearing instruments are subject to risk from changes in the general level of interest rates, primarily in USD.

The group uses the weighted average duration of interest-bearing assets, liabilities and financial interest rate derivatives to compute the group's sensitivity towards changes in interest rates.

Sensitivities resulting in a potential accounting effect below USD 5 million on group level are considered non-material. On 31 December 2019, the group has no material exposure subject to interest rate risk.

USD mill	2019		2018	
	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives				
Maritime Services				
Supply Services		6		7
Holding and Investments				
Total interest rate derivatives	**0**	**6**	**0**	**7**
Currency derivatives				
Maritime Services		10		12
Supply Services				
Holding and Investments	1			2
Total currency derivatives	**1**	**10**	**0**	**14**
Total market value of financial derivatives	**1**	**16**	**0**	**21**

Book value equals market value

Cont. note 19 Financial risk

EQUITY MARKET RISK
The group holds several assets listed on equity markets as well as a defined portfolio of financial assets for a proportion of the group's short-term liquidity.

Below table summarizes the equity market sensitivity towards the market value of all listed equities held:

Income statement sensitivities of equity market risk

USD mill					
Change in equity prices					
Change in market value	(20%)	(10%)	0%	10%	20%
Income statement effect	**(91)**	**(46)**		**46**	**91**

(Tax rate used is 22% that equals the Norwegian tax rate)

CREDIT RISK
Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial derivative fails to meet its contractual obligations. The group's credit risk originates primarily from the account receivables, financial derivatives used to hedge interest rate risk or foreign exchange risk, as well as investments, including bank deposits.

Loans and receivables
Trade receivables
The group's exposure to credit risk on its receivables varies across segments and subsidiaries.

Within the Maritime Services and Supply Services, the global customer base provides diversification with respect to credit risk on receivables. The segments monitor and manage their respective credit risk on a regular basis. Reference is made to note 13.

Given the negative market sentiment in several shipping and offshore segments, some customers are currently facing increased financial difficulties relative to previous years, implying that the group's credit risk has increased somewhat, but is still regarded as moderate.

Bank deposits and financial derivatives
The group maintains cash management operations and trades financial derivatives with a selection of financially solid banks (as determined by their official credit ratings), limiting the corresponding credit risk.

Other credit exposures
No material loans or receivables were past due or impaired at 31 December 2019 (analogous for 2018).

Guarantees
The group's policy is that no financial guarantees are provided by the parent company. However, financial guarantees are provided within Maritime Services and Supply Services. See note 18 for further details.

Credit risk exposure
The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was as per below table.

USD mill	Note	2019	2018
Exposure to credit risk			
Financial derivatives	12	1	
Account receivables	12	233	229
Financial investments	16	44	45
Other non current assets	12	25	23
Other current assets	12	82	80
Cash and bank deposits	17	153	140
Total exposure to credit risk		**537**	**516**

Cont. note 19 Financial risk

LIQUIDITY RISK

The group's approach to managing liquidity is to ensure that the group meets its liabilities, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group's liquidity risk is low in that it holds significant liquid assets in addition to credit facilities with the banks.

At 31 December 2019, the group had in excess of USD 347 million (2018: USD 317 million) in cash, investment grade bonds and listed equities (cash and cash equivalents, current financial investments and investment in Qube Holding Limited), in addition to USD 299 million (2018: USD 364 million) in committed undrawn credit facilities.

USD mill	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years
Undiscounted cash flows financial liabilities 2019				
Mortgages	42	25	48	157
Finance lease liabilities	27	25	23	106
Bank loan	23		198	
Financial derivatives	16			
Interest due	27	25	62	3
Total undiscounted cash flow financial liabilities	**134**	**75**	**332**	**266**
Current liabilities (excluding next year's instalment on interest-bearing debt)	374			
Total gross undiscounted cash flows financial liabilities 31.12.2019	**508**	**75**	**332**	**266**

Undiscounted cash flows financial liabilities 2018				
Mortgages	59	23	37	182
Finance lease liabilities	3	3	5	
Bank loan	23		197	
Financial derivatives	21			
Interest due	21	21	63	
Total undiscounted cash flow financial liabilities	**127**	**47**	**302**	**182**
Current liabilities (excluding next year's instalment on interest-bearing debt)	271			
Total gross undiscounted cash flows financial liabilities 31.12.2018	**399**	**47**	**302**	**182**

Cont. note 19 Financial risk

COVENANTS
The group's bank and lease financing are subject to financial or non-financial covenant clauses related to one or several of the following:

- Limitation on the ability to pledge assets
- Change of control
- Minimum liquidity
- NIBD / EBITDA or equivalent Debt-Service Coverage-Ratios
- Loan-to-Value

As of the balance date, the group is not in breach of any financial or non-financial covenants.

CAPITAL RISK MANAGEMENT
The group's overall policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future business development. The board of directors monitors various return metrics, where Return on Equity and dividend levels are predominant.

The group seeks to maintain a balance between the potential higher returns stemming from higher levels of financial gearing and the advantages of a strong balance sheet. The financial strategy and setting of thresholds for capital structure, return requirements and risk are revised by the board of directors.

FAIR VALUE ESTIMATION
The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The fair value of financial instruments not traded in an active market (over-the-counter contracts) is based on third party quotes. These quotes use observable market rates for price discovery. Specific valuation techniques used by financial counterparties (banks) to value financial derivatives include:

- Quoted market prices or dealer quotes for similar derivatives

- The fair value of interest rate swaps is calculated as the net present value of the estimated future cash flows based on observable yield curves

- The fair value of interest rate swap option (swaption) contracts is determined using observable volatility, yield curve and time-to-maturity parameters at the balance sheet date, resulting in a swaption premium. Options are typically valued by applying the Black-Scholes model.

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to net present value

- The fair value of foreign exchange option contracts is determined using observable forward exchange rates, volatility, yield curves and time-to-maturity parameters at the balance sheet date, resulting in an option premium. Options are typically valued by applying the Black-Scholes model.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The group estimates the fair value of financial liabilities for disclosure purposes by discounting the future contractual cash flows at current market interest rates available to the group for similar financial derivatives.

USD mill	Note	Fair value	Book value
Interest-bearing debt			
Mortgages		273	273
Finance lease liabilities		181	181
Bank loan		224	221
Total interest-bearing debt 31.12.2019	18	**677**	**675**
Mortgages		302	302
Finance lease liabilities		11	11
Bank loan		223	220
Total interest-bearing debt 31.12.2018	18	**536**	**533**

Cont. note 19 Financial risk

The fair values are based on cash flows discounted using a rate based on market rates including margins and are within level 2 of the fair value hierarchy.

USD mill	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Equities	58			58
Bonds	44			44
Financial derivatives		1		1
Financial assets to fair value	655		20	675
Total financial assets 31.12.2019	**757**	**1**	**20**	**778**
Financial liabilities at fair value				
Financial derivatives	(1)	(16)		(16)
Total financial liabilities 31.12.2019	**0**	**(16)**	**0**	**(16)**
Financial assets at fair value				
Equities	42			42
Bonds	45			45
Financial assets to fair value	611		38	650
Total financial assets 31.12.2018	**699**	**0**	**38**	**737**
Financial liabilities at fair value				
Financial derivatives		21		21
Total financial liabilities 31.12.2018	**0**	**21**	**0**	**21**

USD mill	2019	2018
Changes in level 3 instruments		
Opening balance 01.01	38	94
Acquisition	6	6
Transfer to level 3	1	
Return of capital		(1)
Gains and losses recognised through income statement	(25)	(60)
Closing balance 31.12	**20**	**38**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the group is the current close price. These instruments are included in level 1. Instruments included in level 1 at the end of 2019 are liquid investment grade bonds and listed equities (analogous for 2018).

The fair value of financial instruments not traded in an active market (over-the-counter contracts) are based on third party quotes (Mark-to-Market). These quotes use observable market rates for price discovery. The different techniques typically applied by financial counterparties (banks) were described above. These instruments - FX and IR derivatives - are included in level 2.

If one or more of the significant inputs is not based on observable market data, the derivatives is in level 3.

Cont. note 19 Financial risk

Financial instruments by category

USD mill	Note	Financial assets at amortised cost	Fair value through the income statement	Other	Total
Assets					
Other non current assets	12		7	17	25
Financial asset to fair value	14		675		675
Current financial investments	16		102		102
Current financial derivatives	12		1		1
Other current assets	12	315		1	316
Cash and cash equivalent	17	153			153
Assets at 31.12.2019		**468**	**785**	**18**	**1 272**

	Note		Liabilites at fair value throug the income statement	Other financial liabilites at amortised cost	Total
Liabilities					
Non current interest-bearing debt	18			583	583
Current interest bearing liabilities	18			92	92
Current financial derivatives	12		16		16
Other non current liabilities	12		25		25
Other current liabilities	12			439	439
Liabilities 31.12.2019			**41**	**1 114**	**1 155**

	Note	Financial assets at amortised cost	Fair value through the income statement	Other	Total
Assets					
Other non current assets	12		4	19	23
Financial asset to fair value	14		650		650
Current financial investments	16		88		88
Other current assets	12	308		2	311
Cash and cash equivalent	17	140			140
Assets at 31.12.2018		**449**	**741**	**21**	**1 211**

	Note		Liabilites at fair value throug the income statement	Other financial liabilites at amortised cost	Total
Liabilities					
Non current interest-bearing debt	18			448	448
Current interest bearing liabilities	18			85	85
Current financial derivatives	12		21		21
Other non current liabilities	12		23		23
Other current liabilities	12			432	432
Liabilities 31.12.2018			**44**	**965**	**1 009**

Note 20 Operating lease commitments

IFRS 16 was implemented 1 January 2019. Operating lease commitments related to Strandveien 20 including storage and parking, are a part of right-of-use assets 1 January 2019. See Note 8.

31 December 2018
In the Supply Services segment the group has lease agreements for variuos properties on operating leases. The rental agreements are subject to varying lifespan with the longest agreement ending on 1 July 2064.

In addition the group had:
Sale and leaseback agreement for the office building, Strandveien 20 for 15 years from 1 October 2009, with an option to extend for additional 5 years + 5 years.

The lease agreement for the office building (including storage and parking) at Strandveien 12 was terminated in February 2019.

The commitment related to this is as set out below (nominal amounts):

USD mill	2018
Due in year 1	21
Due in year 2	21
Due in year 3	21
Due in year 4	21
Due in year 5 and later	121
Nominal amount of operating lease commitments	**204**

In connection to the daily operation the group has additional lease agreements for office rental, office equipment and other fixed assets. The additional lease agreements are not material for the group.

Note 21 Related party transaction

The ultimate owner of the group is Tallyman AS, which controls about 60% of voting shares of the group. The beneficial owners of Tallyman AS are the Wilhelmsen family and Mr Wilhelm Wilhelmsen controls Tallyman AS at 31 December 2019.

Remuneration to Mr Wilhelm Wilhelmsen for 2019 totalled USD 93 thousand (2018: USD 101 thousand) whereof USD 85 thousand (2018: USD 92 thousand) was consulting fee and USD 9 thousand (2018: USD 9 thousand) in nomination committee for Wilh. Wilhelmsen Holding ASA and Treasure ASA.

See note 6 regarding fees to board of directors, and note 2 and note 9 in the parent company regarding ownership.

The group has undertaken several agreements and transactions with related parties in WalWil ASA group, Maritime Services, Supply Services and Holding and Investments segment in 2019 and 2018. All transactions are entered into market terms. The services are:

- Ship management including crewing, technical and management service
- Agency services
- Freight and liner services
- Marine products
- Shared services

Generally, Shared Services are priced using a cost plus 5% margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.

Material related parties in the group are:	**Business office, country**	**Ownership**
Wallenius Wilhelmsen ASA	Lysaker, Norway	37.80%
Coast Center Base AS	Fjell, Norway	50.00%

Wallenius Wilhelmsen ASA, through its operating companies, is the market leader in the finished vechicle logistics segment, offering ocean transportation and landbased vechicle logistics solutions.

Coast Center Base AS in the Supply Services segment delivers IT project, administration and handling services and the transactions are based on market terms.

USD mill	Note	2019	2018
OPERATING REVENUE FROM RELATED PARTY			
Sale of goods and services to joint ventures and associates from:			
WalWil group		18	16
Maritime Services		7	6
Supply Services		1	
Operating revenue from related party		**26**	**22**
OPERATING EXPENSES FROM RELATED PARTY			
Purchase of goods and services from joint ventures and associates to:			
Maritime Services			
Supply Services		2	2
Operating expenses to related party		**2**	**2**
ACCOUNT RECEIVABLES FROM RELATED PARTY			
Maritime Services		2	1
Account receivables from related party		**2**	**1**
ACCOUNT PAYABLES TO RELATED PARTY			
Maritime Services		6	4
Supply Services		1	8
Account payables to related party		**7**	**12**
NON CURRENT ASSETS TO RELATED PARTY			
Maritime Services		14	19
Non current assets to related party		**14**	**19**

Note 22 Subsidiaries with material non-controlling interests

	Business office/country	2019 Voting/control share
NorSea Group AS	Tananger, Norway	75.15%
Treasure ASA*	Lysaker, Norway	73.46%

*During 2019, Treasure ASA liquidated 2.200.000 own shares and had 465.000 own shares at 31 December 2019.

Set out below is the summarised financial information for the subsidiary that has non-controlling interests (NCI) material to the group. The amounts disclosed are 100% and before inter-company eliminations.

	NorSea Group AS		Treasure ASA	
USD mill	2019	2018	2019	2018
Summarised balance sheet				
Non current assets	497	552	560	523
Current assets	69	119	4	2
Total assets	**565**	**671**	**563**	**525**
Non current liabilities	362	286		
Current liabilities	120	180		
Total liabilities	**482**	**466**	**0**	
Net assets	**84**	**206**	**563**	**525**
Summarised income statement/OCI				
Total income	246	285	14	13
Profit/(loss) for the year	4	15	48	(43)
Other comprehensive income	1	2		
Total comprehensive income	**6**	**17**	**48**	**(43)**
Profit allocated to NCIs	4	4	13	(12)
Dividends paid to NCIs	1	1	2	2
Summarised cash flows				
Net cash flow provided by/(used in) operating activities	21	46	11	11
Net cash flow provided by/(used in) investing activities	15	(30)		
Net cash flow provided by/(used in) financing activities	(45)	7	(9)	(10)
Net increase/(decrease) in cash and cash equivalents	**(9)**	**23**	**1**	**(0)**

USD mill	2019	2018
Total allocation to NCIs		
Profit/(loss) for the period to material NCIs	17	(7)
Profit/(loss) for the period to other immaterial NCIs	(1)	2
Profit for the period to NCIs	**16**	**(6)**

Note 23 Contingencies

Coast Center Base AS (CCB), 50% owned by NorSea Group, lost a floating dock 26 November 2018. The dock is considered lost and the fair value was nil by 31 December 2019. CCB has made an accrual to cover costs related to a salvage operation. Local authorities have issued their conclusion, implicating lower accruals. However, as the matter has been appealed by other authorities, the company has decided to keep the accrual untill a final decision has been made.

