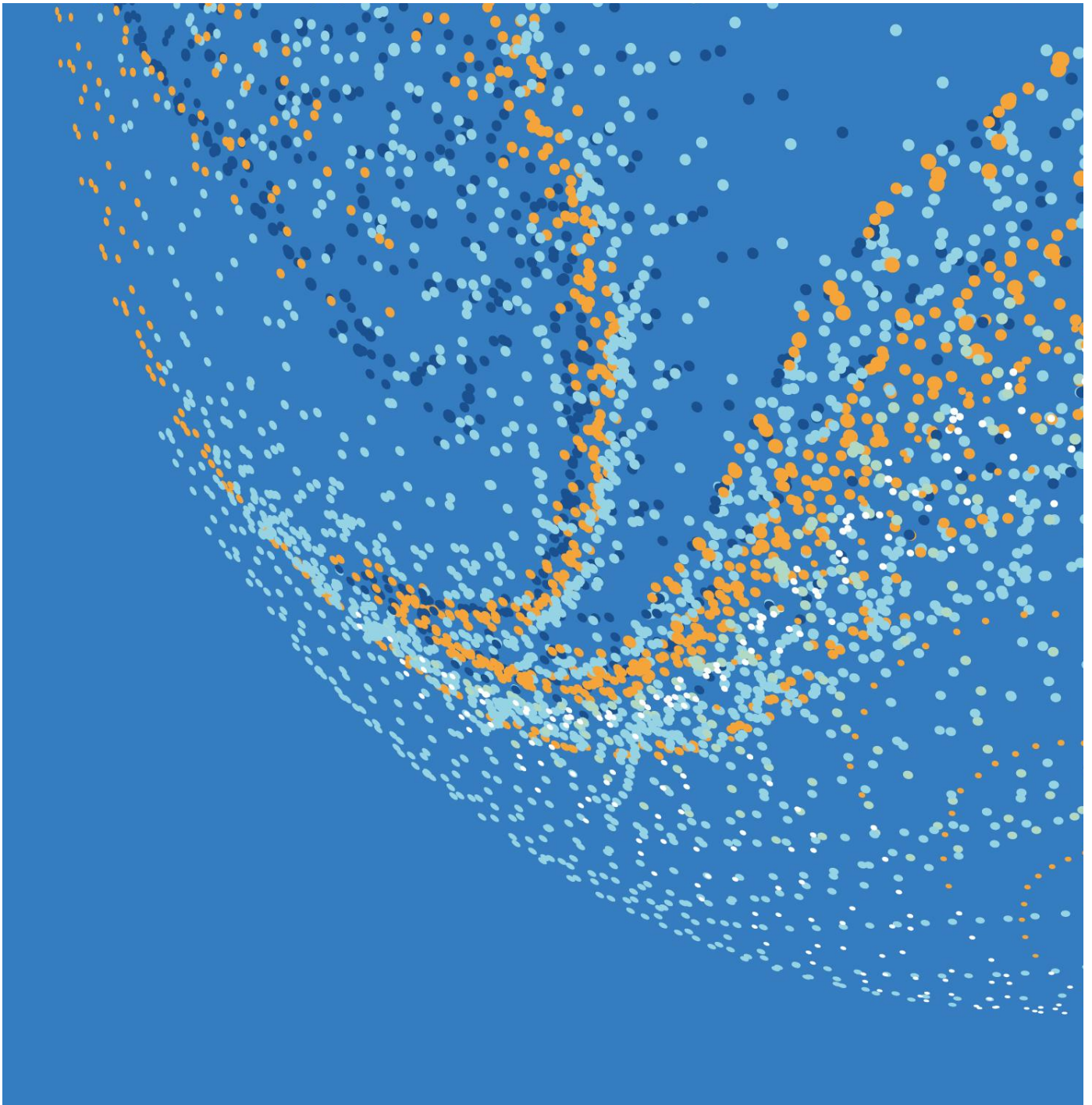


WILH. WILHELMSSEN HOLDING ASA

# Third quarter 2019



## Highlights for the quarter

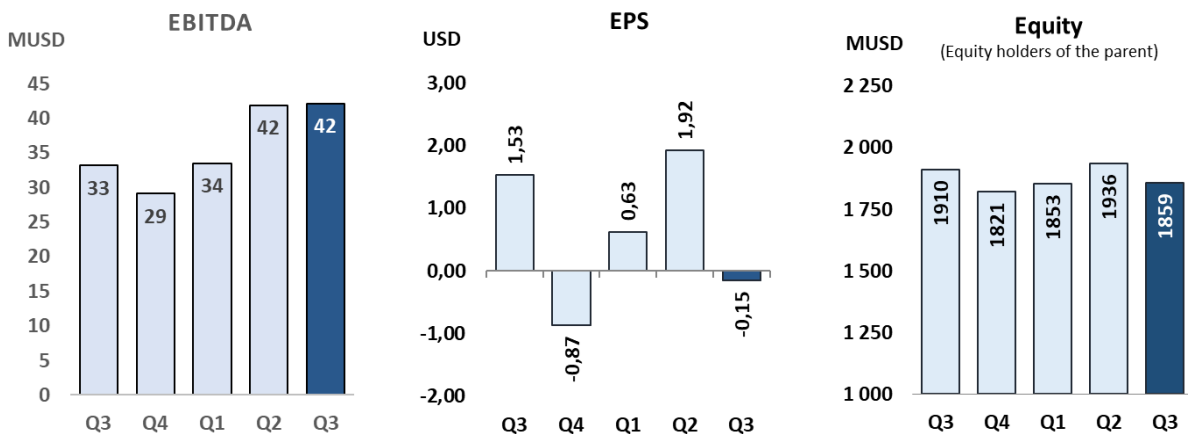
A positive development in EBITDA and share of profit from associates was offset by a net loss on financial assets, resulting in a USD 7 million net loss after non-controlling interests.

- USD 42 million in EBITDA
  - Revenue growth and margin improvement for maritime services
  - Further uplift for supply services
- USD 18 million share of profit from associates
  - Margin improvement offsetting reduced revenue in Wallenius Wilhelmsen ASA
- Non-cash loss on investments and currency
  - USD 42 million reduction in Hyundai Glovis value
  - Positive contribution from other investments
  - Currency loss from appreciation of USD
- USD 30 million distribution to shareholders through buyback of own shares

