Brønnøysundregistrene

# ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

**Enheten**

| | |
|---|---|
| Organisasjonsnummer: | 991 184 104 |
| Organisasjonsform: | Aksjeselskap |
| Foretaksnavn: | TALLYMAN AS |
| Forretningsadresse: | Strandveien 20<br>1366 LYSAKER |

**Regnskapsår**

| | |
|---|---|
| Årsregnskapets periode: | 01.01.2020 - 31.12.2020 |

**Konsern**

| | |
|---|---|
| Morselskap i konsern: | Ja |
| Konsernregnskap lagt ved: | Ja |

**Regnskapsregler**

| | |
|---|---|
| Regler for små foretak benyttet: | Nei |
| Benyttet ved utarbeidelsen av årsregnskapet til selskapet: | Regnskapslovens alminnelige regler |
| Benyttet ved utarbeidelsen av årsregnskapet til konsernet: | Forenklet IFRS |

**Årsregnskapet fastsatt av kompetent organ**

| | |
|---|---|
| Bekreftet av representant for selskapet: | Ragnhild Hjørnevik |
| Dato for fastsettelse av årsregnskapet: | 16.06.2021 |

**Grunnlag for avgivelse**

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 20.07.2022

# Resultatregnskap

| Beløp i: USD | Note | 2020 | 2019 |
|---|---|---|---|
| **RESULTATREGNSKAP** | | | |
| **Inntekter** | | | |
| Operating revenue | 1/3/21 | | |
| Other income | 1 | | |
| **Sum inntekter** | | **0** | |
| **Kostnader** | | | |
| Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer | 15 | | |
| Employee benefits | 6 | | |
| Depreciation | 7/8 | | |
| Other expenses | 1/21 | | |
| **Driftsresultat** | | | |
| **Finansinntekter og finanskostnader** | | | |
| Dividend subsidiaries | | 5 000 000 | 13 000 000 |
| Share of profit from joint venture and associates | 4 | | |
| Renteinntekt fra foretak i samme konsern | 14 | | |
| Financial income | 1 | 1 000 000 | 1 000 000 |
| Write down/revaluation long term assets | | 11 000 000 | 10 000 000 |
| **Sum finansinntekter** | | **17 000 000** | **24 000 000** |
| Financial expenses | 1 | | |
| **Netto finans** | | **17 000 000** | **24 000 000** |
| **Ordinært resultat før skattekostnad** | | **17 000 000** | **24 000 000** |
| Income tax expense | 9 | | |
| **Ordinært resultat etter skattekostnad** | | **17 000 000** | **24 000 000** |
| **Årsresultat** | | **17 000 000** | **24 000 000** |
| **Overføringer og disponeringer** | | | |
| Ordinært utbytte | | -12 000 000 | -11 000 000 |
| Transfer to accumulated other equity | | -5 000 000 | -13 000 000 |
| **Sum overføringer og disponeringer** | | **-17 000 000** | **-24 000 000** |

# Resultatregnskap

| Beløp i: USD | Note | 2020 | 2019 |
|---|---|---|---|

# Balanse

| Beløp i: USD | Note | 2020 | 2019 |
|---|---|---|---|
| **BALANSE - EIENDELER** | | | |
| **Anleggsmidler** | | | |
| **Immaterielle eiendeler** | | | |
| Deferred tax asset | 9 | | |
| Goodwill and other intangible assets | 7 | | |
| **Sum immaterielle eiendeler** | | **0** | |
| **Varige driftsmidler** | | | |
| Vessel, property and other tangible assets | 7 | | |
| Right of use assets | 8 | | |
| Investments in joint ventures and associates | 4 | 3 000 000 | |
| Other non current assets | 12 | | |
| **Sum varige driftsmidler** | | **3 000 000** | |
| **Finansielle anleggsmidler** | | | |
| Investering i datterselskap | 5 | 456 000 000 | 437 000 000 |
| Financials assets to fair value | 14/19 | | |
| **Sum finansielle anleggsmidler** | | **456 000 000** | **437 000 000** |
| **Sum anleggsmidler** | | **459 000 000** | **437 000 000** |
| **Omløpsmidler** | | | |
| **Varer** | | | |
| Inventories | 15 | | |
| Other current assets | 12/17 | | |
| **Investeringer** | | | |
| Andre markedsbaserte finansielle instrumenter | 16/19 | 4 000 000 | 10 000 000 |
| **Sum investeringer** | | **4 000 000** | **10 000 000** |
| Cash and cash equivalents | 17 | | |
| **Sum omløpsmidler** | | **4 000 000** | **10 000 000** |
| **SUM EIENDELER** | | **463 000 000** | **447 000 000** |