The size and global activities of the group dictate that companies in the group will be involved from time to time in disputes and legal actions.

The group is not aware of any financial risk associated with disputes and legal actions which are not largely covered through insurance arrangements. Nevertheless, any such disputes/actions which might exist are of such a nature that they will not significantly affect the group's financial position.

Note 24 Events after the balance sheet date

The recent outbreak of Coronavirus has already and will continue to affect economic conditions and the demand for Maritime and Supply services regionally as well as globally and otherwise impact the group's operations and the operations of the group's customers, suppliers and other stakeholders. Governments in affected countries are imposing travel bans, quarantines and other emergency public health measures. Those measures, though temporary in nature, may continue and increase depending on developments in the virus' outbreak. As a result of these measures, the group operations located in regions affected by Coronavirus may be negatively affected.

Investments in the Holding and Investment segment are adversely impacted. The share price of WalWil has dropped significantly and this is considered to be an impairment indicator for the investment in the company. The share price of Hyundai Glovis and Qube Holding have declined significantly compared to year end 2019 and the parent liquid portfolio investments has declined in line with the nordic stock market.

The ultimate severity of the Coronavirus outbreak is uncertain at this time and therefore we cannot predict the impact it may have on the group's future operations and the health of our employees, which could be material and adverse.

No other material events occurred between the balance sheet date and the date when the accounts were presented which provide new information about conditions prevailing on the balance sheet date.

Responsible partner

Doing the right things the right way is the foundation of our governing elements and culture, and we have the same expectation of our partners and suppliers. To encourage this, our approach is to work consistently on business standards; actively managing and encouraging suppliers on their working conditions and business standards; and partnering with other serious actors to lift the standards in the industry. Our work in the Maritime Anti-corruption network (MACN) is one of the ways how we amplify our impact on the fight against corruption.


MAX.ANGLE 55°
S.W.L. 1013 KG.
MAX.LOWER
P/F LOAD 150 KG.
MAX.4 PERSONS
MIN.ANGLE 35°

4

Accounts and notes – parent company

Income statement Wilh. Wilhelmsen Holding ASA

NOK thousand	Note	2019	2018
Operating income	1	**21 957**	**23 899**
Operating expenses			
Employee benefits	2	(84 060)	(75 446)
Operating expenses	1	(39 938)	(45 375)
Depreciation	3	(6 052)	(2 266)
Total operating expenses		**(130 049)**	**(123 086)**
Operating loss		**(108 093)**	**(99 187)**
Financial income/(expenses)			
Net financial income	1	641 059	428 285
Net financial expenses	1	(86 618)	(8 231)
Financial income/(expenses)		**554 441**	**420 054**
Profit before tax		**446 348**	**320 866**
Tax income	5	26 919	38 265
Profit for the year		**473 268**	**359 131**
Transfers and allocations			
To equity	10	272 658	150 464
Proposed dividend	10	89 160	116 010
Interim dividend paid	10	111 450	92 658
Total transfers and allocations		**473 268**	**359 131**

Comprehensive income Wilh. Wilhelmsen Holding ASA

NOK thousand	Note	2019	2018
Profit for the year		473 268	359 131
Items that will not be reclassified to the income statement			
Remeasurement postemployment benefits, net of tax	10/11	(5 977)	3 200
Total comprehensive income		**467 290**	**362 332**

Notes 1 to 17 on the next pages are an integral part of these financial statements.

Balance sheet Wilh. Wilhelmsen Holding ASA

NOK thousand	Note	31.12.2019	31.12.2018
ASSETS			
Non current assets			
Deferred tax asset	5	68 198	42 398
Intangible assets	3	3 884	2 486
Tangible assets	3	10 549	11 402
Property lease assets	4	20 871	
Investments in subsidiaries and associates	6	4 859 064	4 872 004
Sub lease receivable	4/15	166 833	
Other non current assets	7		27 000
Total non current assets		**5 129 397**	**4 955 291**
Current assets			
Current financial investments	8/9	896 979	761 231
Trade and other receivables	7	7 984	11 924
Sub lease receivable	4/15	33 650	
Other current assets	7/9/15	234 805	399 768
Cash and cash equivalents	9	205 737	81 190
Total current assets		**1 379 155**	**1 254 112**
Total assets		**6 508 552**	**6 209 403**
EQUITY AND LIABILITIES			
Equity			
Paid-in capital	10	928 076	928 076
Own shares	10	(36 476)	
Retained earnings	10	4 904 330	4 845 902
Total equity		**5 795 930**	**5 773 979**
Non current liabilities			
Pension liabilities	11	50 038	40 856
Property lease liabilities	4	184 901	
Other non current liabilities	7	1 548	34 350
Total non current liabilities		**236 487**	**75 206**
Current liabilities			
Public duties payable		5 309	6 756
Trade and other payables	7	4 852	5 273
Current portion of property lease liabilities	4	37 292	
Other current liabilities	7/12/15	428 682	348 190
Total current liabilities		**476 135**	**360 219**
Total equity and liabilities		**6 508 552**	**6 209 403**

Lysaker 31 March 2020
The board of directors of Wilh. Wilhelmsen Holding ASA

Diderik Schnitler
chair

Trond Westlie

Carl Erik Steen

Irene Waage Basili

Thomas Wilhelmsen
group CEO

Notes 1 to 17 on the next pages are an integral part of these financial statements.

Cash flow statement Wilh. Wilhelmsen Holding ASA

NOK thousand	Note	2019	2018
Cash flow from operating activities			
Profit before tax		446 348	320 866
Financial (income)/expenses		(554 441)	(420 054)
Depreciation	3/4	6 052	2 266
Gain on sale of fixed asset	3		(274)
Change in net pension liability		1 519	64
Change in other current assets			4 467
Change in working capital		(6 898)	(20 561)
Net cash provided by operating activities		**(107 420)**	**(113 226)**
Cash flow from investing activities			
Proceeds from sale of fixed assets			296
Investments in fixed assets	3	(2 421)	(719)
Investments in subsidaries	6	(13 060)	
Loan repayments received from subsidiaries	7/15	78 760	
Repayment of financial sub lease	4	30 802	
Loans from subsidiaries, cash pool	9	98 729	
Loans granted to subsidiaries			(105 148)
Proceeds from sale of financial investments		198 574	252 467
Current financial investments		(263 774)	(261 335)
Dividend/ group contribution from group companies		619 094	423 000
Dividend received from financial assets		16 535	14 713
Paid witholding tax dividend portfolio management		(2 651)	(2 436)
Interest received	1	13 616	2 609
Net cash flow from investing activities		**774 205**	**323 446**
Cash flow from financing activities			
Proceeds from issue of debt			50 000
Repayment of financial lease debt	4	(34 136)	
Interest paid		(16 567)	(2 584)
Purchase of own shares	10	(264 075)	
Dividend to shareholders	10	(227 460)	(255 071)
Net cash flow from financing activities		**(542 237)**	**(207 656)**
Net increase in cash and cash equivalents		**124 547**	**2 565**
Cash and cash equivalents, at the beginning of the period		81 190	78 624
Cash and cash equivalents at 31.12		**205 737**	**81 190**

The company has several bank accounts in different currencies. Unrealised currency effects are included in net cash provided by operating activities.

Notes 1 to 17 on the next pages are an integral part of these financial statements.

Note 1 Combined items, income statement

NOK thousand	Note	2019	2018
OPERATING INCOME			
Other income		346	1 817
Income from group companies	15	21 611	21 809
Gain on sale of assets			274
Total operating income		**21 957**	**23 899**
OTHER OPERATING EXPENSES			
Expenses to group companies	15	(13 457)	(18 262)
Communication and IT expenses		(5 915)	(4 356)
External services	2	(8 380)	(12 379)
Travel and meeting expenses		(2 491)	(5 033)
Marketing expenses		(2 917)	(2 977)
Other administration expenses		(6 778)	(2 368)
Total other operating expenses		**(39 938)**	**(45 375)**
FINANCIAL INCOME/(EXPENSES)			
Financial income			
Investment management	8	108 092	(60 198)
Interest income	15	3 410	2 609
Interest income financial sublease		10 462	
Dividend/group contribution from associates and subsidiaries	15	519 094	473 000
Net currency gain			12 874
Net financial income		**641 059**	**428 285**
Financial expenses			
Interest expenses		(5 920)	(6 166)
Interest expenses financial lease		(11 485)	
Impairment investment in subsidiaries		(60 000)	
Other financial items		(1 996)	(2 066)
Net currency (loss)		(7 217)	
Net financial expenses		**(86 618)**	**(8 231)**
Net financial income		**554 441**	**420 054**

Note 2 Employee benefits

NOK thousand	2019	2018
Pay	58 501	47 578
Payroll tax	9 552	10 856
Pension cost	11 720	11 105
Other remuneration	4 287	5 908
Total employee benefits	**84 060**	**75 446**
Average number of employees	34	35

REMUNERATION OF SENIOR EXECUTIVES

NOK thousand	Pay	Bonus	Pension premium	*Other remuneration	Total
2019					
Group CEO	5 003		2 032	1 903	8 939
Group CFO	3 529		431	444	4 404
2018					
Group CEO	4 870	1 977	1 842	1 696	10 385
Group CFO	3 381	940	446	460	5 228

*Mainly related to gross up pension expenses and company car.

Board of directors
Remuneration of the five directors totalled NOK 2 500 thousand for 2019 (2018: NOK 2 150 thousand). The board's remuneration for the fiscal year 2019 will be approved by the general assembly 29 April 2020.

Remuneration of the nomination committee totalled NOK 100 thousand for 2019 (2018: NOK 85 thousand).

Senior executives
Thomas Wilhelmsen – group CEO
Christian Berg – group CFO

The group CEO has a severance pay guarantee under which he has the right to receive up to 100% of his annual salary for 24 months after leaving the company as a result of mergers, substantial changes in ownership, or a decision by the board of directors. Possible income during the period is deducted up to 50%, which comes into force after six months' notice period. Group CEO has the right to a life-long pension constituting 50% of his annual salary ritirement above 12G.

The group CFO is following the company pension policy for salary below and above 12G (defined contribution plan). His retirement age is 67. In additional, he has a right to receive 60% of his annual salary between 67 and 70 year.

Loans and guarantees employees
There were no loan or guarantees to employees per 31.12.2019.

Cont. note 2 Employee benefits

SHARES OWNED OR CONTROLLED BY REPRESENTATIVES OF WILH. WILHELMSEN HOLDING ASA AT 31 DECEMBER 2019

Name	A shares	B shares	Total	Part of total shares	Part of voting stock
Board of directors					
Diderik Schnitler (chair)	2 000	25 000	27 000	0.06%	0.01%
Trond Ø. Westlie				0.00%	0.00%
Carl E. Steen	8 000		8 000	0.02%	0.02%
Irene Waage Basili				0.00%	0.00%
Cathrine Løvenskiold Wilhelmsen	730		730	0.00%	0.00%
Senior executives					
Thomas Wilhelmsen – group CEO	22 100	750	22 850	0.05%	0.06%
Christian Berg – group CFO	301		301	0.00%	0.00%
Nomination committee					
Wilhelm Wilhelmsen	20 880 114	2 302 444	23 182 558	49.96%	60.46%
Gunnar Fredrik Selvaag				0.00%	0.00%
Jan Gunnar Hartvig				0.00%	0.00%

LONG TERM INCENTIVE SCHEME
The long term incentive scheme (LTI) was introduced in 2015. Participants are members of the group management team and the presidents for Wilhelmsen Ships Service and Wilhelmsen Ship Management. For the group CEO, maximum annual payment is 100% of base salary. For the remaining participants, the maximum annual payment is 50% of base salary.

The LTI focuses on long term shareholder value creation and is based on positive development of the Wilhelmsen group's value adjusted equity. The ambitions set for the programme are to increase alignment with value creation for shareholders, to attract, retain and motivate participants and drive long-term group performance.

Settlement is based on return on value adjusted equity the last four years leading up to the settlement. The value adjusted equity is determined by using a "sum-of-the-parts" principle. For listed companies, value adjusted equity is based on market price, while earnings multiples or net asset value are used for non-listed entities.

The board sets value adjusted equity targets at the beginning of each four year measurement period. Without consultation or agreement with the individual, the board has the right to change or terminate the incentive programme after each year.

Per 31 December 2019, a provision has been made related to the LTI programme ending on 31 December 2020. Potential payment will be done in March 2021, pending approval from the board of directors. The provision has been calculated based on value adjusted equity per 31 December 2019, risk free return and standard deviation of historic annual value creation.

EXPENSED AUDIT FEE (excluding VAT)

NOK thousand	2019	2018
Statutory audit	545	535
Other service fees	74	277
Total expensed audit fee	**619**	**811**

Note 3 Intangible and tangible assets

NOK thousand	Intangible assets	Buildings	Other tangible assets	Total
2019				
Cost 01.01	6 180	10 582	9 084	25 846
Additions	2 421			2 421
Cost 31.12	**8 601**	**10 582**	**9 084**	**28 267**
Accumulated depreciation 01.01	(3 693)	(3 021)	(5 243)	(11 957)
Depreciation/amortisation	(1 024)	(423)	(430)	(1 878)
Accumulated depreciation 31.12	**(4 717)**	**(3 444)**	**(5 674)**	**(13 835)**
Carrying amounts 31.12	**3 884**	**7 138**	**3 411**	**14 432**
Depreciation/amortisation intangible and tangible assets				(1 878)
Depreciation of finance lease assets				(4 174)
Total depreciation 2019				**(6 052)**
2018				
Cost 01.01	6 180	10 582	8 815	25 577
Additions			719	719
Disposals			(450)	(450)
Cost 31.12	**6 180**	**10 582**	**9 084**	**25 846**
Accumulated depreciation 01.01	(2 415)	(2 597)	(5 107)	(10 119)
Depreciation/amortisation	(1 278)	(423)	(564)	(2 266)
Disposals			428	428
Accumulated depreciation 31.12	**(3 693)**	**(3 021)**	**(5 243)**	**(11 957)**
Carrying amounts 31.12	**2 486**	**7 562**	**3 841**	**13 889**
Useful life	Up to 3 years	Up to 25 years	3-10 years	
Amortisation/depreciation schedule	Straight-line	Straight-line	Straight-line	

Note 4 Lease

The new IFRS 16 Leasing standard was effective from 1 January 2019. The standard will significantly change how the company accounts for its lease contracts for land and building currently accounted for as operating leases. Virtually all leases will be brought into the balance sheet increasing the groups assets and liabilities, in addition to affecting income statement figures.