## Post quarter event

- Second dividend of NOK 2.50 per share to be paid 26 November

## Key figures



# Financial performance

USD mill - unless otherwise indicated	Q3'19	Q2'19	Q-on-Q Change	Q3'18	Y-o-Y Change	01.01- 30.09.19	01.01- 30.09.18	Y-o-Y Change
<b>Total income</b>	<b>220</b>	<b>208</b>	6 %	<b>214</b>	3 %	<b>626</b>	<b>647</b>	-3 %
- of which operating revenue	219	200	10 %	213	3 %	611	642	-5 %
- of which gain/(loss) on sale of assets	1	8	-90 %	1	-1 %	15	5	194 %
<b>EBITDA</b>	<b>42</b>	<b>42</b>	1 %	<b>33</b>	27 %	<b>118</b>	<b>49</b>	140 %
<b>EBITDA adjusted for IFRS 16</b>	<b>32</b>	<b>33</b>	-4 %	<b>33</b>	-4 %	<b>89</b>	<b>49</b>	83 %
<b>Operating profit/EBIT</b>	<b>24</b>	<b>25</b>	-3 %	<b>24</b>	2 %	<b>66</b>	<b>20</b>	231 %
Share of profit from associates	18	3	415 %	16	12 %	37	33	11 %
Change in fair value financial assets	-37	99		62		59	-55	
Other financial income/(expenses)	-20	-7		-6		-19	-24	
<b>Profit/(loss) before tax/EBT</b>	<b>-15</b>	<b>120</b>	<i>neg.</i>	<b>96</b>	<i>neg.</i>	<b>142</b>	<b>-27</b>	<i>neg.</i>
Tax income/(expenses)	-2	2		-6		-6	-7	
<b>Profit/(loss) for the period</b>	<b>-17</b>	<b>123</b>	<i>neg.</i>	<b>90</b>	<i>neg.</i>	<b>136</b>	<b>-33</b>	<i>neg.</i>
<b>Profit/(loss) to owners of the parent</b>	<b>-7</b>	<b>89</b>	<i>neg.</i>	<b>71</b>	<i>neg.</i>	<b>111</b>	<b>-28</b>	<i>neg.</i>
<b>EPS (USD)</b>	<b>-0,15</b>	<b>1,92</b>	<i>neg.</i>	<b>1,53</b>	<i>neg.</i>	<b>2,40</b>	<b>-0,61</b>	<i>neg.</i>
Other comprehensive income	-43	2		-2		-36	-12	
<b>Total comprehensive income</b>	<b>-61</b>	<b>125</b>	<i>neg.</i>	<b>88</b>	<i>neg.</i>	<b>100</b>	<b>-45</b>	<i>neg.</i>
<b>Total comprehensive income owners of parent</b>	<b>-47</b>	<b>91</b>	<i>neg.</i>	<b>68</b>	<i>neg.</i>	<b>78</b>	<b>-41</b>	<i>neg.</i>
<b>Total assets</b>	<b>3 256</b>	<b>3 390</b>	-4 %	<b>3 199</b>	2 %	<b>3 256</b>	<b>3 199</b>	2 %
<b>Equity parent</b>	<b>1 859</b>	<b>1 936</b>	-4 %	<b>1 910</b>	-3 %	<b>1 859</b>	<b>1 910</b>	-3 %
<b>Total equity</b>	<b>2 068</b>	<b>2 159</b>	-4 %	<b>2 112</b>	-2 %	<b>2 068</b>	<b>2 112</b>	-2 %
<b>Equity ratio</b>	<b>64 %</b>	<b>64 %</b>	0 %	<b>66 %</b>	-2 %	<b>64 %</b>	<b>66 %</b>	-2 %

## Group result

Total income for the Wilh. Wilhelmsen Holding ASA group (referred to as Wilhelmsen or group) was USD 220 million in the third quarter of 2019. This was up 6% from the second quarter, reflecting an increase in activity for both maritime and supply services. Compared with the corresponding period last year, income was up 3%

EBITDA was USD 42 million for the quarter, on par with the previous quarter which included a material sales gain. When excluding sales gains, EBITDA was up 21%. Compared with the corresponding period last year, EBITDA was stable when adjusting for IFRS 16.

Share of profit from associates was USD 18 million for the quarter, with Wallenius Wilhelmsen ASA as the main contributor.

Change in fair value of financial assets was negative with USD 37 million for the quarter. Fair value was down for Hyundai Glovis, offsetting a positive development for other investments.

Other comprehensive income for the quarter was a loss of USD 43 million, primarily related to currency translation differences on non-USD assets.

Total comprehensive income, including net profit and other comprehensive income, attributable to owners of the parent was negative with USD 47 million in the third quarter.

## Group balance sheet

Total assets were down 4% in the third quarter, mainly due to reduced value of non-USD assets when converting into USD.

A loss for the period and buyback of own shares reduced equity attributable to owners of the parent with 4%, to USD 1 859 million. As of 30 September 2019, the group equity ratio was 64%.

## Group cash, liquidity and debt

USD mill	Cash and cash equiv.	Current financial investm.	Total interest bearing debt	Net interest bearing debt
Maritime services	102	0	247	145
Supply services	6	0	385	380
Holding and investments	25	98	70	-53
Elimination	0	0	-19	-19
<b>Wilhelmsen group</b>	<b>133</b>	<b>98</b>	<b>683</b>	<b>452</b>

Cash and cash equivalents were USD 133 million at the end of the third quarter, down USD 17 million from the previous quarter. During the quarter, Wilhelmsen bought 1 823 829 own shares for USD 30 million (NOK 263 million).

Total interest-bearing debt was USD 683 million by the end of the quarter, a USD 29 million reduction from the previous quarter.

## Segment information

# Maritime services

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

USD mill - unless otherwise indicated	Q3'19	Q2'19	Q-on-Q Change	Q3'18	Y-o-Y Change	01.01- 30.09.19	01.01- 30.09.18	Y-o-Y Change
<b>Total income</b>	<b>150</b>	<b>146</b>	<b>2 %</b>	<b>142</b>	<b>6 %</b>	<b>440</b>	<b>440</b>	<b>0 %</b>
- Ships service	134	130	3 %	131	2 %	397	409	-3 %
- Ship management	15	16	-5 %	10	53 %	42	30	38 %
- Other/eliminations	0	0	39 %	0		1	1	-8 %
<b>EBITDA</b>	<b>31</b>	<b>29</b>	<b>9 %</b>	<b>19</b>	<b>68 %</b>	<b>80</b>	<b>22</b>	<b>&gt;100%</b>
- EBITDA margin (%)	21 %	20 %		13 %		18 %	5 %	
<b>EBITDA adjusted for IFRS 16</b>	<b>29</b>	<b>26</b>	<b>12 %</b>	<b>19</b>	<b>55 %</b>	<b>72</b>	<b>22</b>	<b>&gt;100%</b>
- Adjusted EBITDA margin (%)	19 %	18 %		13 %		16 %	5 %	
<b>Operating profit/EBIT</b>	<b>24</b>	<b>22</b>	<b>8 %</b>	<b>15</b>	<b>62 %</b>	<b>59</b>	<b>10</b>	<b>&gt;100%</b>
- EBIT margin (%)	16 %	15 %		10 %		13 %	2 %	
Share of profit from associates	1	1	-3 %	1	-35 %	3	3	-11 %
Change in fair value financial assets	0	-27		-10		-27	-12	
Other financial income/(expenses)	-18	-4		-7		-28	-25	
Tax income/(expense)	-2	4		-4		-2	-4	
<b>Profit/(loss)</b>	<b>5</b>	<b>-5</b>	<b>neg.</b>	<b>-5</b>	<b>neg.</b>	<b>6</b>	<b>-27</b>	<b>neg.</b>
- Profit margin (%)	3 %	-4 %		-4 %		1 %	-6 %	
- Non controlling interest	0	0		0		1	1	
<b>Profit/(loss) to owners of the parent</b>	<b>5</b>	<b>-5</b>	<b>neg.</b>	<b>-6</b>	<b>neg.</b>	<b>5</b>	<b>-28</b>	<b>neg.</b>

## Maritime services result

Total income from maritime services was USD 150 million in the third quarter, up 2% from the previous quarter. When adjusting for a USD 6 million property sales gain in the second quarter, income was up 6% both when compared with the previous quarter and when compared with the corresponding period last year.

EBITDA was USD 31 million, an increase both from the previous quarter and from the corresponding period last year. Adjusting for the second quarter sales gain and the IFRS 16 effect, EBITDA was up 35% and 68% respectively.

Total financial items, including share of profit from associates and change in fair value of financial assets, were a net expense of USD 17 million. Of this, USD 13 million were unrealised FX hedges.

The quarter ended with a net profit after non-controlling interests of USD 5 million.

## 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 for ships service was up 3% from the second quarter and up 2% from the corresponding period last year. The increase followed higher sale of marine products, partly related to additional work undertaken by shipowners in connections with transition to new IMO 2020 regulations. Income from agency services was stable.

EBITDA was also up for the quarter, supported by increased income and further improvement in the operating margin.

## 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 continued its positive development, supported by an increase in ships on full technical management and new offshore wind activities. When adjusting for sales gains, income was up 39% from the second quarter and up 48% from the corresponding period last year.

EBITDA was also up when compared with the corresponding period last year, but down from the previous quarter which included a sales gain.

## Other maritime services activities

This includes Wilhelmsen Insurance Services (fully owned by Wilhelmsen), Survitec Group (owned ~20%) and certain corporate activities. Survitec Group is reported as financial assets.