THE LEASE CONTRACTS
The company has leases related to property and land. The main part of the leasing liability refer to headquarter and parkingplaces. The external lease of headquarter is subleased to group company. The right-of-use assets related to internal lease of the company's location in Strandveien 20. All lease contracts previously were reported as operating leases.

RECOGNITION AND MEASUREMENT APPROACH ON TRANSITION
Wilhelmsen group will apply IFRS 16 retrospectively with recognition of the cumulative implementation effect recognised at the date of initial application 1 January 2019. By doing this, comparative financial information shall not be restated, but the cumulative effect of initially applying this standard shall be reflected as an adjustment to the opening balance. At the time of transition, leases entered under IAS 17 will not be reassessed. 1 January 2019, the lease liabilities were measured at the present value of remaining lease payments, discounted using the incremental borrowing rate at such date. The right-of-use assets were measured at an amount equal to the lease liability.

The standard has provided options on scope and exemptions and below the group's policy choices are described:

- The standard will not be applied to leases of intangible assets and these will continue to be recognized in accordance with IAS 38 Intangible assets.
- All leases deemed short-term by the standard are exempt from reporting.
- All leases deemed to be of low value by the standard are exempt from reporting.
- Non-lease components shall be separated from the lease agreements, the company applied a materiality threshold when evaluating separation.

IMPLEMENTAION EFFECT
Impact on equity
The net effect on implementation of IFRS 16 as at January 1, 2019 is presented below.

NOK thousand	Note	Total
Lease liability at 1 January 2019		(256 329)
Deferred income related to house agreement (net after tax)		(19 345)
Right-of-use asset at 1 January 2019		25 045
Sub lease group companies		231 284
Difference between lease liability and right-of-use asset per January 1, 2019		**(19 345)**
Effect from prepayments and currency translation		(19 345)
Equity at 1 January 2019	10	**(19 345)**

Reconciliation of lease commitment and lease liability

NOK thousand	Note	Total
Material operating lease commitment as at 31 December 2018	13	385 429
Operating lease commitment as at 31 December 2018 (not included in material operating lease committment)		2 663
Option periods previously reported as lease commitments		(103 608)
Undiscounted lease liabililty		284 484
Effect of discounting lease commitment to net present value		(28 155)
Lease liability at 1 January 2019		**256 329**

Summary of the lease liabilities in the financial statements

At initial application 01.01.2019	256 329
Cash payments for the principal portion of the lease liability	(34 136)
Cash payments for the interest portion of the lease liability	(11 485)
Cash repayments for the interest portion of the sublease receivable	10 462
Interest income on sublease receivable	(10 462)
Interest expense on lease liabilities	11 485
Lease liability at 31. December 2019	**222 193**

Movement schedule for lease liability

2019	External	Total
Financial lease debt	256 329	256 329
Repayment current year	(34 136)	(34 136)
Total financial lease debt 31.12	**222 193**	**222 193**
Non current lease debt	184 901	184 901
Current lease debt	37 292	37 292
Total financial lease debt 31.12	**222 193**	**222 193**

The property and parking places are sub leased to the subsidiary WilService

Cont. note 4 Lease

NOK thousand	Note	Total
Sub lease receivable 1.1.		231 284
Repayment of sub lease receivable		(30 802)
Sub lease receivable 31.12		**200 482**
Non current sub lease receivable		166 833
Current sub lease receivable		33 650
Total financial sub lease receivable 31.12		**200 482**

NOK thousand 2019	Note	Property
Right of use assets 1.1.		25 045
Right of use assets cost 31.12		**25 045**
Depreciation		(4 174)
Accumulated depreciation 31.12	3	**(4 174)**
Carrying amounts 31.12		**20 871**

The company has no other lease contracts.

Note 5 Tax

NOK thousand	2019	2018
Allocation of tax income		
Payable tax/withholding tax	(2 651)	(2 436)
Change in deferred tax	29 570	40 702
Total tax income	**26 919**	**38 265**
Basis for tax computation		
Profit before tax	446 348	320 866
22% tax (2018: 22%)	98 197	73 799
Tax effect from		
Net permanent differences	(127 766)	(115 409)
Withholding tax	2 651	2 436
Change in different tax rate		907
Current year calculated tax	**(26 919)**	**(38 265)**
Effective tax rate		
Deferred tax asset/(liability)		
Tax effect of temporary differences		
Fixtures	820	713
Current assets and liabilities	(5 560)	(337)
Non current liabilities and provisions for liabilities	8 041	4 363
Tax losses carried forward	64 897	37 659
Deferred tax asset/(liability)	**68 198**	**42 398**
Deferred tax asset/(liability) 01.01	42 398	2 653
Charge to equity (IFRS16 implementation)	(5 456)	
Charge to equity (tax of OCI)	1 686	(956)
Change of deferred tax through income statement	29 570	40 702
Deferred tax asset/(liability) 31.12	**68 198**	**42 398**

Note 6 Investments in subsidiaries and associates

Investments in subsidiaries and associates are recorded at cost. Where a reduction in the value of shares in subsidiaries or associates is considered to be permanent and significant, a impairment to net realisable value is recorded.

NOK thousand	Business office country	Voting share/ ownership share	2019 Book value	2018 Book value
Associate				
Wallenius Wilhelmsen ASA	Lysaker, Norway	37.8%	1 130 964	1 130 964
Subsidiaries				
Treasure ASA*	Lysaker, Norway	73.5%	1 043 967	1 043 967
Wilhelmsen Maritime Services AS	Lysaker, Norway	100%	1 264 440	1 264 440
WilService AS**	Lysaker, Norway	100%	1 550	17 550
Wilh. Wilhelmsen Holding Invest AS	Lysaker, Norway	100%	1 405 014	1 405 014
Wilhelmsen Accounting Services AS	Lysaker, Norway	100%	3 622	3 622
WilNor Governmental Services AS***	Lysaker, Norway	51%	9 499	6 439
Wilhelmsen GRC Sdn Bhd	Kuala Lumpur, Malaysia	100%	8	8
Total investments in subsidiaries and associates			**4 859 064**	**4 872 004**

*At 31.12.2019 Treasure ASA had 465 000 own shares (31.12.2018: 1 450 000 own shares).
**Wilservice AS: Issue of new share capital with NOK 44 000 thousand and impairment of NOK 60 000 thousand due to accumulated loss.
***WilNor Governmental Services AS: Capital increase of NOK 3 060 thousand.

Note 7 Combined items, balance sheet

NOK thousand	Note	2019	2018
OTHER NON CURRENT ASSETS			
Sub lease to group company	4	166 833	
Non current loan group companies (subsidiary and associates)	14/15		27 000
Total other non current assets		**166 833**	**27 000**
Of which non current debitors falling due for payment later than one year:			
Loans/ sublease to subsidiary and associates	4/14/15	166 833	27 000
Total other non current assets due after one year		**166 833**	**27 000**
OTHER CURRENT ASSETS			
Group Contribution	15	200 000	300 000
Cash pool intercompany receivables	9/15	26 053	
Other current assets		8 752	14 007
Current loan to group companies (subsidiary and associates)	14/15		85 760
Total other current assets		**234 805**	**399 768**
OTHER NON CURRENT LIABILITIES			
Allocation of commitment		1 548	34 350
Total other non current liabilities		**1 548**	**34 350**
OTHER CURRENT LIABILITIES			
Next year's instalment on interest-bearing debt	12	200 000	200 000
Proposed dividend	10	89 160	116 010
Cash pool intercompany payables	9/15	119 548	
Other current liabilities		19 974	32 181
Total other current liabilities		**428 682**	**348 190**

The fair value of current receivables and payables is virtually the same as the carried amount, since the effect of discounting is insignificant. Lending is at floating rates of interest. Fair value is virtually identical with the carried amount. See note 14.

Note 8 Current financial investments

NOK thousand	2019	2018
Market value asset management portfolio		
Equities	505 379	366 707
Bonds	388 108	393 522
Other financial derivatives	3 491	1 002
Total current financial investments	**896 979**	**761 231**

The fair value of all equity securities, bonds and other financial assets is based on their closing prices in an active market.

	2019	2018
The net unrealised gain at 31.12	83 988	32 714

The portfolio of financial investments is held as collateral within a securities' finance facility. See note 12.

Note 9 Restricted bank deposits and undrawn committed drawing rights

NOK thousand	2019	2018
Restricted bank deposits		
Payroll tax withholding account		4 331

The parent company has a bank guarantee for the payroll tax. Per 31 December 2019 the guarantee amounted to NOK 7 000 thousand.

NOK thousand	2019	2018
Undrawn committed drawing rights		
Undrawn committed drawing rights for 31 December	1 118 318	1 000 149

NOK thousand	2019	2018
Cash and cash equivalents		
Banks	205 737	81 190
Total Cash and cash equivalents	**205 737**	**81 190**

WWH ASA has during 2019 established a cash pool with the Norwegian subsidiaries. WWH ASA is the owner of the cash pool. Bank balances in subsidiaries are presented as intercompany receivable/ payable in the parent financial statements. The cash pool covers following currencies; NOK, USD, EUR, SEK, GBP, JPY, AUD and DKK. No credit line related to the cash pool.

Note 10 Equity

NOK thousand	Note	Share capital	Own shares	Retained earnings	Total
Current year's change in equity					
Equity 31.12.2018		928 076		4 845 902	5 773 979
Implementation of IFRS16	4			19 345	19 345
Interim dividend paid				(111 450)	(111 450)
Proposed dividend				(89 160)	(89 160)
Profit for the year				473 268	473 268
Comprehensive income for the year				(5 977)	(5 977)
Purchase of own shares			(36 476)	(227 599)	(264 075)
Equity 31.12.2019		**928 076**	**(36 476)**	**4 904 330**	**5 795 930**

NOK thousand	Share capital	Own shares	Retained earnings	Total
2018 change in equity				
Equity 31.12.2017	930 076	(2 000)	4 692 238	5 620 314
Interim dividend paid			(92 658)	(92 658)
Proposed dividend			(116 010)	(116 010)
Profit for the year			359 131	359 131
Comprehensive income for the year			3 200	3 200
Disposal of own shares	(2 000)	2 000		
Equity 31.12.2018	**928 076**	**0**	**4 845 902**	**5 773 979**

At 31 December 2019 the company's share capital comprises 34 657 092 Class A shares and 11 866 732 Class B shares, totalling 46 403 824 shares with a nominal value of NOK 20 each. Class B shares do not carry a vote at the general meeting. Otherwise, each share confers the same rights in the company.

The company conducted a share buyback program in September 2019. At 31 December 2019 the company owns a total of 1 823 824 own shares, split on 537 092 A-shares and 1.286.732 B-shares. The total purchase price of these shares was NOK 264 075 125.

Dividend
The proposed dividend for fiscal year 2019 is NOK 2.00 per share, payable in the second quarter 2020. A decision on this proposal will be taken by the annual general meeting on 29 April 2020.

Dividend for fiscal year 2018 was NOK 5.00 per share, where NOK 2.50 per share was paid in May 2019 and NOK 2.50 per share was paid in November 2019.

Dividend for fiscal year 2017 was NOK 5.50 per share, where NOK 3.50 per share was paid in May 2018 and NOK 2.00 per share was paid in November 2018.

Cont. note 10 Equity

The largest shareholders at 31 December 2019

Shareholders	A shares	B shares	Total number of shares	% of total shares	% of voting stock
Tallyman AS	20 784 730	2 281 044	23 065 774	49.71%	60.18%
Folketrygdfondet	1 228 081	733 146	1 961 227	4.23%	3.56%
VPF Nordea Norge Verdi	268 394	1 558 818	1 827 212	3.94%	0.78%
Citibank Europe plc	537 092	1 286 732	1 823 824	3.93%	1.56%
Pareto Aksje Norge Verdipapirfond	1 084 140	642 349	1 726 489	3.72%	3.14%
J. P. Morgan Bank Luxembourg S.A.	563 125	598 049	1 161 174	2.50%	1.63%
Stiftelsen Tom Wilhelmsen	363 010	387 330	750 340	1.62%	1.05%
Nordea Nordic Small Cap Fund	389 620	285 227	674 847	1.45%	1.13%
UBS Switzerland AG	370 400	236 000	606 400	1.31%	1.07%
Skagen Vekst	593 349		593 349	1.28%	1.72%
State Street Bank and Trust Comp	126 875	415 630	542 505	1.17%	0.37%
Clearsteam Banking S.A.	512 436	5 190	517 626	1.12%	1.48%
Forsvarets Personellservice	478 064	193	478 257	1.03%	1.38%
MP Pensjon PK	464 800		464 800	1.00%	1.35%
Euroclear Bank S.A./N.V.	79 965	276 636	356 601	0.77%	0.23%
VPF Eika Spar	253 604	101 000	354 604	0.76%	0.73%
VPF Nordea Kapital	326 424	2 920	329 344	0.71%	0.95%
Eika Norge	319 329		319 329	0.69%	0.92%
Oslo Pensjonsforsikring AS PM		312 281	312 281	0.67%	0.00%
VPF Nordea Avkastning	108 461	181 978	290 439	0.63%	0.31%
Other	5 685 193	2 562 209	8 247 402	17.77%	16.46%
Total number of shares	**34 537 092**	**11 866 732**	**46 403 824**	**100.00%**	**100.00%**

Shares on foreigners hands
At 31 December 2019 - 4 692 307 (13.59%) A shares and 2 749 662 (23.17%) B shares.
Corresponding figures at 31 December 2018 - 5 150 032 (14.11%) A shares and 2 838 453 (23.92%) B shares.

Note 11 Pension

Description of the pension scheme
The company's defined contribution pension schemes for Norwegian employees are with financial institute, similar solutions with different investment funds.

The company has "Ekstrapensjon", a contribution plan for all Norwegian employees with salaries exceeding12 times the Norwegian National Insurance base amount (G). The contribution plan replaced the company obligations mainly financed from operation.

In addition the company has agreements on early retirement. This obligations are mainly financed from operations.

The company has obligation towards one employee in the company's senior executive management. The obligation is mainly covered via group annuity policies in Storebrand.

Pension costs and obligations includes payroll taxes. No provision has been made for payroll tax in pension plans where the plan assets exceed the plan obligations.