By the end of the quarter, the investment in Survitec Group was included with a fair value of nil. This was unchanged from the previous quarter.

Wilhelmsen Insurance Services had a stable performance, with total income and EBITDA in line with previous quarters.

## Segment information

# Supply services

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

USD mill - unless otherwise indicated	Q3'19	Q2'19	Q-on-Q Change	Q3'18	Y-o-Y Change	01.01- 30.09.19	01.01- 30.09.18	Y-o-Y Change
<b>Total income</b>	<b>69</b>	<b>60</b>	<b>15 %</b>	<b>71</b>	<b>-3 %</b>	<b>183</b>	<b>204</b>	<b>-10 %</b>
- NorSea Group	68	59	14 %	70	-4 %	181	196	-8 %
- Other/eliminations	1	1	159 %	1	57 %	3	8	-66 %
<b>EBITDA</b>	<b>15</b>	<b>14</b>	<b>5 %</b>	<b>18</b>	<b>-14 %</b>	<b>47</b>	<b>38</b>	<b>23 %</b>
- EBITDA margin (%)	22 %	24 %		25 %		26 %	19 %	
<b>EBITDA adjusted for IFRS 16</b>	<b>11</b>	<b>10</b>	<b>8 %</b>	<b>18</b>	<b>-39 %</b>	<b>33</b>	<b>38</b>	<b>-12 %</b>
- Adjusted EBITDA margin (%)	16 %	17 %		25 %		18 %	19 %	
<b>Operating profit/EBIT</b>	<b>5</b>	<b>6</b>	<b>-8 %</b>	<b>12</b>	<b>-57 %</b>	<b>19</b>	<b>21</b>	<b>-10 %</b>
- EBIT margin (%)	8 %	10 %		17 %		11 %	11 %	
Share of profit from associates	4	2	88 %	2	50 %	11	8	46 %
Other financial income/(expenses)	-5	-4		-4		-14	-11	
Tax income/(expense)	-1	-1		-2		-3	-4	
<b>Profit/(loss)</b>	<b>2</b>	<b>3</b>	<b>-22 %</b>	<b>9</b>	<b>-77 %</b>	<b>13</b>	<b>14</b>	<b>-7 %</b>
- Profit margin (%)	3 %	4 %		13 %		7 %	7 %	
- Non controlling interest	0	1		2		3	4	
<b>Profit/(loss) to owners of the parent</b>	<b>2</b>	<b>2</b>	<b>-13 %</b>	<b>7</b>	<b>-75 %</b>	<b>10</b>	<b>10</b>	<b>-2 %</b>

### Supply services result

Total income from supply services was USD 69 million in the third quarter. This was up 15% from the previous quarter, but down 3% when comparing with the corresponding period last year which included services provided for the NATO exercise Trident Juncture.

EBITDA was USD 15 million, up 5% from the second quarter. Compared with the corresponding period last year EBITDA was down 39% when adjusting for IFRS 16.

Share of profit from associates was USD 4 million in the third quarter, up from both the previous quarter and the corresponding period last year. Other financial expenses were USD 5 million for the quarter.

Net profit after minority interests was USD 2 million for the quarter.

### NorSea Group

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 68 million in the third quarter, up 14% from the second quarter. Operating income continued to benefit from a traditionally strong activity level at Norwegian supply bases during the summer season, and was further lifted by increased income from NorSea Wind and activities in Denmark. Compared with the corresponding period last year, income was down due to less project related work.

EBITDA followed development in total income, with an improvement from the previous quarter but down from the corresponding period last year.

### Other supply services activities

This includes WilNor Governmental Services (owned 51% directly and 49% through NorSea Group) and certain minor supply services activities.

Income was up for the quarter but remained at a low level and with no material project activity.

## Segment information

# Holding and investments

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

USD mill - unless otherwise indicated	Q3'19	Q2'19	Q-on-Q Change	Q3'18	Y-o-Y Change	01.01- 30.09.19	01.01- 30.09.18	Y-o-Y Change
<b>Total income</b>	<b>3</b>	<b>3</b>	<b>-15%</b>	<b>3</b>	<b>-3%</b>	<b>8</b>	<b>8</b>	<b>-5%</b>
- Operating revenue	3	3	-15%	3	-2%	8	8	-5%
- Gain on sale of assets	0	0		0		0	0	
<b>EBITDA</b>	<b>-4</b>	<b>-1</b>		<b>-3</b>		<b>-9</b>	<b>-11</b>	
<b>EBITDA adjusted for IFRS 16</b>	<b>-4</b>	<b>-2</b>		<b>-3</b>		<b>-8</b>	<b>-11</b>	
<b>Operating profit/EBIT</b>	<b>-5</b>	<b>-3</b>		<b>-3</b>		<b>-13</b>	<b>-11</b>	
<b>Share of profit from associates</b>	<b>13</b>	<b>1</b>	<b>&gt;500%</b>	<b>12</b>	<b>10%</b>	<b>22</b>	<b>22</b>	<b>2%</b>
- Wallenius Wilhelmsen ASA	13	1	>500%	12	8%	22	22	1%
- Other/eliminations	0	0		0		0	0	
<b>Change in fair value financial assets</b>	<b>-37</b>	<b>126</b>		<b>72</b>		<b>86</b>	<b>-43</b>	
- Hyundai Glovis	-42	119		60		65	-47	
- Qube Holdings/other financial assets	4	7		12		20	4	
<b>Other financial income/(expenses)</b>	<b>3</b>	<b>1</b>	<b>110%</b>	<b>4</b>	<b>-31%</b>	<b>23</b>	<b>12</b>	<b>96%</b>
- Investment management (Holding)	2	2		1		9	-2	
- Hyundai Glovis	0	0		0		13	12	
- Qube Holdings/other financial assets	1	1		2		2	4	
- Other financial income/(expense)	1	-1		1		-2	-2	
<b>Tax income/(expense)</b>	<b>1</b>	<b>0</b>		<b>1</b>		<b>-1</b>	<b>1</b>	
<b>Profit/(loss) for the period</b>	<b>-25</b>	<b>125</b>		<b>86</b>		<b>117</b>	<b>-20</b>	
- Non controlling interest	-11	32		16		21	-10	
<b>Profit/(loss) to owners of the parent</b>	<b>-14</b>	<b>93</b>		<b>70</b>		<b>96</b>	<b>-10</b>	

### Holding and investments result

The holding and investments segment reported a loss of USD 14 million in the third quarter. This followed a negative change in fair value of Hyundai Glovis, reversing some of the gain from the second quarter. Other investments continued to contribute positively.

Share of profit from associates made a strong rebound following an improvement in net result in Wallenius Wilhelmsen ASA.

### 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 995 million in the third quarter, 5% down from the second quarter and down 7% from the corresponding period last year. The decrease was driven by lower ocean volumes, in part due to commercial priorities and in part by slower markets. Income was also down for land-based operations, following lower terminal and auto volumes.

EBITDA was USD 213 million. This was up 1% from the second quarter and well up on the corresponding period last year also when adjusting for the IFRS 16 effect. The ocean segment continued to benefit from higher net freight per CBM, more efficient operations and lower net bunker cost. For the landbased segment, EBITDA was down when adjusting for IFRS 16.

Net financial expenses were negatively impacted by unrealised interest rate and FX derivatives, while tax was positive following reversal of a withholding tax charge.

Wallenius Wilhelmsen ASA reported a net profit of USD 36 million for the quarter.

Wilhelmsen's share of profit was USD 13 million in the third quarter.

### 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.

Change in fair value of the shareholding in Hyundai Glovis was negative with USD 42 million for the quarter, following a 3% reduction in share price and depreciation of the KRW versus USD. The market value of the investment in Hyundai Glovis was USD 587 million at the end of the third quarter.

During the quarter, Treasure ASA bought 465 000 own shares in the market, reducing net outstanding shares excluding own shares to 217.3 million (total number of shares remained 217.8 million). 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.*

Change in fair value of the shareholdings in Qube Holdings and other non-current financial assets were a gain of USD 4 million for the quarter. Financial assets to fair value reported under the holding and investments segment was USD 106 million at the end of the third quarter (excluding Hyundai Glovis).

The current financial investment portfolio was USD 98 million by the end of the third quarter. The portfolio primarily included listed equities and investment-grade bonds. Net income from investment management was a gain of USD 2 million for the quarter.

### Other holding and investments activities

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

EBITDA was down for the quarter due to project ramp up cost. Income and EBITDA adjusted for this cost were broadly at normal levels.

## Outlook

### Maritime services

The positive development in operating results continued in the third quarter, supported by new business wins, IMO 2020 implementation, and a strong USD. These positive factors are expected to remain during the next half year.

### Supply services

Seasonality will continue to impact operating income and results, with a gradual reduction in offshore activities towards the end of the year.

### Holding and investments

Wallenius Wilhelmsen maintains a balanced view on their prospects. There is uncertainty around the volume outlook, while operational efficiencies will continue to support profitability going forward.

### Wilhelmsen group

The board expects a stable development of underlying operating performance for the combined group activities, but with normal seasonal variations.

Wilhelmsen is exposed towards global trade. Potential introduction of further tariffs and restrictions continues to create uncertainties. Wilhelmsen retains its robustness to meet such eventualities.

Lysaker, 6 November 2019  
The board of directors of Wilh. Wilhelmsen Holding ASA

*Forward-looking statements presented in this report are based on various assumptions. These assumptions were reasonable when made, but as assumptions are inherently subject to uncertainties and contingencies which are difficult or impossible to predict. Wilhelmsen cannot give assurances that expectations regarding the outlook will be achieved or accomplished.*

## Income statement - financial report

USD mill	Note	Q3 2019	Q3 2018	YTD 2019	YTD 2018	Full year 2018
Operating revenue		219	213	611	642	867
Gain/(loss) on sale of assets		1	1	15	5	4
<b>Total income</b>		<b>220</b>	<b>214</b>	<b>626</b>	<b>647</b>	<b>871</b>
<b>Operating expenses</b>						
Cost of goods and change in inventory		(63)	(62)	(177)	(193)	(267)
Employee benefits		(79)	(79)	(227)	(243)	(320)
Other expenses		(36)	(40)	(105)	(162)	(206)
<b>Operating profit before depreciation and amortisation</b>		<b>42</b>	<b>33</b>	<b>118</b>	<b>49</b>	<b>78</b>
Depreciation and impairments	6	(18)	(9)	(51)	(29)	(42)
<b>Operating profit</b>		<b>24</b>	<b>24</b>	<b>66</b>	<b>20</b>	<b>36</b>
Share of profit from joint ventures and associates	4	18	16	37	33	36
Change in fair value financial assets	8	(37)	62	59	(55)	(116)
Other financial income/(expenses)	9	(20)	(6)	(19)	(24)	(41)
<b>Profit/(loss) before tax</b>		<b>(15)</b>	<b>96</b>	<b>142</b>	<b>(27)</b>	<b>(86)</b>
Tax income/(expenses)		(2)	(6)	(6)	(7)	12
<b>Profit/(loss) for the period</b>		<b>(17)</b>	<b>90</b>	<b>136</b>	<b>(33)</b>	<b>(75)</b>
Attributable to: non-controlling interests		(11)	19	25	(5)	(6)
owners of the parent		(7)	71	111	(28)	(69)
Basic earnings per share (USD)	7	(0,15)	1,53	2,40	(0,61)	(1,48)

## Comprehensive income - financial report

USD mill	Q3 2019	Q3 2018	YTD 2019	YTD 2018	Full year 2018
<b>Profit/(loss) for the period</b>	<b>(17)</b>	<b>90</b>	<b>136</b>	<b>(33)</b>	<b>(75)</b>
<b>Items that may be reclassified to income statement</b>					
Cash flow hedges (net after tax)	(0)	1	(0)	3	2
Comprehensive income from associates	(1)		1		
Currency translation differences	(42)	(3)	(36)	(15)	(57)
<b>Items that will not be reclassified to income statement</b>					
Remeasurement pension liabilities, net of tax					1
<b>Other comprehensive income, net of tax</b>	<b>(43)</b>	<b>(2)</b>	<b>(36)</b>	<b>(12)</b>	<b>(53)</b>
<b>Total comprehensive income for the period</b>	<b>(61)</b>	<b>88</b>	<b>100</b>	<b>(45)</b>	<b>(128)</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent	(47)	68	78	(41)	(119)
Non-controlling interests	(14)	19	22	(4)	(9)
<b>Total comprehensive income for the period</b>	<b>(61)</b>	<b>88</b>	<b>100</b>	<b>(45)</b>	<b>(128)</b>

The above consolidated income statement should be read in conjunction with the accompanying notes.



## Balance sheet - financial report

USD mill	Note	30.09.2019	30.09.2018	31.12.2018
Deferred tax asset	5	63	23	54
Goodwill and other intangible assets	6	146	170	156
Vessels, property and other tangible assets	6	737	576	567
Investments in joint ventures and associates	4	998	1 028	1 018
Financial assets to fair value	8	694	714	650
Other non current assets		20	23	23
<b>Total non current assets</b>		<b>2 657</b>	<b>2 533</b>	<b>2 467</b>
Inventory		78	76	74
Current financial investments		98	94	88
Other current assets		290	320	311
Cash and cash equivalents		133	175	140
<b>Total current assets</b>		<b>599</b>	<b>666</b>	<b>612</b>
<b>Total assets</b>		<b>3 256</b>	<b>3 199</b>	<b>3 079</b>
Paid-in capital	7	122	122	122
Retained earnings	7/10	1 737	1 788	1 699
<b>Attributable to equity holders of the parent</b>		<b>1 859</b>	<b>1 910</b>	<b>1 821</b>
Non-controlling interests		209	201	196
<b>Total equity</b>		<b>2 068</b>	<b>2 112</b>	<b>2 017</b>
Pension liabilities		20	23	20
Deferred tax	5	12	9	12
Non-current interest-bearing debt	11	600	478	448
Other non-current liabilities		110	111	100
<b>Total non current liabilities</b>		<b>742</b>	<b>622</b>	<b>580</b>
Current income tax		12	3	13
Public duties payable		6	9	9
Current interest-bearing debt	11	83	105	85
Other current liabilities		346	349	375
<b>Total current liabilities</b>		<b>446</b>	<b>466</b>	<b>483</b>
<b>Total equity and liabilities</b>		<b>3 256</b>	<b>3 199</b>	<b>3 079</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