The liability recognised in the balance sheet in respect of the remaining defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

	Funded		Unfunded	
Number of people covered by pension schemes at 31.12	2019	2018	2019	2018
In employment	1	1		
On retirement (inclusive disability pensions)		2	4	4
Total number of people covered by pension schemes	1	3	4	4

	Expenses		Commitments	
	2019	2018	31.12.2019	31.12.2018
Financial assumptions for the pension calculations:				
Discount rate	2.70%	2.30%	2.30%	2.70%
Anticipated pay regulation	2.50%	2.00%	2.00%	2.50%
Anticipated increase in National Insurance base amount (G)	2.50%	2.00%	2.00%	2.50%
Anticipated regulation of pensions	0.10%	0.10%	0.10%	0.10%

Anticipated pay regulation are business sector specific, influenced by composition of employees under the plans. Anticipated increase in G is tied up to the anticipated pay regulations. Anticipated regulation of pensions is determined by the difference between return on assets and the hurdle rate.

Actuarial assumptions: all calculations are calculated on the basis of the K2013 mortality tariff. The disability tariff is based on the KU table.

Cont. note 11 Pension

NOK thousand	2019 Funded	2019 Unfunded	2019 Total	2018 Funded	2018 Unfunded	2018 Total
Pension expenses						
Service cost	1 637	1 756	3 393	1 643	54	1 697
Net interest cost	69	894	963	141	761	902
Cost of defined contribution plan	7 364		7 364	8 506		8 506
Net pension expenses	**9 070**	**2 650**	**11 720**	**10 290**	**815**	**11 105**

NOK thousand	2019	2018
Remeasurements – Other comprehensive income		
Effect of changes in financial assumptions	2 336	(4 647)
Effect of experience adjustments	4 718	2 492
(Return) on plan assets (excluding interest income)	609	(2 001)
Gross remeasurement (gain) loss included in OCI	**7 663**	**(4 156)**
Tax effect	1 686	(956)
Remeasurement (gain) loss recognised in OCI – net of tax	**5 977**	**(3 200)**

NOK thousand	2019	2018
Pension obligations		
Defined benefit obligation at end of prior year	89 256	91 698
Service cost	3 393	1 697
Interest expense	2 258	1 978
Benefit payments from plan	(3 962)	(3 962)
Settlement payments from plan assets	(34 039)	
Effect of changes in financial assumptions	2 336	(4 647)
Effect of experience adjustments	4 718	2 492
Pension obligations 31.12	**63 960**	**89 256**
Fair value of plan assets		
Fair value of plan assets at end of prior year	48 400	46 750
Interest income	1 294	1 076
Employer contributions	2 022	1 699
Benefit payments from plan	(2 526)	(2 526)
Settlement payments from plan assets	(34 039)	
Administrative expenses paid from plan assets	(620)	(548)
Return on plan assets (excluding interest income)	(609)	1 949
Gross pension assets 31.12	**13 922**	**48 400**
Other comprehensive income		
Gross pension other comprehensive income	7 663	(4 103)
Tax effect	(1 686)	903
Net equity effect	**5 977**	**(3 200)**

Cont. note 11 Pension

NOK thousand	2019 Funded	2019 Unfunded	2019 Total	2018 Funded	2018 Unfunded	2018 Total
Specification of funded and unfunded obligation						
Service cost	**1 637**	**1 756**	**3 393**	**1 643**	**54**	**1 697**
Defined benefit obligation	23 644	40 316	63 960	51 730	37 526	89 256
Fair value of plan assets	13 922		13 922	48 400		48 400
Net liability	**9 722**	**40 316**	**50 038**	**3 330**	**37 526**	**40 856**

Premium payments in 2020 are expected to be NOK 8.1 million (2019: NOK 5.1 million). Payments from operations are estimated at NOK 2.4 million (2019: NOK 2.2 million).

NOK thousand	31.12.2019	31.12.2018
Historical developments		
Gross pension obligations, including payroll tax	63 960	89 256
Gross pension assets	13 922	48 400
Net recorded pension obligations	**50 038**	**40 856**

Note 12 Interest-bearing debt

NOK thousand	2019	2018
Interest-bearing debt		
Bank loan	200 000	200 000
Total interest-bearing debt	**200 000**	**200 000**
Repayment schedule for interest-bearing debt		
Due in year 1	200 000	200 000
Total interest-bearing debt	**200 000**	**200 000**
Held as collateral within a securities' finance facility		
The portfolio of financial investments	893 488	761 352

The parent company had in addition undrawn revolving facilities at 31 December 2019. The parent company's financing arrangement provides for customary financial covenants related to minimum liquidity, and minimum value adjusted equity ratio. The company was in compliance with these covenants at 31 December 2019 (analougue for 31 December 2018).

FINANCIAL RISK
See note 14 to the parent accounts and note 19 to the group accounts for further information on financial risk, and note 18 to the group accounts concerning the fair value of interest-bearing debt.

Note 13 Operating lease commitments

The company has a sale and leaseback agreement for the office building, Strandveien 20. The lease run over 15 years from 1 October 2009, with an option to extend for additional 5 years + 5 years.

The lease agreement for the office building (including storage and parking) at Strandveien 12, was terminated in February 2019.

The operating lease commitments are from 1 January a part of IFRS 16 implementation. See Note 4.

NOK thousand	2018
Due in year 1	44 119
Due in year 2	45 222
Due in year 3	46 353
Due in year 4	47 511
Due in year 5 and later	202 224
Total expense related to operating leasing commitments	**385 429**

Note 14 Financial risk

CREDIT RISK
Guarantees
The group's policy is that the parent company will not provide any financial guarantees.

Cash and bank deposits
The parent's exposure to credit risk on cash and bank deposits is considered to be very limited as the parent maintain banking relationships with a selection of banks with strong credit ratings.

LIQUIDITY RISK
The parent's approach to managing liquidity is to ensure sufficient liquidity to meet its liabilities, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the parent and group's reputation.

The parent's liquidity risk is considered to be low in the sense that it holds significant liquid assets in addition to undrawn credit facilities.

FAIR VALUE ESTIMATION
The fair value of financial instruments traded in an active market is based on quoted market prices on the balance sheet date. The fair value of financial instruments not traded in an active market (over-the-counter contracts) are based on third party quotes. Specific valuation techniques used to value financial instruments include:

Quoted market prices or dealer quotes for similar instruments.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

The fair value of interest rate swap option (swaption) contracts is determined using observable yield curve, volatility and time-to-maturity parameters at the balance sheet date, resulting in a swaption premium.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
The fair value of foreign exchange option contracts is determined using observable forward exchange rates, volatility, yield curves and time-to-maturity parameters at the balance sheet date, resulting in an option premium.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

NOK thousand		
2019	Fair value	Carrying amount
Interest-bearing debt		
Bank loan	200 000	200 000
Total interest-bearing debt 31.12	**200 000**	**200 000**
2018		
Interest-bearing debt		
Bank loan	200 000	200 000
Total interest-bearing debt 31.12	**200 000**	**200 000**

The fair value of financial instruments traded in active markets is based on closing prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The price used for valuation of financial assets held by the group is the closing price. These instruments are included in level 1. Instruments included in level 1 at the end of 2019 and 2018 are investment grade bonds, equities and listed financial derivatives.

The fair value of financial instruments not traded in an active market is determined by using valuation techniques. These valuation techniques use observable market data where available and rely as little as possible on entity specific estimates. These instruments are included in level 2. Instruments included in level 2 are FX and IR derivatives.

If one or more of significant valuation inputs is not based on observable market data, the instruments are included in level 3.

Total financial instruments and short term financial investments

NOK thousand	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through income statement 2019				
– Bonds	388 108			388 108
– Equities	505 379			505 379
– Financial derivatives		3 491		3 491
Total assets 31.12	**893 488**	**3 491**	**0**	**896 979**
Financial liabilities fair value through income statement 2019				
– Financial derivatives				
Total liabilities 31.12	**0**	**0**	**0**	**0**

Cont. note 14 Financial risk

NOK thousand	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through income statement 2018				
– Bonds	393 522			393 522
– Equities	366 707	1 002		367 709
Total assets 31.12	**760 229**	**1 002**	**0**	**761 231**
Financial liabilities fair value through income statement 2018				
– Financial derivatives		(13 113)		(13 113)
Total liabilities 31.12	**0**	**(13 113)**	**0**	**(13 113)**

Financial instruments by category

	Note	Financial assets at amortised cost	Fair value through income statement	Total
Assets				
Sub lease receivable non current	4	166 833		166 833
Current financial investments	8		893 488	893 488
Financial derivatives	8		3 491	3 491
Sub lease receivable	4	33 650		33 650
Other current assets	7	234 805		234 805
Cash and cash equivalent		205 737		205 737
Assets at 31.12.2019		**641 024**	**896 979**	**1 538 003**

	Note	Other financial liabilities at amortised cost	Fair value through income statement	Total
Liabilities				
Property lease liabilities non current	4	184 901		184 901
Financial derivatives	8			
Current interest-bearing debt	7	200 000		200 000
Current portion of property lease liabilities	4	37 292		37 292
Other current liabilities	7	228 682		228 682
Liabilities 31.12.2019		**650 875**	**0**	**650 875**

	Note	Loans and receivables	Assets at fair value through the income statement	Total
Assets				
Other non current assets	7	27 000		27 000
Current financial investments	8		761 352	761 352
Other current assets	7	399 768		399 768
Cash and cash equivalent		81 190		81 190
Assets at 31.12.2018		**507 958**	**761 352**	**1 269 309**

	Note	Other financial liabilities at amortised cost	Assets at fair value through the income statement	Total
Liabilities				
Financial derivatives	7		13 113	13 113
Current interest-bearing debt	7	200 000		200 000
Other current liabilities	7	143 775		143 775
Liabilities 31.12.2018		**343 775**	**13 113**	**356 888**

See note 19 to the group financial statement for further information about the group risk factors.

Note 15 Related party transaction

The ultimate owner of the group Wilh.Wilhelmsen Holding ASA is Tallyman AS, which control about 60% of voting shares of the group. The ulimate owners of Tallyman AS are the Wilhelmsen family and Mr Wilhelm Wilhelmsen controls Tallyman AS at 31 December 2019.

Shares owned or controlled by related party of Wilh. Wilhelmsen Holding ASA at 31 December 2019

Name	A shares	B shares	Total	Part of total shares	Part of voting stock
Family Wilhelm Wilhelmsen	20 880 114	2 302 444	23 182 558	49.96%	60.46%

Wilhelm Wilhelmsen has in 2019 received remuneration of NOK 750 thousand (2018: NOK 750 thousand) in consulting fee and NOK 75 thousand (2018: NOK 70 thousand) in nomination committee for Wilh. Wilhelmsen Holding ASA and Treasure ASA.

WWH ASA delivers services to other group companies, primarily human resources, communication, treasury ("Shared Services").

In accordance with service level agreements, WilService AS delivers in-house services such as canteen, post, switchboard and rent of office facilities, Wilhelmsen Accounting Services delivers accounting services and Maritime Services delivers IT to WWH. Generally, Shared Services are priced using a cost plus 5% margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.

NOK thousand	Note	2019	2018
OPERATING REVENUE FROM GROUP COMPANIES			
WalWil group		3 283	4 912
Maritime Services		13 681	13 083
Holding and Investments		4 499	3 814
Holding and Investments		147	
Operating revenue from group companies	1	**21 611**	**21 809**
OPERATING EXPENSES TO GROUP COMPANIES			
Maritime Services		(4 070)	(3 547)
Holding and Investments		(9 387)	(14 715)
Operating expenses to group companies	1	**(13 457)**	**(18 262)**
FINANCIAL INCOME FROM GROUP COMPANIES			
Maritime Services		300 002	425 000
Holding and Investments		243 673	49 860
Financial income from group companies	1	**543 674**	**474 860**
FINANCIAL EXPENSES TO GROUP COMPANIES			
Maritime Services		(19)	
Holding and Investments		(2 498)	
Financial expenses to group companies	1	**(2 517)**	**0**
ACCOUNT RECEIVABLES AND ACCOUNT PAYABLES WITH GROUP COMPANIES			
Account receivables			
Maritime Services		4 132	9 406
Holding and Investments		3 603	1 333
Supply Services		222	272
Account receivables from group companies	7	**7 958**	**11 010**
Account payables			
Maritime Services		(196)	
Holding and Investments		(94)	(1 844)
Account payables to group companies	7	**(290)**	**(1 844)**

Cont. note 15 Related party transaction

NOK thousand	Note	2019	2018
Cash pool receivables			
Maritime Services		18 836	
Holding and Investments		7 217	
Cash pool receivables from group company	9	**26 053**	**0**
Cash pool payables			
Maritime Services			
Holding and Investments		(119 548)	
Cash pool payables to group company	9	**(119 548)**	**0**
NON CURRENT LOAN TO GROUP COMPANIES			
Holding and Investments	7		27 000
Non current loan to group companies		**0**	**27 000**
CURRENT LOAN TO GROUP COMPANIES			
Holding and Investments	7		85 760
Current loan to group companies		**0**	**85 760**
NON CURRENT SUBLEASE TO GROUP COMPANIES			
Holding & Investment - Wilservice AS	4	166 833	
Non current sublease to group companies		**166 833**	**0**
CURRENT SUBLEASE TO GROUP COMPANIES			
Holding and Investments - Wilservice AS	4	33 650	
Current sublease to group companies		**33 650**	**0**

Note 16 Events after the balance sheet date

The recent outbreak of Coronavirus has already and will continue to affect economic conditions and the demand for the groups activities, regionally as well as globally and otherwise impact the group's operations and the operations of the group's customers, suppliers and other stakeholders

The investments int the parent company are adversely impacted since the market value of financial assets are dropped significantly. The ultimate severity of the Coronavirus outbreak is uncertain at this time and the impact it may have on the group's future operations and the health of our employees, which could be material and adverse.

No other material events occurred between the balance sheet date and the date when the accounts were presented which provide new information about conditions prevailing on the balance sheet date.

Note 17 Statement on the remuneration for senior executives

FRAMEWORK
The statement on senior executives' remuneration has been prepared in accordance with the Norwegian Public Limited Liability Companies Act, the Norwegian Accounting Act, and the Norwegian Code of Practice and is adopted by the board. It includes the company's remuneration policy, an assessment of how this was implemented in 2019 and guidelines for 2020. The policy is aligned with the company's strategic ambitions, people policy, and performance-based incentive philosophy.

DEFINITION OF SENIOR EXECUTIVES
For the purpose of this statement, senior executives include Thomas Wilhelmsen (group CEO), Christian Berg (group CFO), Jan Eyvin Wang (senior vice president industrial investments), Benedicte Teigen Gude (senior vice president HR and communications), Bjørge Grimholt (CEO and president Ships Service), Carl Schou (CEO and president Ship Management), and John Stangeland (CEO NorSea Group). Erik Nyheim (senior vice president industrial investments) was part of the senior executives until May 2019, when he left the group.

GENERAL PRINCIPLES
The board sets the framework for remuneration of senior executives and believes it to be a tool to retain and attract required leadership. While the board sets the compensation and benefits for the group CEO, remuneration of other senior executives is determined administratively based on a framework specified by the board.