## Cash flow statement - financial report

USD mill		Q3	Q3	YTD	YTD	Full year
	Note	2019	2018	2019	2018	2018
<b>Cash flow from operating activities</b>						
Profit/(loss) before tax		(15)	96	142	(27)	(86)
Share of profit from joint ventures and associates		(18)	(16)	(37)	(33)	(36)
Change in fair value financial assets	8	37	(62)	(59)	55	116
Other financial (income)/expenses		20	6	19	24	41
Depreciation/impairment	6	18	9	51	29	42
(Gain)/loss on sale of fixed assets	6	(7)	(1)	(15)	(4)	(4)
(Gain)/loss from sale of subsidiaries, joint ventures and associates		-	-	(6)	-	-
Change in net pension asset/liability		(1)	(1)	-	(1)	(1)
Change in inventory		(6)	1	(7)	5	7
Change in other working capital		7	(2)	(18)	(29)	(6)
Tax paid (company income tax, withholding tax)		(1)	(1)	(7)	(4)	(12)
<b>Net cash provided by operating activities</b>		<b>34</b>	<b>32</b>	<b>64</b>	<b>17</b>	<b>62</b>
<b>Cash flow from investing activities</b>						
Dividend received from joint ventures and associates		1	2	21	19	20
Proceeds from sale of fixed assets	6	8	-	16	14	14
Investments in fixed assets	6	(7)	(12)	(25)	(30)	(54)
Net proceeds from sale of subsidiaries		-	-	3	7	7
Net proceeds from sale of joint ventures and associates		-	-	34	-	-
Cash discontinued operations		(1)	-	(3)	(1)	(1)
Investments in subsidiaries, joint ventures and associates		-	-	-	17	-
Repayments of loan from joint ventures and associates		-	-	-	-	17
Proceeds from sale of financial investments		8	4	61	66	71
Current financial investments		(3)	(11)	(33)	(32)	(38)
Interest received		1	-	2	4	4
<b>Net cash flow from investing activities</b>		<b>6</b>	<b>(17)</b>	<b>76</b>	<b>63</b>	<b>40</b>
<b>Cash flow from financing activities</b>						
Proceeds from issue of debt		22	63	81	135	153
Repayment of debt		(37)	(71)	(149)	(158)	(211)
Interest paid including interest derivatives		(9)	(7)	(30)	(22)	(29)
Dividend to shareholders/purchase of own shares		(32)	-	(50)	(26)	(40)
<b>Net cash flow from financing activities</b>		<b>(57)</b>	<b>(16)</b>	<b>(147)</b>	<b>(70)</b>	<b>(128)</b>
<b>Net increase in cash and cash equivalents *</b>		<b>(16)</b>	<b>0</b>	<b>(7)</b>	<b>10</b>	<b>(26)</b>
Cash and cash equivalents at the beg. of the period *		150	175	140	166	167
<b>Cash and cash equivalents at the end of the period *</b>		<b>133</b>	<b>175</b>	<b>133</b>	<b>175</b>	<b>140</b>

\*The group is located and operating world wide, and every entity has several bank accounts in different currencies. Unrealised currency effects are included in net cash provided by operating activities.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## Statement of changes in equity - financial report

### Statement of changes in equity - Year to date

USD mill	Share capital	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at 31.12.2018</b>	<b>122</b>	<b>1 699</b>	<b>1 821</b>	<b>196</b>	<b>2 017</b>
Implementation of IFRS 16 leasing			0		0
Profit for the period		111	111	25	136
Other comprehensive income		(33)	(33)	(3)	(36)
Change in non-controlling interests*		5	5	(5)	-
Buy own shares in WWH ASA and Treasure ASA **		(31)	(31)		(31)
Paid dividends to shareholders		(13)	(13)	(5)	(18)
<b>Balance 30.09.2019</b>	<b>122</b>	<b>1 737</b>	<b>1 859</b>	<b>209</b>	<b>2 068</b>

\*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. After the liquidation of 2.200.000 shares in Treasure ASA in first half year 2019, Treasure ASA acquired 465.000 own shares, cost was USD 715 thousand.

<b>Balance at 31.12.2017</b>	<b>122</b>	<b>1 853</b>	<b>1 975</b>	<b>212</b>	<b>2 188</b>
Profit for the period		(28)	(28)	(5)	(33)
Other comprehensive income		(13)	(13)	1	(12)
Change in non-controlling interests				(2)	(2)
Put option in associate		(4)	(4)		(4)
Paid dividends to shareholders		(20)	(20)	(5)	(25)
<b>Balance 30.09.2018</b>	<b>122</b>	<b>1 788</b>	<b>1 910</b>	<b>201</b>	<b>2 112</b>

### Statement of changes in equity - Full year 2018

USD mill	Share capital	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at 31.12.2017</b>	<b>122</b>	<b>1 853</b>	<b>1 975</b>	<b>212</b>	<b>2 188</b>
Profit for the period		(69)	(69)	(6)	(75)
Other comprehensive income		(50)	(50)	(3)	(53)
Change in non-controlling interests				(1)	(1)
Put option in associate		(5)	(5)		(5)
Paid dividends to shareholders		(31)	(31)	(6)	(37)
<b>Balance 31.12.2018</b>	<b>122</b>	<b>1 699</b>	<b>1 821</b>	<b>196</b>	<b>2 017</b>

The above consolidated statement of statement of changes in equity should be read in conjunction with the accompanying notes.

## Notes - financial report

### Note 1 - Accounting principles

#### General information

This consolidated interim financial report has been prepared in accordance with International Accounting Standards (IAS 34), "interim financial reporting". The consolidated interim financial reporting should be read in conjunction with the annual financial statements for the year end 31 December 2018 for Wilh. Wilhelmsen Holding ASA group (WWI), which has been prepared in accordance with IFRS's endorsed by the EU.

#### Changes in accounting policies – implementation of IFRS 16

##### Leases

IFRS 16 Leases replaces IAS 17 Leases that relate to the recognition, of leases and related disclosures. The adoption of IFRS 16 Leases from 1 January 2019 resulted in significant changes to the group's accounting for leases previously defined as operating leases under IAS 17.

In accordance with the implementation of IFRS 16, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the lessee's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less.

#### Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The effect of a change in an accounting estimate is recognised in the income statement in the period where the estimate is revised or in the period of the revision and future periods if the change affects both.

The significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for the critical judgements in determining the lease term following the implementation of IFRS 16.

##### *Critical judgements in determining the lease term.*

From 1 January 2019 the group has implemented the new leasing standard IFRS 16. For all leases, except for short-term leases and leases of low value, a lease liability and a corresponding right-of-use asset is recognised in the balance sheet.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to 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).

#### Basic policies

The accounting policies implemented are consistent with those of the annual financial statements for WWI for the year end 31 December 2018.

#### Roundings

As a result of rounding adjustments, the figures in one or more columns may not add up to the total of that column.

### Note 2 - Significant acquisitions and disposals

#### 2019

No material disposal or acquisition.

#### 2018

No material disposal or acquisition.

**Notes - financial report**
**Note 3 - Segment reporting: Income statement per operating segments**

USD mill	Maritime Services		Supply Services		Holding & Investments		Eliminations		WWH group total	
	Q3 2019	Q3 2018	Q3 2019	Q3 2018	Q3 2019	Q3 2018	Q3 2019	Q3 2018	Q3 2019	Q3 2018
<b>Quarter</b>										
Operating revenue	149	141	69	71	3	3	(2)	(2)	219	213
Gain on sale of assets	1	1							1	1
<b>Total income</b>	<b>150</b>	<b>142</b>	<b>69</b>	<b>71</b>	<b>3</b>	<b>3</b>	<b>(2)</b>	<b>(2)</b>	<b>220</b>	<b>214</b>
<b>Operating expenses</b>										
Cost of goods and change in inventory	(43)	(46)	(19)	(16)					(63)	(62)
Employee benefits	(52)	(53)	(23)	(23)	(4)	(3)			(79)	(79)
Other expenses	(23)	(24)	(11)	(15)	(2)	(3)	1	1	(36)	(40)
<b>Operating profit/(loss) before depreciation and amortisation</b>	<b>31</b>	<b>19</b>	<b>15</b>	<b>18</b>	<b>(4)</b>	<b>(3)</b>	<b>(1)</b>	<b>0</b>	<b>42</b>	<b>33</b>
Depreciation and impairments	(8)	(4)	(10)	(5)	(1)		1		(18)	(9)
<b>Operating profit/(loss)</b>	<b>24</b>	<b>15</b>	<b>5</b>	<b>12</b>	<b>(5)</b>	<b>(3)</b>	<b>(0)</b>	<b>0</b>	<b>24</b>	<b>24</b>
Share of profit from associates	1	1	4	2	13	12			18	16
Change in fair value financial assets		(10)			(37)	72			(37)	62
Other financial income/(expenses)	(18)	(7)	(5)	(4)	3	4			(20)	(6)
<b>Profit/(loss) before tax</b>	<b>7</b>	<b>(1)</b>	<b>3</b>	<b>11</b>	<b>(26)</b>	<b>85</b>	<b>(0)</b>	<b>0</b>	<b>(15)</b>	<b>96</b>
Tax income/(expense)	(2)	(4)	(1)	(2)	1				(2)	(6)
<b>Profit/(loss) for the period</b>	<b>5</b>	<b>(5)</b>	<b>2</b>	<b>9</b>	<b>(25)</b>	<b>86</b>	<b>(0)</b>	<b>0</b>	<b>(18)</b>	<b>90</b>
Non-controlling interests		0		2	(11)	16			(11)	19
<b>Profit/(loss) to the owners of parent</b>	<b>5</b>	<b>(6)</b>	<b>2</b>	<b>7</b>	<b>(14)</b>	<b>70</b>	<b>(0)</b>	<b>0</b>	<b>(7)</b>	<b>71</b>
<b>Implementation of IFRS 16 leasing</b>										
Operating expenses	2,4		4,4		2,2		-		9,1	
Depreciation	(3,2)		(3,6)		(1,8)		-		(8,6)	
Financial expenses	(0,7)		(1,6)		(0,5)		-		(2,9)	
<b>Net effects of IFRS 16 for the quarter</b>	<b>(1,5)</b>		<b>(0,9)</b>		<b>(0,0)</b>		<b>0,0</b>		<b>(2,4)</b>	

The income statement Q3 per segment is including IFRS 16 effects.

**Cont. Note 3 - Segment reporting: Income statement per operating segments**

USD mill	Maritime Services			Supply Services			Holding & Investments			Eliminations			WWH group total		
	YTD 2019	YTD 2018	Full year 2018	YTD 2019	YTD 2018	Full year 2018	YTD 2019	YTD 2018	Full year 2018	YTD 2019	YTD 2018	Full year 2018	YTD 2019	YTD 2018	Full year 2018
<b>YTD</b>															
Operating revenue	431	437	580	178	202	283	8	8	11	(5)	(5)	(7)	611	429	867
Gain on sale of assets	9	3	2	6		3							15	4	4
<b>Total income</b>	<b>440</b>	<b>440</b>	<b>582</b>	<b>184</b>	<b>204</b>	<b>285</b>	<b>8</b>	<b>8</b>	<b>11</b>	<b>(5)</b>	<b>(5)</b>	<b>(7)</b>	<b>626</b>	<b>433</b>	<b>871</b>
<b>Operating expenses</b>															
Cost of goods and change in inventory	(134)	(149)	(198)	(42)	(43)	(68)	(1)	(1)	(1)				(177)	(131)	(267)
Employee benefits	(152)	(163)	(212)	(65)	(70)	(96)	(10)	(10)	(13)				(227)	(165)	(320)
Other expenses	(74)	(106)	(130)	(30)	(53)	(71)	(6)	(9)	(12)	4	5	6	(105)	(122)	(206)
<b>Operating profit before depreciation and amortisation</b>	<b>80</b>	<b>22</b>	<b>42</b>	<b>47</b>	<b>38</b>	<b>51</b>	<b>(9)</b>	<b>(11)</b>	<b>(14)</b>	<b>(1)</b>	<b>(0)</b>	<b>(0)</b>	<b>118</b>	<b>16</b>	<b>78</b>
Depreciation and impairments	(21)	(12)	(16)	(28)	(17)	(26)	(4)		(1)	1			(51)	(20)	(42)
<b>Operating profit</b>	<b>59</b>	<b>10</b>	<b>26</b>	<b>19</b>	<b>21</b>	<b>25</b>	<b>(13)</b>	<b>(11)</b>	<b>(15)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>66</b>	<b>(4)</b>	<b>36</b>
Share of profit from associates	3	3	4	11	8	9	23	22	23				37	17	36
Changes in fair value financial assets	(27)	(12)	(61)				86	(43)	(56)				59	(117)	(116)
Net finance income / expenses	(28)	(25)	(37)	(14)	(11)	(15)	23	12	10				(19)	(18)	(41)
<b>Profit/(loss) before tax</b>	<b>8</b>	<b>(24)</b>	<b>(68)</b>	<b>16</b>	<b>18</b>	<b>20</b>	<b>119</b>	<b>(21)</b>	<b>(38)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>143</b>	<b>(122)</b>	<b>(86)</b>
Tax income/(expense)	(2)	(4)	13	(3)	(4)	(4)	(1)		3				(6)	(1)	12
<b>Profit/(loss) for the period</b>	<b>6</b>	<b>(27)</b>	<b>(55)</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>118</b>	<b>(20)</b>	<b>(35)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>137</b>	<b>(123)</b>	<b>(75)</b>
Non-controlling interests	1		2	3	4	4	21	(10)	(12)				25	(24)	(6)
<b>Profit/(loss) to the owners of parent</b>	<b>5</b>	<b>(28)</b>	<b>(56)</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>97</b>	<b>(10)</b>	<b>(23)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>112</b>	<b>(99)</b>	<b>(69)</b>
<b>Implementation of IFRS 16 leasing</b>															
Operating expenses	8,4			13,5			4,8			(1,0)			25,8		
Depreciation	(9,5)			(11,1)			(3,6)			0,9			(23,2)		
Financial expenses	(2,3)			(5,2)			(1,5)						(8,9)		
<b>Net effects of IFRS 16 YTD</b>	<b>(3,3)</b>			<b>(2,7)</b>			<b>(0,3)</b>			<b>(0,1)</b>			<b>(6,4)</b>		

## Notes - financial report

### Cont note 3 - Segment reporting: Balance sheet per operating segments

USD mill	Maritime Services		Supply Services		Holding & Investments		Eliminations		Total	
	30.09 2019	30.09 2018	30.09 2019	30.09 2018	30.09 2019	30.09 2018	30.09 2019	30.09 2018	30.09 2019	30.09 2018
<b>Year to date</b>										
<b>Assets</b>										
Deferred tax asset	53	17	2		8	6			63	23
Intangible assets	140	159	5	10	0				146	170
Tangible assets*	230	182	464	392	49	2	(6)		737	576
Investments in joint ventures and associates	10	12	128	168	860	848			998	1 028
Financial assets to fair value		75			694	639			694	714
Other non current assets	13	13	6	6	15	25	(13)	(21)	20	23
Current financial investments					98	94			98	94
Other current assets	304	311	66	101	16	7	(18)	(23)	368	396
Cash and cash equivalents	102	109	6	16	25	51			133	176
<b>Total assets</b>	<b>852</b>	<b>879</b>	<b>677</b>	<b>693</b>	<b>1 764</b>	<b>1 672</b>	<b>(37)</b>	<b>(44)</b>	<b>3 257</b>	<b>3 199</b>
<b>Equity and liabilities</b>										
Equity majority	191	294	153	163	1 515	1 452			1 859	1 910
Equity non-controlling interest	(1)		53	57	157	145			209	201
Deferred tax	12	9			-0				12	9
Interest-bearing debt**	247	202	385	345	70	55	(19)	(18)	683	583
Other non current liabilities	104	110	20	18	5	10		(3)	129	135
Other current liabilities	299	264	65	110	17	9	(18)	(23)	364	360
<b>Total equity and liabilities</b>	<b>852</b>	<b>879</b>	<b>677</b>	<b>693</b>	<b>1 764</b>	<b>1 672</b>	<b>(37)</b>	<b>(44)</b>	<b>3 257</b>	<b>3 199</b>
IFRS16 leasing										
*Right of use (included in tangible assets)	48		107		47		(6)		195	
**Leasing debt (included in interest-bearing debt)	49		110		48		(6)		200	