Remuneration shall be competitive, but not market leading, in the relevant labour market(s). The remuneration level should be fair and reflect the complexity and responsibilities of each role.

The total remuneration package consists of:
1) a fixed remuneration (basic salary),
2) a variable, performance-based remuneration (short- and long-term incentive schemes), and
3) benefits in kind (newspapers, mobile phone, broadband, insurance, and car salary).

Variable payment normally requires that the senior executive has not given or been given notice. Pending reason for leaving the company before a bonus pay-out, a proportionate share of the bonus may be paid out.

FIXED REMUNERATION
The main element of the remuneration package is the annual base salary.

Fixed salary 2019
For details regarding benefits paid in 2019, see note 6 to group accounts and notes on page 61 and note 2 to parent company accounts and notes on page 98, which also includes comparable figures from 2018. The salary adjustments for 2019 where within the frame of a 3% increase set by the board.

The board conducted a salary review of senior executives in 2019. The review showed that most positions were at acceptable levels.

SHORT-TERM VARIABLE REMUNERATION
The total reward package includes an annual variable pay scheme which intends to emphasise the link between pay and performance. It aligns the senior executives with relevant, clear targets derived from the group's long-term strategy. The variable pay scheme includes financial targets, and/or individual and team targets and/or discretionary elements linked to ability to live the group's values, create cross-company collaboration and/or delivered on value creation plan developed for each group entity.

Maximum opportunity for short-term bonus is capped at four to six months' salary, depending on role. A prerequisite for paying out any bonus is that WWH group has positive total comprehensive income (net profit plus other compressive income less minorities). To receive full bonus, the achievement needs to exceed set targets. In addition, each KPI includes a threshold for payment. If the company has severe financial constraints, the board can decide that no payments will be made.

Short-term bonus pay-out for 2019
There was no short-term bonus pay-out for the group management team (Wilhelmsen, Berg, Wang, and Teigen Gude) in 2019, based on performance in 2018. The other senior executives (Grimholt, Schou, and Stangeland) received bonus based on their agreements.

For the fiscal year 2019, the group management team was measured on return on capital employed and ability to facilitate and generate cross-company business development. The discretionary element was individual and linked to how each person actively contributed to cross company collaboration and how the employee's performance and contribution affected the group's ability to reach short- and long-term targets. The group management team did not receive full payment for achievements in 2019 (payable in 2020). For the other senior executives, pay-out was according to achieved results.

Short-term bonus schemes for 2020
Given the group structure, the board has decided that the group management team will be measure again development in value adjusted equity (VAE) for the fiscal year 2020. In addition, the board has decided that the bonus will depend on the team's ability to identify business opportunities related to ESG and identify new business opportunities for the group. The discretionary element is linked to the ability to support group companies in their value creation, engagement survey results and how each team members acts according to group values.

There are not changes in the KPIs for other senior executives.

LONG-TERM VARIABLE REMUNERATION
The senior executives (less one) participate in a long-term incentive scheme. The scheme, which starts every second year and lasts for four years, aims to increase alignment with the shareholders' interests and how senior executives execute strategy and create value for the group and the company's shareholders over time. The board sets criteria for each programme before it starts, and they last for the whole period unless significant changes happen which deems it necessary to adjust. In case, changes will be disclosed.

The long-term variable remuneration is based on the development of the group's VAE, determined using a sum-of-the-parts method: non-listed entities are valued using earnings multiples less debt and minorities or at net asset value, while listed entities are valued at market price. The board has also reserved the right to look at economic value added when assessing performance.

Even though the criteria and requirements under this programme are fulfilled, the board can, if WWH has severe financial constraints, decide that no payments will be made.

For the group CEO, maximum payment is 100% of base salary. For the remaining, the maximum payment is 50% of base salary.

Long-term bonus pay-out in 2019
The long-term bonus scheme, which ran from 2015-2018, did not result in any pay-out (payable in 2019).

The group currently has two four-year programmes running, one from 2017-2020, with potential pay-out in 2021, and one from 2019-2022, with potential pay-out in 2023.

PENSION SCHEME
The company offers pension benefits for senior executives aligned with local markets. The scheme includes coverage for old age, disability, spouse and children, and supplement payments from the Norwegian National Insurance system.

Senior executives are part of a collective agreement, which includes a contribution of 7% for salary up to 7.1G and 22% for salary between 7.1-12G. Senior executives (less one) have an extra pension for salary above 12G. Pension obligations related to salary above 12G and the option to take early retirement are insured in the case of group CEO. The group CEO has the right to a life-long contribution constituting 50% of his annual salary retirement above 12G. The group CFO has an agreement to retire at the age of 67, with a gross compensation equal to 60% of base salary to the age of 70. The presidents for Ships Service and Ship Management have a defined benefit plan for salary exceeding 12G financed through operations.

SEVERANCE PACKAGE SCHEME
The group CEO has a severance pay guarantee including 100% of his annual salary for 24 months after leaving the company because of mergers, substantial changes in ownership, or if deemed necessary by the board. After six months' notice period, possible income during the severance pay period will be deducted by up to 50%.

Cont. note 17 Statement on the remuneration for senior executives

The other senior executives (less one) also have arrangements for severance payment beyond the redundancy period (in total 18 months). After six months' notice period, possible income during the severance pay period will be deducted by up to 50%. The last senior executive has a six months' notice period but is not entitled to a severance package.

Entitlement to severance payment is conditional on the senior executive not triggering their own notice, being guilty of gross misconduct, gross negligence, disloyalty or other material breach of his/her duties.

SENIOR EXECUTIVES ON INTERNAL AND EXTERNAL BOARDS
Any board compensation from company boards or boards where the group has an ownership stake will be deducted from short-term variable pay from the group.

Auditor's report

To the General Meeting of Wilh. Wilhelmsen Holding ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wilh. Wilhelmsen Holding ASA, which comprise:

- The financial statements of the parent company Wilh. Wilhelmsen Holding ASA (the Company), which comprise the balance sheet as at 31 December 2019, the income statement, comprehensive income and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Wilh. Wilhelmsen Holding ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2019, the income statement, comprehensive income and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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T: 02316, org. no.: 987 009 713 VAT, www.pwc.no
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm

Auditor's report

Independent Auditor's Report - Wilh. Wilhelmsen Holding ASA

Key Audit Matters

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

The Groups business operations, who continue to evolve due to ongoing improvement projects, are largely the same as last year. We have not identified regulatory changes, transactions or other events that qualified as new Key Audit Matters for this year's audit. The area *Revenue from contracts with customers* contained the same characteristics and risks as last year, and have consequently been in our focus also in 2019.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue from contracts with customers	
This has been an area of focus for the audit due to the amounts involved. Revenue from contracts with customers in the Maritime Services and Supply Services segments was USD 579 million and USD 251 million respectively for the year ended December 31, 2019. Further, there is an inherent risk of errors when a business handles multiple revenue streams, where each of them consists of large numbers of transactions that adds up to material amounts. The inherent risk of errors increases from the complexity that sometimes accompany the requirements for management to use judgement, particularly to determine the transaction price and to decide when performance obligations are satisfied. Furthermore, we focused on management's assessment of certain contracts where judgements were an integral part of the assessment of whether Wilh. Wilhelmsen Holding ASA acts as the agent or the principal. We refer to note 3 Revenue, where management explain the various revenue streams and how they are accounted for under IFRS 15 - Revenue from contracts with customers and IFRS 16 - Leases. Here, management also explains the	We obtained and studied managements' accounting policy to assess it against relevant IFRSs. We discussed with management how the specific requirements of the standards, in particular IFRS 15 – Revenue from contracts with customers, were met. We found that we were able to agree with management about their accounting policies and that their assessments were reasonable. To assess the accuracy of their practices, we tested, on a sample basis, each revenue stream towards information such as contract terms, invoices and bank payments. We found that the revenue was recorded accurate and in accordance with the underlying documentation. Further, to assess the determined transaction prices, we obtained an understanding of the price for services and products, including discounts and customer bonus through interviews with management, walkthroughs and review of process descriptions. In addition, we obtained and read a selection of customer contracts to understand whether the determined prices were in accordance with the contract terms. We found no significant deviations in management's assessments. Through interviews with management and review of a selection of sales documentation such as customer contracts and invoices; we obtained an understanding of the assumptions management assessed to decide on when the performance obligations were satisfied. We concluded that management's assumptions were reasonable.

Auditor's report

Independent Auditor's Report - Wilh. Wilhelmsen Holding ASA

different performance obligations, measurement of the transaction price and whether income should be recognized net or gross.	To assess whether the accounting should reflect whether the company acted as an agent or a principal, we obtained and read a selection of contracts. We considered the specific contract terms, and held them up against the requirements in IFRS 15 and discussed with management and challenged their assessment. The accounting is arranged to reflect that Wilh. Wilhelmsen Holding ASA is an agent. We found management's judgements to be appropriate. We compared the related disclosures in note 3 to the financial statements for the Group to the requirements of the applicable financial reporting framework, IFRS. We found that the disclosure appropriately explained the revenue from contracts with customers and lease revenue.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements of the Company in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation and fair presentation of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's report

Independent Auditor's Report - Wilh. Wilhelmsen Holding ASA

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Auditor’s report

Independent Auditor's Report - Wilh. Wilhelmsen Holding ASA

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors’ report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors’ report and in the reports on Corporate Governance and Sustainability concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company’s accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 31 March 2020
PricewaterhouseCoopers AS

Thomas Fraurud
State Authorised Public Accountant

(5)

Responsibility statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2019 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit for the entity and the group taken as a whole.

We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Lysaker, 31 March 2020
The board of directors of Wilh. Wilhelmsen Holding ASA

Diderik Schnitler
chair

Trond Westlie

Carl Erik Steen

Irene Waage Basili

Thomas Wilhelmsen
group CEO

Renewable energy

The global energy transition offers significant challenges to the established energy sector and considerable growth opportunities in the renewable energy market. Our approach is to support our customers and partners in their energy transition, growing our presence in the offshore wind sector, and supporting the growth of renewable fuels including at our own sites. Our work to have zero emission terminals for the offshore industry combined with our technical services for the offshore wind sector through NorSea Wind, are indications of our growing presence in the renewable energy sector. We are also working with partners on the Topeka project to bring hydrogen fuel to market for shipping.

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Corporate governance

Corporate governance

A summary of the corporate governance report for 2019

Corporate governance comply or explain overview

Section	Topic	Deviation	Reference in this report
01.	Implementation and reporting on corporate governance	None	Page 127
02.	Business	None	Page 127
03.	Equity and dividends	None	Page 127
04.	Equal treatment of shareholders and transactions with close associates	None	Page 128
05.	Shares and negotiability	None	Page 128
06.	General meetings	There is no requirement for the full board to attend the general meeting, and the board chair opens and directs the meeting	Page 128
07.	Nomination committee	None	Page 129
08.	Board of directors: composition and independence	The board chooses its own chair	Page 129
09.	The work of the board of directors	The full board serves as audit committee	Page 130
10.	Risk management and internal control	None	Page 130
11.	Remuneration of the board of directors	None	Page 131
12.	Remuneration of executive personnel	None	Page 131
13.	Information and communications	None	Page 131
14.	Take-overs	None	Page 131
15.	Auditor	None	Page 131

Reducing risk and improving accountability

We, as the board of Wilh. Wilhelmsen Holding ASA, are responsible for ensuring that the company is directed and controlled in an appropriate and satisfactory manner according to existing laws and regulations.

We believe sound corporate governance is important because it:

- reduces risk
- contributes to the greatest possible value creation over time in the best interests of the company's shareholders, employees and other stakeholders
- ensures fair treatment of all our stakeholders
- ensures easy access to timely, accurate and relevant information about the company's business
- strengthens the confidence in the company and increases the company's attractiveness.

The Corporate governance report for 2019 is, amongst others, based on the requirements of the Norwegian Accounting Act and the recommendations of the Norwegian Code of Practice for Corporate Governance.

We, as the board, assess the company's corporate governance to be of high standard, and discussed and approved the report on 31 March 2020. All the directors were present at the meeting.

Diderik Schnitler
Chair of the board

The board's corporate governance report for 2019

1. Implementation and reporting on corporate governance
Wilh. Wilhelmsen Holding ASA (Wilhelmsen) is a public limited company organised under Norwegian law. Listed on a regulated market (Oslo Børs), the company is subject to general Norwegian securities' legislation and Oslo Børs' regulations.

This corporate governance report follows the requirements of the Norwegian Accounting Act (§3-3b) and the recommendations in the Norwegian Code of Practice for Corporate Governance (Code of Practice, dated 17 October 2018). The Code of Practice includes provisions and guidance that in part elaborate on existing legislation and in part cover areas not addressed by legislation. The structure of this report is aligned with the structure of the Code of Practice.

The corporate governance report is published as part of the company's annual report and available on the company's website.

Comply or explain principle
The corporate governance report follows the "comply and explain" principles. Where Wilhelmsen does not fully comply with the Code of Practice, an explanation of the reason for the deviation and what solution the company has selected has been included.

Deviations from the Code of Practice: None

2. Business
Business activities
According to Wilhelmsen's Articles of association, the company's objective is to engage in shipping, maritime services, aviation, industry, commerce, finance business, brokerage, agencies and forwarding, to own or manage real estate, and to run business related thereto or associated therewith. While present business activities mainly are within maritime services, shipping and related logistics services, the board finds it appropriate to maintain a broad objective to allow for a wider range of activities and investments.

Strategy and risk
The board has a yearly strategy review of the business portfolio and the ownership strategy for main activities and investments, supplemented by selective business reviews on a regular basis.

The board further evaluate the risk profile on a quarterly basis.

A summary of the strategic direction and a risk review is included in the directors' report for 2019.

Stakeholder interests
Wilhelmsen is in regular dialogue with key stakeholders engaged in issues relating to the maritime industry and the corporate activities of the group. A description of various stakeholder interests and how this may impact Wilhelmsen is described in the group's sustainability report available on the company's website.

Sustainable business model
A responsible business model is necessary to be sustainable. Acknowledging that the company's activities affect its surroundings, the company issues an annual Sustainability report. The report is based on the requirements stated in the GRI Sustainability Reporting Standards (GRI Standards) and the ten principles of the UN Global Compact.

The Sustainability report describes how Wilhelmsen combines long-term profitability with emphasis on ethical business conduct including respect for human rights, the natural environment and the societies in which the company operates. The report includes how the company addresses employee rights and working environment, human rights, health and safety issues, the external environment, prevention of corruption and how the company contributes to communities in which it operates.

The report, which also describes how the company actively contributes to reaching the Sustainable Development Goals, is available on the company's website.