**Notes - financial report**

## Cont note 3 - Segment reporting: Cash flow per segment

USD mill Quarter	Maritime Services		Supply Services		Holding & Investments	
	Q3 2019	Q3 2018	Q3 2019	Q3 2018	Q3 2019	Q3 2018
Profit before tax	7	(1)	3	11	(25)	85
Change in fair value financial assets	(0)	10			37	(64)
Share of profit from joint ventures and associates	(1)	(1)	(4)	(2)	(13)	(12)
Other financial (income)/expenses	18	4	5	4	(3)	(13)
Depreciation/impairment	7	4	9	5	1	
Change in working capital	(14)	(14)	5	5	(2)	2
Net (gain)/loss from sale of subsidiaries and fixed assets	(0)	2	(2)			
<b>Net cash provided by operating activities</b>	<b>16</b>	<b>3</b>	<b>16</b>	<b>22</b>	<b>(5)</b>	<b>(1)</b>
Dividend received from joint ventures and associates	0	1	1	1		
Net sale/(investments) in fixed assets	(3)	0	(2)	(8)		
Net investments in subsidiaries	2	0				
Net sale/(investments) in joint ventures and associates	1	(5)	(0)		1	(2)
Current financial investments		(0)	-		1	
<b>Net cash flow from investing activities</b>	<b>(0)</b>	<b>(4)</b>	<b>(2)</b>	<b>(7)</b>	<b>2</b>	<b>(2)</b>
Net change of debt	(4)		(22)	(9)	13	
Net change in other financial items	(4)	(3)	6		(2)	(0)
Net dividend from other segments/ to shareholders	(0)	0	(3)		(27)	
<b>Net cash flow from financing activities</b>	<b>(8)</b>	<b>(3)</b>	<b>(19)</b>	<b>(9)</b>	<b>(16)</b>	<b>(0)</b>
<b>Net increase in cash and cash equivalents</b>	<b>8</b>	<b>(4)</b>	<b>(5)</b>	<b>6</b>	<b>(20)</b>	<b>(3)</b>
Cash and cash equivalents at the beg. of the period	94	112	11	9	45	54
<b>Cash and cash equivalents at the end of period</b>	<b>102</b>	<b>109</b>	<b>6</b>	<b>16</b>	<b>25</b>	<b>51</b>



## Notes - financial report

### Note 4 - Investment in joint ventures and associates

Joint ventures and associates at end September 2019 are:

USD mill

	Ownership	30.09.2019 Booked value	30.09.2018 Booked value
<b>Holding and Investments segment:</b>			
Wallenius Wilhelmsen ASA	37.8%	857	848
Other	50 %	3	1
<b>Maritime services segment:</b>			
Associates	20 - 50%	10	12
<b>Supply services segment:</b>			
<i>Joint venture</i>			
Coast Center Base	50 %	99	105
Vikan Næringspark Invest AS	50 %	16	17
Other	50 %	4	
<i>Associates</i>			
Risavika Havn AS	42.8%		30
Risavika Eiendom AS	42 %	7	9
Hammerfest Næringsinvest AS	32 %	1	1
Other	33 - 49%	3	4
<b>Total investment in joint ventures and associates</b>		<b>998</b>	<b>1 028</b>

	Q3 2019	Q3 2018	YTD 2019	YTD 2018
<b>Share of profit from joint ventures and associates</b>				
Wallenius Wilhelmsen ASA	13	12	22	22
Other joint ventures and associates in Holding and Investments	0			
Joint ventures and associates in Supply Services	4	2	11	8
Associates in Maritime Services	1	1	3	3
<b>Share of profit from joint ventures and associates</b>	<b>18</b>	<b>16</b>	<b>37</b>	<b>33</b>

### Note 5 - Tax

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.

## Notes - financial report

### Note 6 - Tangible and intangible assets

USD mill	Vessels	Property	Other tangible assets	Intangible assets	Total tangible and intangible assets
<b>2019 - Year to date</b>					
Cost 1.1	35	550	251	225	1 061
Acquisition		13	12		25
Reclass/disposal		(3)	(12)		(14)
Currency translation differences	(1)	(23)	(6)	(9)	(40)
<b>Cost 30.09</b>	<b>34</b>	<b>537</b>	<b>245</b>	<b>216</b>	<b>1 032</b>
Accumulated depreciation and impairment losses 1.1	(18)	(162)	(89)	(68)	(337)
Depreciation/amortisation	(1)	(13)	(8)	(5)	(27)
Reclass/disposal		3	4		7
Impairment		(1)			(1)
Currency translation differences		7	3	3	14
<b>Accumulated depreciation and impairment losses 30.09</b>	<b>(18)</b>	<b>(166)</b>	<b>(91)</b>	<b>(70)</b>	<b>(345)</b>
<b>Carrying amounts 30.09</b>	<b>16</b>	<b>371</b>	<b>154</b>	<b>146</b>	<b>687</b>

#### 2019 Lease assets Right of use - Year to date

Implementation IFRS 16		210	12		222
Additional		2			2
Reclass/disposal		3			2
Currency translation differences		(8)			(8)
<b>Cost 30.09</b>		<b>206</b>	<b>12</b>		<b>218</b>
Accumulated depreciation and impairment losses 1.1					
Depreciation/amortisation		(19)	(3)		(22)
<b>Accumulated depreciation and impairment losses 30.09</b>		<b>(19)</b>	<b>(3)</b>		<b>(22)</b>
<b>Carrying amounts 30.09</b>		<b>187</b>	<b>9</b>		<b>196</b>

USD mill	Vessels	Property	Other tangible assets	Intangible assets	Total tangible and intangible assets
<b>2018 - Year to date</b>					
Cost 1.1	36	575	269	243	1 123
Acquisition		17	12	3	31
Reclass/disposal		(17)	(31)	(10)	(58)
Currency translation differences		(3)	(4)		(7)
<b>Cost 30.09</b>	<b>36</b>	<b>571</b>	<b>245</b>	<b>237</b>	<b>1 089</b>
Accumulated depreciation and impairment losses 1.1	(17)	(159)	(114)	(71)	(362)
Depreciation/amortisation	(1)	(14)	(8)	(5)	(29)
Reclass/disposal		6	28	10	44
Currency translation differences		2	2		3
<b>Accumulated depreciation and impairment losses 30.09</b>	<b>(18)</b>	<b>(165)</b>	<b>(93)</b>	<b>(67)</b>	<b>(343)</b>
<b>Carrying amounts 30.09</b>	<b>18</b>	<b>406</b>	<b>152</b>	<b>170</b>	<b>746</b>

## Notes - financial report

### Cont. note 6 - Tangible and intangible assets

USD mill	Vessels	Property	Other tangible assets	Intangible assets	Total tangible and intangible assets
<b>2018 - Full year</b>					
Cost 1.1	36	575	269	243	1 123
Acquisition	1	28	24	4	56
Business combination				2	2
Reclass/disposal		(18)	(32)	(11)	(62)
Currency translation differences	(2)	(34)	(10)	(12)	(59)
<b>Cost 31.12</b>	<b>35</b>	<b>550</b>	<b>251</b>	<b>225</b>	<b>1 061</b>
Accumulated depreciation and impairment losses 1.1	(17)	(159)	(114)	(71)	(362)
Depreciation/amortisation	(1)	(19)	(11)	(7)	(39)
Business combination		6	32		38
Reclass/disposal	(1)	1		10	10
Impairment				(3)	(4)
Currency translation differences	1	9	5	4	19
<b>Accumulated depreciation and impairment losses 31.12</b>	<b>(18)</b>	<b>(162)</b>	<b>(89)</b>	<b>(68)</b>	<b>(337)</b>
<b>Carrying amounts 31.12</b>	<b>18</b>	<b>388</b>	<b>162</b>	<b>156</b>	<b>723</b>

## Notes - financial report

### Note 7 - Shares

The share capital is as follow with a nominal value of NOK 20:

A - shares	34 537 097
B - shares	11 866 732
<b>Total shares</b>	<b>46 403 829</b>

Earnings per share taking into consideration the number of outstanding shares in the period.

Basic 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 46 403 824 shares for 2019, and each quarter in 2018. The group conducted a share buyback program on 30th Sept.

2019. Following completion of the program the group owns a total of 1 823 829 own shares, split on 537 097 A-shares and 1 286 732 B-shares.

Total outstanding shares are pr 30th Sept. 2019: A shares 34.000.000 and B shares 10.580.000.

### Note 8 - Financial assets to fair value

USD mill	30.09.2019	30.09.2018	31.12.2018
<b>Financial assets to fair value</b>			
At 1 January	650	801	801
Acquisition	7	6	6
Reclassified	2		
Sale during the year	(20)	(27)	(27)
Return of capital			(1)
Currency translation adjustment through other comprehensive income	(4)	(10)	(13)
Change in fair value through income statement	58	(55)	(116)
<b>Total financial assets to fair value</b>	<b>694</b>	<b>714</b>	<b>650</b>

Financial assets to fair value are held in subsidiaries with different functional currencies and thereby creating translation adjustment.

### Note 9 - Other financial income/(expenses)

	Q3 2019	Q3 2018	YTD 2019	YTD 2018	Full year 2018
Investment management	2	1	10	(2)	(6)
Interest income	1		2	4	4
Other financial income	1	2	16	17	18
Interest expenses	(10)	(8)	(31)	(26)	(34)
Net financial currency	4	(1)	2	(14)	(6)
Net financial currencies derivatives	(17)	(1)	(17)	(3)	(17)
<b>Other financial income/(expenses)</b>	<b>(20)</b>	<b>(6)</b>	<b>(19)</b>	<b>(24)</b>	<b>(41)</b>

### Note 10 - Paid dividend

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 2018 in 2019 is NOK 2.50 per share, was

approved by the annual general meeting on 30 April 2019, and was paid to the shareholders 15 May 2019.

## Notes - financial report

### Note 11 - Interest-bearing debt

USD mill	30.09.2019	30.09.2018	31.12.2018
Non current interest-bearing debt	424	478	448
Current interest-bearing debt	59	105	85
Non current leasing debt	176		
Current leasing debt	24		
<b>Total interest-bearing debt</b>	<b>683</b>	<b>584</b>	<b>533</b>
Cash and cash equivalents	133	175	140
Current financial investments	98	94	88
<b>Net interest-bearing debt</b>	<b>452</b>	<b>314</b>	<b>306</b>

Loan agreements entered into by group companies contain financial covenants related to equity ratio, liquidity, current ratio and net interest-bearing debt / EBITDA measured in respect of the relevant borrowing company or group of

companies. The group was in compliance with these covenants at 30 September 2019 (analogous for 30 September 2018).

#### Specification of interest-bearing debt

USD mill	30.09.2019	30.09.2018	31.12.2018
<b>Interest-bearing debt</b>			
Bankloan	483	584	533
Leasing debt	200		
<b>Total interest-bearing debt</b>	<b>683</b>	<b>584</b>	<b>533</b>
<b>Repayment schedule for interest-bearing debt</b>			
Due in 1 year	83	105	85
Due in 2 year	30	27	55
Due in 3 year	38	19	22
Due in 4 year	248	19	217
Due in 5 year and later	285	413	153
<b>Total interest-bearing debt</b>	<b>683</b>	<b>584</b>	<b>533</b>

## Notes - financial report

### Note 12 - Financial level

USD mill	Level 1	Level 2	Level 3	Total
<b>2019</b>				
<b>Financial assets at fair value</b>				
Equities	53	0	0	53
Bonds	45	0	0	45
Financial derivatives	0	0	0	0
Financial assets at fair value	676	0	17	694
<b>Total financial assets 30.09</b>	<b>774</b>	<b>0</b>	<b>17</b>	<b>791</b>
<b>Financial liabilities at fair value</b>				
Financial derivatives	0	(8)	0	(8)
<b>Total financial liabilities 30.09</b>	<b>0</b>	<b>(8)</b>	<b>0</b>	<b>(8)</b>
<b>2018</b>				
<b>Financial assets at fair value</b>				
Equities	48	0	0	48
Bonds	46	0	0	46
Financial derivatives	0	1	0	1
Financial assets at fair value	626	0	88	714
<b>Total financial assets 30.09</b>	<b>720</b>	<b>1</b>	<b>88</b>	<b>809</b>
<b>Financial liabilities at fair value</b>				
Financial derivatives	0	11	0	11
<b>Total financial liabilities 30.09</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>11</b>

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 that are not traded in an active market (over-the-counter contracts) are based on third party quotes. These quotes use the maximum number of 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 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 group for similar financial derivatives.

The fair values, except for bond debt, 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. The fair values of the bond debt are based on quoted prices and are also classified within level 2 of the fair value hierarchy due to limited trading in an active market.

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 mid price. These instruments are included in level 1. Instruments included in level 1 at the end of September 2019 are liquid investment grade bonds (analogous for 2018).

The fair value of financial instruments that are not traded in an active market (over-the-counter contracts) are based on third party quotes (Mark-to-Market). These quotes use the maximum number of 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. Primarily illiquid investment funds and structured notes are included in level 3.

## Note 13 Leasing IFRS 16

The new IFRS 16 Leasing standard is effective from 1 January 2019. The standard will significantly change how the company accounts for its lease contracts for land, buildings and equipment 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. This note summarizes the impact on the financial reporting of the group from implementing the new standard. According to the company's existing loan agreements, the new standard will not result in breach of debt covenants.

### The Lease Contracts

The company has a number of leases related to property and land that account for the significant part of the lease liability. The group also leases vehicle and equipment. A lease liability and right-of-use asset will be presented for these contracts which 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 are reflected as an adjustment to the opening balance. At the time of transition, leases entered under IAS 17 will not be reassessed.

As of 1 January 2019, the lease liabilities are measured at the present value of remaining lease payments, discounted using the incremental borrowing rate at

### Implementation effect

#### Impact on equity

The net effect on equity as at 1 January 2019 is presented below.

#### USD million

Lease liability at 1 January 2019	220
Right-of-use asset at 1 January 2019	222
<b>Difference between lease liability and right-of-use asset at 1 January 2019</b>	<b>2</b>
<b>Effect from prepayments and currency translation</b>	<b>2</b>

such date. 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.

## Notes - financial report

### Note 14 - Related party transactions

WWH delivers services to the Wallenius Wilhelmsen group. These include primarily in-house services such as canteen, post, switchboard and rent of office facilities.

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.

In addition Maritime Services have several transactions with associates. The contracts governing such transactions are based on commercial market terms.

### Note 15 - Contingencies

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 16 - Events occurring after the balance sheet date

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



## Notes 17 Alternative performance measures

This section describes non-GAAP financial alternative performance measures (APM) that may be used in the quarterly and annual reports and related presentations.

The following measures are not defined nor specified in the applicable financial reporting framework of IFRS. They may be considered as non-GAAP financial measures that may include or exclude amounts that are calculated and presented according to the IFRS. These APMs are intended to enhance comparability of the results, balance sheet and cash flows from period to period and it is the Company's experience that these are frequently used by investors, analysts and other parties. Internally, these APMs are used by the management to measure performance on a regular basis. The APMs should not be considered as a substitute for measures of performance in accordance with IFRS.

**EBITDA** is defined as Total income (Operating revenue and gain/(loss) on sale of assets) adjusted for Operating expenses. EBITDA is used as an additional measure of operational profitability, excluding the impact from financial items, taxes, depreciation and amortization.

**EBITDA adjusted** is defined as EBITDA excluding certain income and/or cost items which are not regarded as part of the underlying operational performance for the period. The Company do not report EBITDA adjusted on a regular basis, but may use it on a case by case basis to better explain operational performance.

**EBITDA margin** is defined as EBITDA as a per cent of of Total income.

**EBITDA margin adjusted** is defined as EBITDA adjusted as a per cent of Total income, with Total income also adjusted for the same income elements as those which have been adjusted for in EBITDA adjusted.

**EBIT** is defined as Total income (Operating revenue and

gain/(loss) on sale of assets) less Operating expenses, Other gain/loss and depreciation and amortization. EBIT is used as a measure of operational profitability excluding the effects of how the operations were financed, taxed and excluding foreign exchange gains & losses.

**EBIT adjusted, EBIT margin and EBIT margin adjusted** will, if used, be prepared in the same manner as described under EBITDA.

**Net interest-bearing debt (NIBD)** is defined as total interest bearing debt (Non-current interest-bearing debt and Current interest-bearing debt) less Cash and cash equivalents and Current financial investments.

**Equity ratio** is defined as Total equity as a percent of Total assets.

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