Deviations from the Code of Practice: None

3. Equity and dividends
Capital structure
The board considers it appropriate for the parent company to maintain a low debt profile, with group business activities primarily financed on a non-recourse basis by the relevant subsidiary. This is consistent with the holding nature of the parent company.

Dividend
The dividend policy states that "the goal is to provide shareholders with a high return over time through a combination of value creation for the company's shares and payment of dividend. The objective is to have consistent yearly dividend paid twice annually".

Wilhelmsen has a history of paying dividend twice a year, with total consideration varying between NOK 5.00 and NOK 5.50 per share for the five-year period 2015-19. The first dividend has varied been NOK 2.50 and NOK 3.50 per share, while the second dividend has been between NOK 1.50 and NOK 2.50 per share. In 2019, the company paid a total dividend of NOK 5.00 per share, evenly split with NOK 2.50 as both first and second dividend.

The board is proposing to the annual shareholder meeting scheduled for 29 April 2020 a dividend of NOK 2.00.

Mandate to increase share capital or purchase own shares
At the 30 April 2019 annual general meeting, the board proposed and was granted an authorisation to acquire shares in the company with a nominal value of up to NOK 92 807 648, equivalent to 10% of the current share capital. The reason for the proposal was that it enables the adjustment of capital structure and balance to the company's needs, as framework conditions for the industry change.

In line with the authorisation granted by the annual general meeting, the company conducted a share buyback program during the period 24-26 September 2019. Following completion of the program, Wilh. Wilhelmsen Holding ASA owns a total of 1 823 829 own shares, split on 537 097 A-shares and 1 286 732 B-shares. This is equivalent to 3.93% of the total number of shares in the company.

The board has made a proposal to the next annual general meeting to be held on 29 April 2020 for a new mandate to buy up to 10% of the company's shares, valid for one year.

The board has not requested, and the general meeting has as such not granted, any board mandate to increase the company's share capital.

Deviations from the code: None

4. Equal treatment of shareholders and transactions with close associates
Transactions in own shares
Any transactions the company carries out in its own shares are carried out through the stock exchange and at prevailing stock exchange prices, or in such other ways which will ensure equal treatment of all shareholders.

Transaction with close associates
Any transactions taking place between a principal shareholder or close associates and the company will apply prices and other terms and conditions common for such agreements. A similar principle is used for transactions between companies within the group. In the event of material transactions, the company will seek independent valuation. Relevant transactions will be publicly disclosed to seek transparency. The board instruction includes procedures for how to handle any situations where a board member has a personal or financial interest related to a board matter.

Deviations from the Code of Practice: None

5. Freely negotiable shares
Listed on the Oslo Børs with the tickers "WWI" and "WWIB" for the Class A and Class B shares respectively, all shares are freely negotiable. There are no restrictions on negotiability in the company's Articles of associations.

Deviations from the Code of Practice: None

6. General meetings
Matters to be dealt with and decided by the annual general meeting and procedures related to general meetings are outlined in article 8 of the Articles of associations. The annual general meeting is normally held late April or early May. In addition, extraordinary general meetings may be convened if required.

Shareholders with Norwegian VPS accounts or known addresses are notified electronically through the Norwegian VPS system or by mail no later than 21 days prior to a general meeting.

Proposed resolutions, together with relevant supporting documents are published on the Wilhelmsen website no later than 21 days prior to the general meeting. For annual general meetings, this include the annual report (including directors report, annual accounts and the auditor's report), statement on the remuneration for senior executives, statement on corporate governance, and the nomination committee report. Shareholders may, upon request, receive hard copies of the material.

Shareholders may attend the general meeting in person, nominate a proxy, or vote in advance. The vote may be through electronic communication. The attendance form, proxy nomination, or advance vote must be received by the company's registrar no later than two working days before the meeting takes place. As a general rule, shareholders may vote on each individual matter, including individual candidates nominated for election.

The board chair, nomination committee chair, group CEO, group CFO, and auditor will normally attend the annual general meeting, together with other members of the board and management if available. There is no requirement for the full board to attend a general meeting.

The board chair opens and directs the general meeting in accordance with Article 8 of the Articles of association.

The minutes of general meetings are published on the Oslo Børs news service and available on the company's website.

Deviations from the Code of Practice: There is no requirement for the full board to attend the general meeting, and the board chair opens and directs the meeting

7. Nomination committee

The work of the Wilhelmsen nomination committee follows the "Guidelines for the nomination committee" approved by the general meeting on 30 April 2019.

During 2019, the nomination committee consisted of the following members:

Nomination committee member	Elected	Period	Elected to
Wilhelm Wilhelmsen (chair)	26.04.2018	2 years	2020
Jan Gunnar Hartvig	26.04.2018	2 years	2020
Frederik Selvaag	26.04.2018	2 years	2020

Wilhelm Wilhelmsen served as chair of the committee until he passed away on 22 February 2020. He was related to the group CEO and also acted as an advisor to the board.

As part of the nomination process, the committee has contact with relevant stakeholders. Input and proposals to the nomination committee may also be sent to the nomination committee secretary, with contact details available on the company website.

The nomination committee provides its recommendation to the annual general meeting in form of a report, which among other includes justification of individual candidates.

Deviations from the Code of Practice: None

8. Board of directors: composition and independence

According to article 5 of the Articles of association, the company's board is made up of five to seven members and up to three deputy members. It chooses its own chair.

The composition of the board is made to ensure it meets the company's need for expertise, capacity and diversity. Focus is also on ensuring that the board can function effectively as a collegiate body. Information on the background and experience of the individual board members are available on the company's website.

During 2019, the board consisted of the following members:

Board member	Last time elected	Period	Elected to
Diderik Schnitler (chair)	30.04.2019*	2 years	2019/21
Irene Waage Basili	26.04.2018	2 years	2020
Carl Erik Steen	30.04.2019*	2 years	2019/21
Trond Westli	26.04.2018	2 years	2020
Cathrine Løvenskiold Wilhelmsen**	30.04.2019*	2 years	2019/21

* Re-elected at the 30.04.2019 annual general meeting
** Resigned from the board 07.02.2020

The board does not include executive employees, and all board members are independent of the executive management. Cathrine Løvenskiold Wilhelmsen is related to the Wilhelmsen family, which through Tallyman AS is the main shareholder group of the company. All other board members are independent of the main shareholder group.

The group CEO and group CFO are normally present at board meetings, as is other executives depending on agenda and issues to be discussed.

The board instruction encourages board members to own shares in the company.

Following Cathrine L Wilhelmsen's resignation from the board on 7 February 2020, the board does not have the minimum required members as stated in the Articles of association and does not have the minimum required gender composition. After consultation with legal advisors and Oslo Børs, it has been concluded that the remaining board will be able to conduct its duties until election of new board members can take place at the annual general meeting scheduled for 29 April.

Deviations from the Code of Practice: The board chooses its own chair

9. The work of the board of directors

Board instruction and work of the board

The board has issued instructions for its own work. The instruction reflects the role, responsibilities, and work procedures of the board as laid down in the Norwegian Public Companies Act. This includes procedures for how to handle any situations where a board member has a personal or financial interest related to a board matter.

An evaluation of the board performance and expertise is conducted on an annual basis. A summary of the evaluation is provided as input to the nomination committee.

During 2019, the board held eight meetings, in addition to a full day strategy session and a two-day board tour.

According to article 5 of the Articles of association, “the full board shall jointly serve as the company’s audit committee.” As the Wilhelmsen board consists of five members, this is regarded the most effective solution. For the same reason, the board has not deemed it desirable to have a separate remuneration committee, nor other separate committees to follow up on specific issues.

Executive committee for industrial democracy

Wilhelmsen maintains an executive committee for industrial democracy in foreign trade shipping (“Rederistyret”), securing the interest of the employees related to the board. The committee meet prior to a corresponding board meeting.

The present committee consists of seven members, elected for a period of four years from 2018. Five members were elected by and among the employees and two were appointed by the management. Each employee representative has a personal deputy, and the management representatives have a joint deputy. One of the management representatives is the group CEO. During 2019, one member and one deputy member left the group with one deputy member position remaining vacant by end of 2019.

During 2019, the committee held four meetings.

Executive management instructions

The duties, responsibilities and authority of the group CEO follows instructions made by the board and the Norwegian Public Companies Act. The instructions made by the board also include authorities given to other executive employees.

The executive management of the Wilhelmsen group includes a group management team and the board and management of subsidiaries. Members of the group management team chairs or sits on the board of main subsidiaries and companies where Wilhelmsen has material ownership interests and/or a shareholder agreement which defines board composition. Management of subsidiaries are based on the Wilhelmsen group policies and governance principles.

Deviations from the Code of Practice: The full board serve as audit committee

10. Risk management and internal control

The board believes that the company’s internal control and risk management are sound and appropriate given the extent and nature of the company’s activities. The system contributes to sound control characterised by integrity and ethical attitudes throughout the organisation.

Governing documents, the code of conduct, policies, policy descriptions and procedures are documented and electronically available to the company’s employees through the company’s global integrated management system. Various internal control activities give management assurance that the internal control of financial systems, group policies and subsidiary boards are working adequately and according to management’s expectations.

The group has a global whistleblowing system including procedures and channels for giving notice to the company about potential non-compliance. The whistleblowing channel is available for internal and external parties.

The board reviews the company’s risk matrix on a quarterly basis and the internal control arrangements at least once a year.

Financial reporting

Financial reporting is covered by the company’s policies, policy descriptions, and procedures. Financial statements are prepared monthly, and Wilhelmsen reports to the market on a quarterly basis.

The board performs an internal financial audit review prior to the release of quarterly results, and when otherwise deemed required.

Deviations from the Code of Practice: None

11. Remuneration of the board of directors
Remuneration of directors is determined by the annual general meeting and is not dependent upon the company's results. The fee reflects the responsibilities of the board, its expertise, the amount of time devoted to its work and the complexity of the company's businesses. No director holds share options in the company.

In 2019, none of the directors performed assignments for the company other than serving on the board of the company.

An overview of the directors' remuneration is specified in note 6 to Wilhelmsen group accounts and note 2 to the parent company accounts, of which the latter includes an overview of shares in company owned or controlled by the individual director.

Deviations from the Code of Practice: None

12. Remuneration of executive personnel
A statement on the remuneration for senior executives is provided in note 16 of the annual accounts. An advisory vote is to be held at the annual general meeting concerning the statement.

The remuneration of senior executives is further detailed in note 6 to the group accounts and note 2 to the parent company accounts.

Deviations from the Code of Practice: None

13. Information and communication
The board has established an investor relations policy which is published on the company's website. The policy complies with the Oslo Børs Code of Practice for IR of 1 March 2017.

According to the policy, Wilhelmsen will publish interim reports each quarter in addition to half-year and annual reports. In 2019, two of the quarterly reports were covered through webcast presentations which included a Q&A session.

The investor relations policy further states that the main source of information about the Wilhelmsen group is the Wilhelmsen website, including among other financial information, governing elements and company news.

Deviations from the Code of Practice: None

14. Takeovers
The board has established a guideline for how it will act in the event of a take-over bid. The guidelines follow in all material aspects the recommendations outlined in the Code of Practice.

Deviations from the Code of Practice: None

15. Auditor
The auditor for Wilhelmsen is PricewaterhouseCoopers AS.

The key features of the external audit plan are reviewed by the board on an annual basis, with the auditor being present if deemed required.

The auditor is also invited to attend the meeting where the board deals with the annual accounts (preliminary and/or final accounts), and at other occasions where the board so requests.

Finally, the board has a yearly meeting with the auditor without the presence of management.

The board has established the principle that use of the auditor for services other than audit shall be limited.

The fee to external auditors, broken down by statutory work, other assurance services, tax services, and other assistance, is specified in note 6 to the Wilhelmsen group accounts and note 2 to the parent company accounts.

Deviations from the Code of Practice: None

Reduce marine litter and pollution

At the World Economic Forum in 2016, it was argued that there will be more plastic than fish in the sea by 2050. The oceans are our business, and we want to secure healthy and productive oceans for generations to come. Our ship management division has already implemented strict requirements for suppliers to vessels, regarding plastics and also initiated an industry-wide roundtable on reducing plastics in vessel operations. We have, however, a lot more work to do in this area. We continue to systematically go through our products and services and partner with other stakeholders to actively reduce marine litter and pollution across both our own and our customer’s value chains.

6

Corporate structure

Group management team

From left:
Benedicte Teigen Gude
(SVP HR and communications)

Thomas Wilhelmsen
(group CEO)

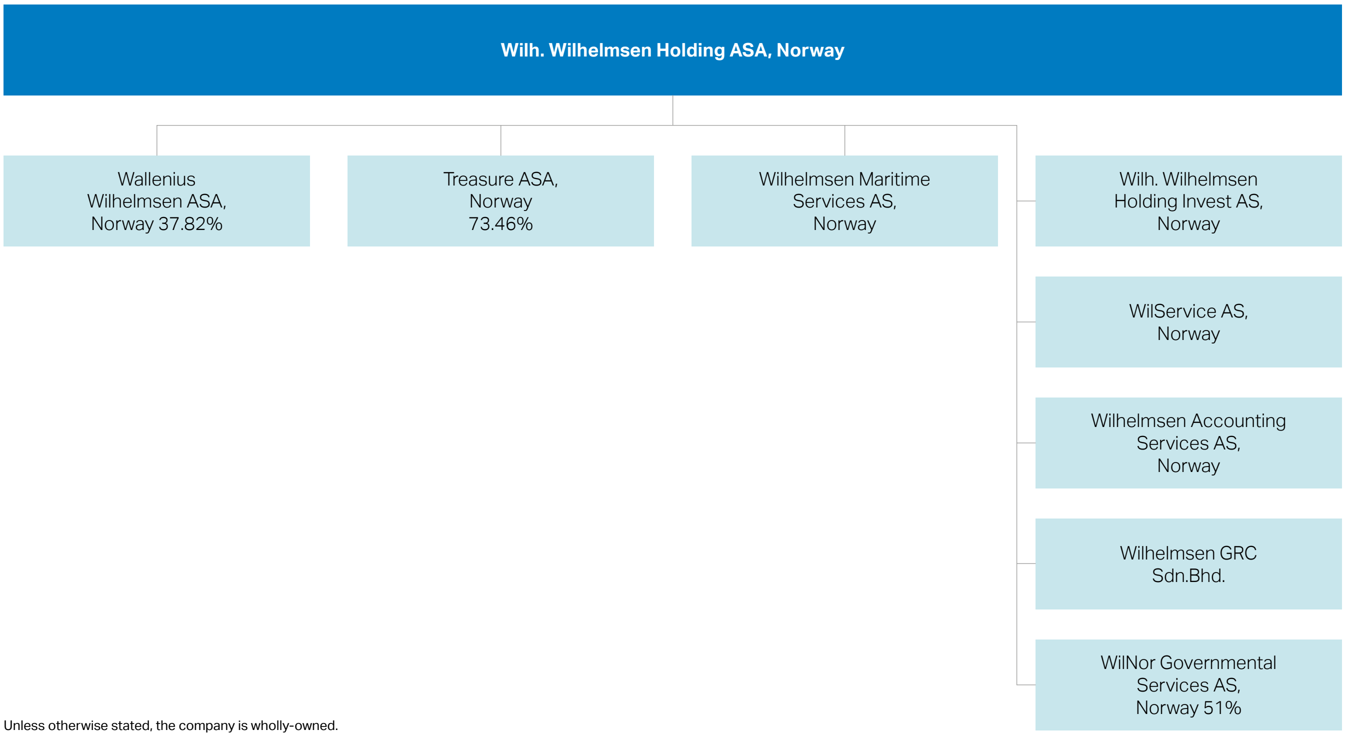
Jan Eyvin Wang
(SVP Industrial investments)

Christian Berg
(group CFO)

Corporate structure

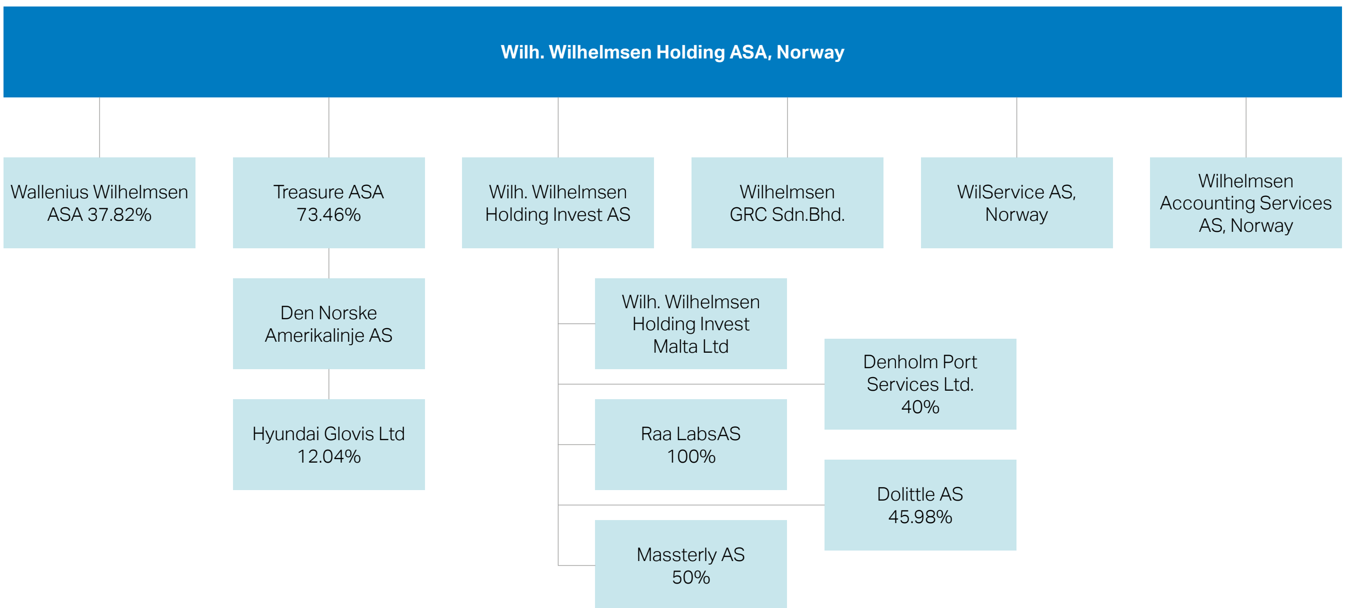
As of 31 December 2019

WWH group



Unless otherwise stated, the company is wholly-owned.

Holding and investments segment



Unless otherwise stated, the company is wholly-owned.

Supply services segment

Wilh. Wilhelmsen Holding ASA, Norway

WilNor Governmental Services AS
51%

Wilh. Wilhelmsen Holding Invest AS

NorSea Group AS
75.15%

For group company list sorted by business area see below list.

cont. Supply services segment

Company name	Country	Ownership %
Norsea Group		
NorSea Group Australia PTY Ltd	Australia	100.00%
NorSea Denmark A/S	Denmark	100.00%
NorSea Wind A/S	Denmark	50.00%
NorSea Wind GmBH	Germany	50.00%
NorSea Wind Holding AS	Norway	50.00%
NorSea Property AS	Norway	100.00%
NorSea Operations AS	Norway	100.00%
Wilnor Governmental Services AS	Norway	49.00%
NorSea Wind Holding AS	Norway	50.00%
NorSea Vestbase AS	Norway	100.00%
Vestbase Eiendom AS	Norway	100.00%
Averøy Eiendom AS	Norway	100.00%
Orvikan Eiendom AS	Norway	100.00%
Mid-Nor Yard Service AS	Norway	100.00%
NorSea Stordbase AS	Norway	100.00%
NorSea Stavanger AS	Norway	100.00%
Maritime Logistic Services AS	Norway	100.00%
NorSea Fighter AS	Norway	100.00%
NorSea Eiendom Dusavik AS	Norway	100.00%
NorSea Eiendom Tananger AS	Norway	100.00%
NorSea Tananger 107 AS	Norway	100.00%
Tananger Eiendom AS	Norway	100.00%
Nsg Digital As	Norway	66.00%
Polarbase Eiendom AS	Norway	95.62%
NorSea Polarbase AS	Norway	95.14%
Maritime Waste Management AS*	Norway	75.00%
NorSea Norbase AS	Norway	75.00%

cont. Supply services segment

Company name	Country	Ownership %
NSG Maritime AS	Norway	78.00%
Westport AS	Norway	66.66%
Dusavik Utvikling AS***	Norway	50.00%
Coast Center Base AS	Norway	50.00%
SørSea AS	Norway	50.00%
Polarlift AS	Norway	50.00%
KS Coast Center Base	Norway	49.75%
Risavika Eiendom AS	Norway	42.00%
Bring Logistics Polarbase AS	Norway	41.00%
Eldøyane Næringspark AS	Norway	37.97%
Risavika Havnering 14 AS	Norway	33.33%
Strandparken Holding AS**	Norway	33.07%
Logiteam AS****	Norway	17.00%
CCB Subsea AS*****	Norway	17.00%
Hammerfest Næringsinvest AS	Norway	32.26%
Norsea 123 Ltd.	Scotland	100.00%
NorSea UK Ltd	Scotland	100.00%
NorSea Wind Ltd	United Kingdom	50.00%

* NorSea Group Operations AS owns 50% of Maritime Waste Management AS, remaining 50% is owned by Coast Center Base AS. NorSea Group Operations AS owns 50% of Coast Center Base AS. Total direct and indirect NorSea Group AS owns 75% of Maritime Waste Management AS.

** Polarbase Eiendom AS owns 25% of Strandparken Holding AS. Polarbase Eiendom AS owns 32.26% of Hammerfest Næringsinvest AS. Hammerfest Næringsinvest AS owns 25% of Strandparken Holding AS. Total direct and indirect NorSea Group AS owns 33.07 % of Strandparken Holding AS.

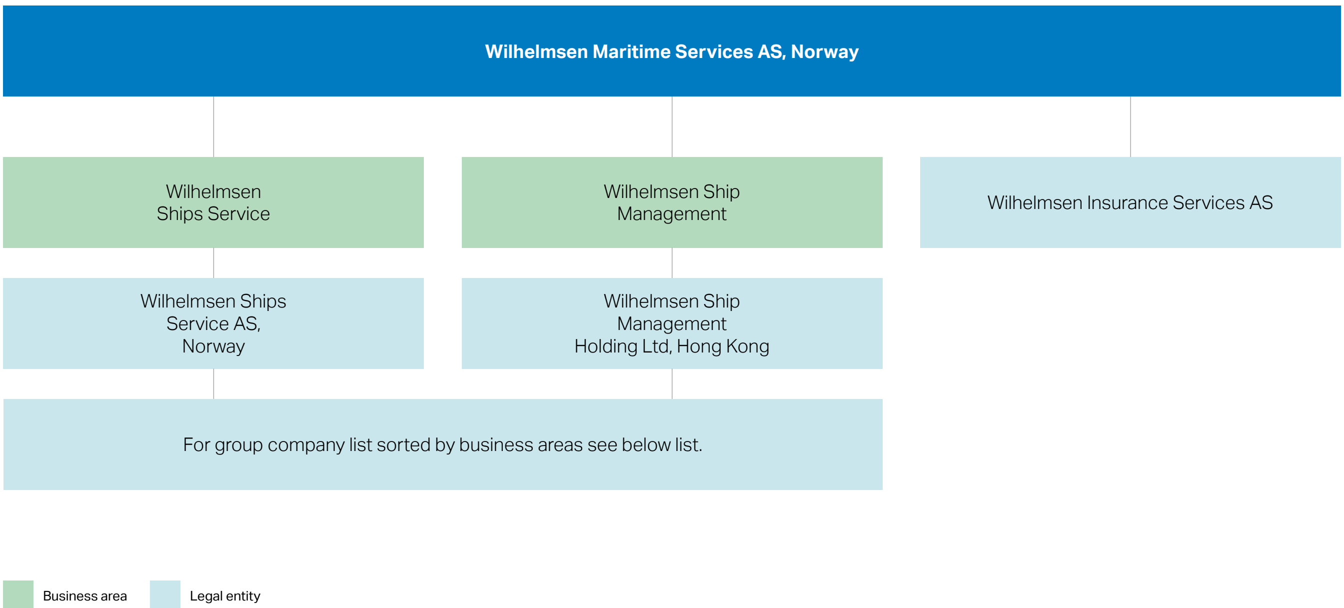
*** NSG own 40% of Dusavik Utvikling AS. K2 owns 60% of Dusavik Utvikling. NorSea Eiendom dusavik owns 16.83% of K2.

**** NSG Operation 17%, CCB 51%.

***** NSG Operation 17%, CCB 51%.

Investments in subsidiaries and associates are measured according to cost method in the financial statements.
In the consolidated accounts associated companies are measured according to the equity method.

Maritime services segment



Unless otherwise stated, the company is wholly-owned.

cont. Maritime services segment

Company name	Country	Ownership %
Wilhelmsen Maritime Services		
Wilhelmsen Insurance Services AS	Norway	100.00%
Wilhelmsen Ship Management		
Wilhelmsen Ship Management Serviços Marítimos do Brasil Ltda	Brazil	100.00%
NSG Wind A/S	Denmark	50.00%
NorSea Wind A/S	Denmark	50.00%
Wilhelmsen Marine Personnel d.o.o.	Croatia	100.00%
Diana Wilhelmsen Management Limited	Cyprus	50.00%
NorSea Wind GmBH	Germany	50.00%
BWW LPG Limited (formerly known as Aurora Wilhelmsen Management Limited)	Hong Kong	49.00%
Barklav (Hong Kong) Limited	Hong Kong	50.00%
Wilhelmsen Marine Personnel (Hong Kong) Ltd	Hong Kong	100.00%
Wilhelmsen Ship Management Holding Limited	Hong Kong	100.00%
Wilhelmsen Ship Management Limited	Hong Kong	100.00%
WSM Global Services Limited	Hong Kong	100.00%
Wilhelmsen Ship Management (India) Private Limited	India	100.00%
BWW LPG Sdn Bhd (formerly known as Aurora Wilhelmsen Management Limited)	Malaysia	49.00%
Wilhelmsen Ship Management Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ship Management Services Sdn Bhd	Malaysia	100.00%
NorSea Wind Holding AS	Norway	50.00%
Barber Moss Ship Management AS	Norway	100.00%
Wilhelmsen Marine Personnel (Norway) AS	Norway	100.00%
Wilhelmsen Ship Management (Norway) AS	Norway	100.00%
OOPS (Panama) SA	Panama	100.00%
Wilhelmsen-Smith Bell Manning Inc	Philippines	25.00% *
Wilhelmsen Marine Personnel Sp z.o.o.	Poland	100.00%
Wilhelmsen Ship Management Korea Ltd	Republic of Korea	100.00%
Barklav SRL	Romania	50.00%
Wilhelmsen Marine Personnel Novorossiysk Ltd	Russia	100.00%
Wilhelmsen Ship Management Singapore Pte Ltd	Singapore	100.00%
Wilhelmsen Marine Personnel (Ukraine) Ltd	Ukraine	100.00%
Wilhelmsen Ship Management (USA) Inc	United States	100.00%
NorSea Wind Ltd	United Kingdom	50.00%
Wilhelmsen Ship Management UK Limited	United Kingdom	100.00%
Wilhelmsen Ships Service		
Wilhelmsen Ships Service Algeria SPA	Algeria	49.00% *
Wilhelmsen Ships Service Argentina SA	Argentina	100.00%
New Wave Maritime Services Pty Ltd	Australia	100.00%
Wilhelmsen Ships Service Pty Limited	Australia	100.00%
WLB Shipping Pty Ltd	Australia	100.00%
WWHI Property Australia Pty Ltd	Australia	100.00%
Almoayed Wilhelmsen Ltd	Bahrain	40.00% *
Wilhelmsen Ships Service NV	Belgium	100.00%
Wilhelmsen Ships Service do Brasil Ltda	Brazil	100.00%
Wilhelmsen Ships Service Ltd	Bulgaria	100.00%
Wilhelmsen Ships Service Inc	Canada	100.00%
Wilhelmsen Ships Service Agencia Maritima SA	Chile	100.00%
Wilhelmsen Ships Service (Chile) S.A.	Chile	100.00%
Wilhelmsen Huayang Ships Service (Beijing) Co Ltd	China	50.00%
Wilhelmsen Huayang Ships Service (Shanghai) Co Ltd	China	49.00% *
Wilhelmsen Ships Service Co Ltd	China	100.00%
Wilhelmsen Ships Service Colombia SAS	Colombia	100.00%
Wilhelmsen Ships Service Cote d'Ivoire SARL	Cote d'Ivoire	100.00%
Wilhelmsen Ships Service Cyprus Ltd	Cyprus	100.00%
Wilhelmsen Ships Service A/S	Denmark	100.00%
Wilhelmsen Ships Service Ecuador SA	Ecuador	100.00%

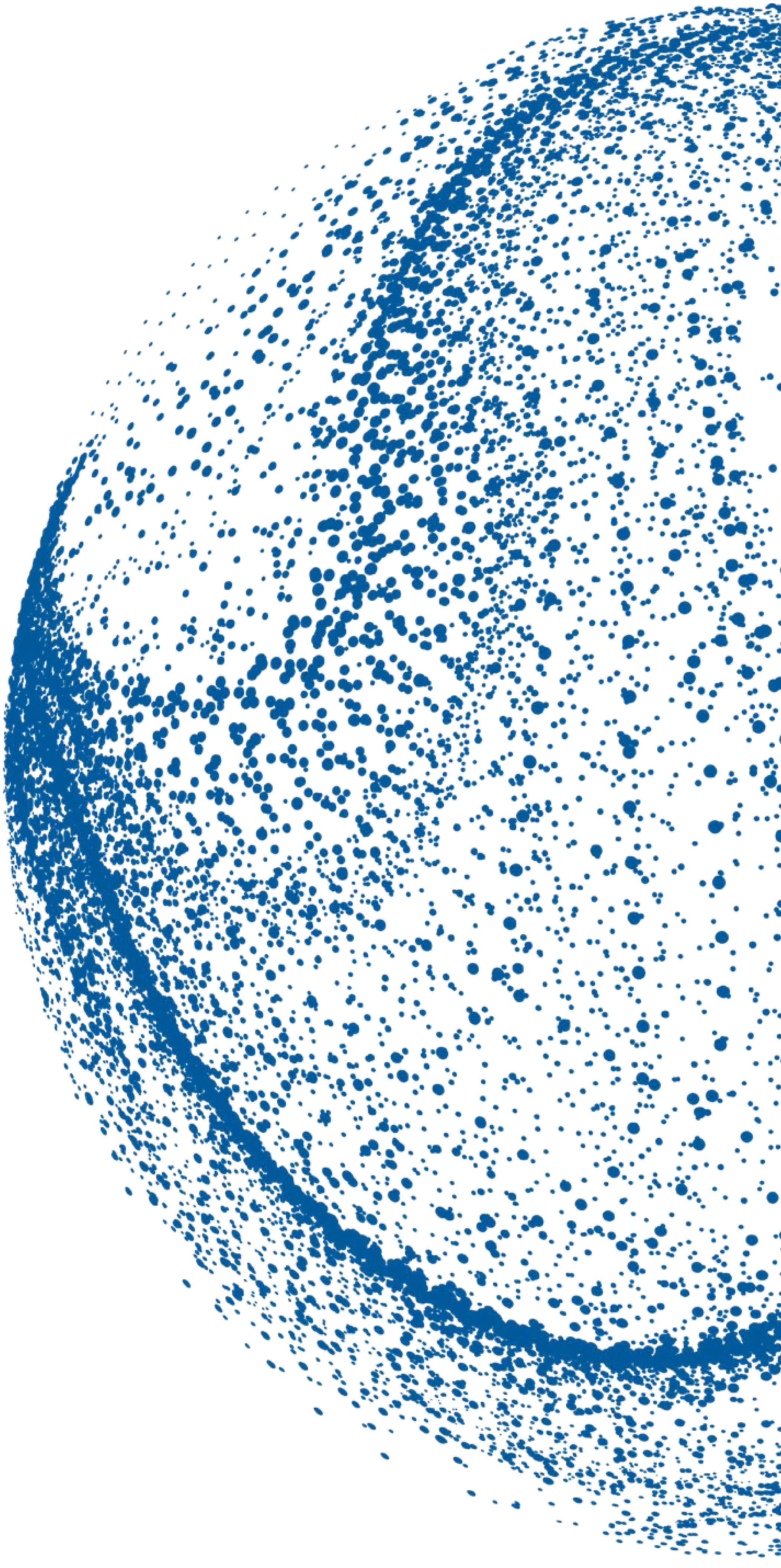
cont. Maritime services segment

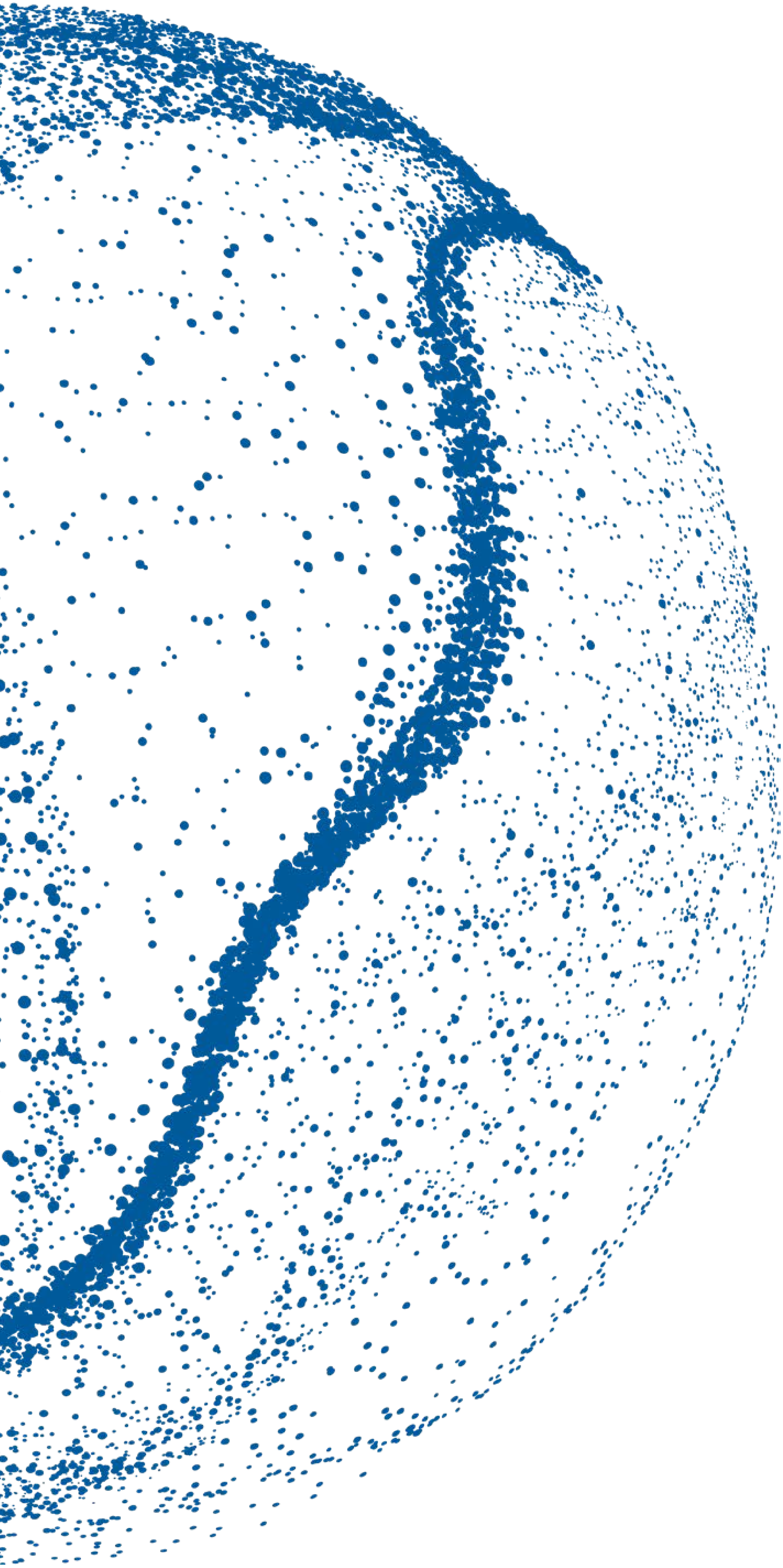
Company name	Country	Ownership %
Wilhelmsen Ships Service		
Barwil Arabia Shipping Agencies SAE	Egypt	35.00%
Barwil Egytrans Shipping Agencies SAE	Egypt	49.00% *
Scan Arabia Shipping Agencies SAE	Egypt	49.00% *
Wilhelmsen Ships Service LLC (Egypt)	Egypt	100.00%
Wilhelmsen Ships Service Oy Ab	Finland	100.00%
Auxiliaire Maritime SAS	France	100.00%
Wilhelmsen Ships Service France SAS	France	100.00%
Barwil Georgia Ltd	Georgia	50.00%
Wilhelmsen Ships Service Georgia Ltd	Georgia	50.00%
Barwil Agencies GmbH	Germany	100.00%
Wilhelmsen Ships Service GmbH	Germany	100.00%
Wilhelmsen Ships Service (Gibraltar) Limited	Gibraltar	100.00%
Wiltrans (Gilbraltar) Limited	Gibraltar	100.00%
Barwil Hellas Ltd	Greece	60.00%
Uniref SA	Greece	100.00%
Wilhelmsen Ships Service Hellas SA	Greece	100.00%
Wilhelmsen Ships Service Limited	Hong Kong	100.00%
Wilhelmsen Maritime Services Private Limited	India	100.00%
Barwil For Maritime Services Co Ltd	Iraq	100.00%
Iraqi-Norwegian Company For Marine Navigation and Maritime Services Ltd	Iraq	100.00%
Wilhelmsen Ships Service SpA	Italy	100.00%
Wilhelmsen Ships Service (Japan) Pte Ltd - Legal Branch	Japan	100.00%
Wilhelmsen Ships Service Co Ltd	Japan	100.00%
Wilhelmsen Ships Service Ltd	Kenya	100.00%
Alghanim Barwil Shipping Co-Kutayba Yusuf Ahmed & Partners WLL	Kuwait	49.00%
Wilhelmsen Ships Service Lebanon SAL	Lebanon	49.00%
Wilhelmsen Freight & Logistics Sdn Bhd	Malaysia	100.00%
Wilhelmsen IT Services Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ships Service Holdings Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ships Service Malaysia Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ships Service Trading Sdn Bhd	Malaysia	100.00%
WSS Global Business Services Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ships Service Malta Limited	Malta	100.00%
Unitor de Mexico, SA de CV	Mexico	100.00%
Wilhelmsen Ships Service (Mozambique), Limitada	Mozambique	100.00%
Wilhelmsen Ships Service (Myanmar) Limited	Myanmar	100.00%
Wilhelmsen Ships Service BV	Netherlands	100.00%
Unitor Ships Service NV Netherland Anthilles	Netherlands Antilles	100.00%
Wilhelmsen Ships Service Limited	New Zealand	100.00%
Barwil Agencies AS	Norway	100.00%
Wilhelmsen Chemicals AS	Norway	100.00%
Wilhelmsen IT Services AS	Norway	100.00%
Wilhelmsen Ships Service AS	Norway	100.00%
Wilhelmsen Towell Co LLC	Oman	60.00%
Wilhelmsen Ships Service (Private) Limited	Pakistan	49.00% *
Barwil Agencies SA	Panama	100.00%
Intertransport Air Logistics SA	Panama	100.00%
Lowill SA	Panama	100.00%
Scan Cargo Services SA	Panama	100.00%
Transcanal Agency SA	Panama	100.00%
Wilhelmsen Ships Service SA	Panama	100.00%
Wilhelmsen-Smith Bell (Subic) Inc	Philippines	50.00%
Wilhelmsen-Smith Bell Shipping Inc	Philippines	40.00% *
Wilhelmsen Ships Service Philippines Inc	Philippines	100.00%
Wilhelmsen Ships Service Polska Sp z.o.o.	Poland	100.00%
Wilhelmsen Business Services Center Sp. z.o.o.	Poland	100.00%
Argomar-Navegcao e Transportes SA	Portugal	100.00%

cont. Maritime services segment

Company name	Country	Ownership %
Wilhelmsen Ships Service		
Wilhelmsen Ships Service Portugal, S.A	Portugal	100.00%
Perez Torres Portugal Lda	Portugal	50.00%
Wilhelmsen Ship Services Qatar Ltd	Qatar	0.00% *
Wilhelmsen Hyopwoon Ships Service Ltd	Republic of Korea	50.00%
Wilhelmsen Ship Services Co Ltd	Republic of Korea	100.00%
Barwil Star Agencies SRL	Romania	100.00%
Wilhelmsen Ships Service OOO	Russia	100.00%
Limited Liability Company "Wilhelmsen Marine Products"	Russia	100.00%
Ocean Shipping Co. Ltd	Sudan	0.00% *
Barwil Agencies Ltd For Shipping	Saudi Arabia	70.00%
Binzagr Barwil Maritime Transport Co Ltd	Saudi Arabia	50.00%
Nagliyat Al-Saudia Co Ltd	Saudi Arabia	0.00% *
Wilhelmsen Ships Service Senegal SUARL	Senegal	100.00%
Unitor Cylinder Pte Ltd	Singapore	100.00%
Wilhelmsen Ships Service (Japan) Pte Ltd	Singapore	100.00%
Wilhelmsen Ships Service (S) Pte Ltd	Singapore	100.00%
Wilhelmsen Global Husbandry Services Pte. Ltd.	Singapore	100.00%
Timm Slovakia s.r.o	Slovakia	100.00%
Barwil (South Africa) Pty Ltd	South Africa	100.00%
Krew-Barwil (Pty) Ltd	South Africa	49.00%
Wilhelmsen Ships Services (Pty) Ltd	South Africa	100.00%
Wilhelmsen Ships Services South Africa (Pty) Ltd	South Africa	70.00%
Wilhelmsen Ships Service Canarias SA	Spain	100.00%
Wilhelmsen Ships Service Spain SAU	Spain	100.00%
Wilhelmsen Ships Service AB	Sweden	100.00%
Wilhelmsen Ships Service Inc	Taiwan	100.00%
Wilhelmsen Ship Services Ltd	Tanzania	100.00%
Wilhelmsen Ships Service (Thailand) Ltd	Thailand	49.00% *
Wilhelmsen Denizcilik Hizmetleri Ltd Sirketi	Turkey	100.00%
Wilhelmsen Lojistick Hizmetleri Ltd Sirketi	Turkey	100.00%
Wilhelmsen Ships Service Ukraine Ltd	Ukraine	100.00%
Barwil Dubai LLC	United Arab Emirates	49.00% *
Wilhelmsen Ship Services LLC	United Arab Emirates	42.50%
Triangle Shipping Agencies LLC	United Arab Emirates	49.00% *
Wilhelmsen Ships Service AS (Dubai Branch)	United Arab Emirates	100.00%
Wilhelmsen Maritime Services JAFZA	United Arab Emirates	100.00%
Wilhelmsen Ships Service (LLC)	United Arab Emirates	49.00% *
Denholm Wilhelmsen Ltd	United Kingdom	40.00%
Wilhelmsen Ships Service Limited	United Kingdom	100.00%
Wilhelmsen Ships Service Inc	United States	100.00%
Unitor Holding Inc.	United States	100.00%
Wilhelmsen Sunnytrans Co Ltd (formerly known as Barwil-Sunnytrans Co Ltd)	Vietnam	49.00% *
International Shipping Co Ltd	Yemen	0.00% *

* Additional profit share agreement





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