# Balanse

| Beløp i: USD | Note | 2020 | 2019 |
|---|---|---|---|
| **BALANSE - EGENKAPITAL OG GJELD** | | | |
| | | | |
| **Egenkapital** | | | |
| **Innskutt egenkapital** | | | |
| Paid-in capital | | 60 000 000 | 59 000 000 |
| **Sum innskutt egenkapital** | | **60 000 000** | **59 000 000** |
| | | | |
| **Opptjent egenkapital** | | | |
| Retained earnings and other reserves | | 391 000 000 | 377 000 000 |
| **Sum opptjent egenkapital** | | **391 000 000** | **377 000 000** |
| | | | |
| **Sum egenkapital** | | **451 000 000** | **436 000 000** |
| | | | |
| **Gjeld** | | | |
| **Langsiktig gjeld** | | | |
| Pensjonsforpliktelser | 11 | | |
| Utsatt skatt | 9 | | |
| **Annen langsiktig gjeld** | | | |
| Obligasjonslån | 8/18 | | |
| Gjeld til kredittinstitusjoner | 18/19 | | |
| Other non current liabilities | 12 | | |
| | | | |
| **Sum langsiktig gjeld** | | **0** | **0** |
| | | | |
| **Kortsiktig gjeld** | | | |
| Current interest-bearing debt | 18/19 | | |
| Leverandørgjeld | 8/18 | | |
| Current income tax | 9 | | |
| Utbytte | | 12 000 000 | 11 000 000 |
| Other current liabilites | 12 | | |
| **Sum kortsiktig gjeld** | | **12 000 000** | **11 000 000** |
| | | | |
| **Sum gjeld** | | **12 000 000** | **11 000 000** |
| | | | |
| **SUM EGENKAPITAL OG GJELD** | | **463 000 000** | **447 000 000** |

# Konsernets resultatregnskap

| Beløp i: USD | Note | 2020 | 2019 |
|---|---|---|---|
| **RESULTATREGNSKAP** | | | |
| **Inntekter** | | | |
| Operating revenue | 1/3/21 | 807 000 000 | 836 000 000 |
| Other income | 1 | 5 000 000 | 14 000 000 |
| **Sum inntekter** | | **812 000 000** | **850 000 000** |
| **Kostnader** | | | |
| Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer | 15 | 243 000 000 | 247 000 000 |
| Employee benefits | 6 | 299 000 000 | 306 000 000 |
| Depreciation | 7/8 | 78 000 000 | 71 000 000 |
| Other expenses | 1/21 | 131 000 000 | 148 000 000 |
| **Sum kostnader** | | **751 000 000** | **772 000 000** |
| **Driftsresultat** | | **61 000 000** | **78 000 000** |
| **Finansinntekter og finanskostnader** | | | |
| Share of profit from joint venture and associates | 4 | -50 000 000 | 49 000 000 |
| Renteinntekt fra foretak i samme konsern | 14 | 192 000 000 | 34 000 000 |
| Financial income | 1 | 46 000 000 | 34 000 000 |
| **Sum finansinntekter** | | **188 000 000** | **117 000 000** |
| Financial expenses | 1 | 44 000 000 | 49 000 000 |
| **Sum finanskostnader** | | **44 000 000** | **49 000 000** |
| **Netto finans** | | **144 000 000** | **68 000 000** |
| **Ordinært resultat før skattekostnad** | | **205 000 000** | **146 000 000** |
| Income tax expense | 9 | 27 000 000 | 15 000 000 |
| **Ordinært resultat etter skattekostnad** | | **178 000 000** | **131 000 000** |
| **Årsresultat** | | **178 000 000** | **131 000 000** |
| Minoritetsinteresser | | 120 000 000 | 73 000 000 |
| **Årsresultat etter minoritetsinteresser** | | **58 000 000** | **58 000 000** |

# Konsernets balanse

| Beløp i: USD | Note | 2020 | 2019 |
|---|---|---|---|
| **BALANSE - EIENDELER** | | | |
| **Anleggsmidler** | | | |
| **Immaterielle eiendeler** | | | |
| Deferred tax asset | 9 | 55 000 000 | 57 000 000 |
| Goodwill and othe intagible assets | 7 | 238 000 000 | 246 000 000 |
| **Sum immaterielle eiendeler** | | **293 000 000** | **303 000 000** |
| **Varige driftsmidler** | | | |
| Vessel, property and other tangible assets | 7 | 560 000 000 | 555 000 000 |
| Right of use assets | 8 | 177 000 000 | 173 000 000 |
| Investments in joint ventures and associates | 4 | 976 000 000 | 1 003 000 000 |
| Other non current assets | 12 | 28 000 000 | 25 000 000 |
| **Sum varige driftsmidler** | | **1 741 000 000** | **1 756 000 000** |
| **Finansielle anleggsmidler** | | | |
| Investering i datterselskap | 5 | | |
| Financial assets to fair value | 14/19 | 801 000 000 | 675 000 000 |
| **Sum finansielle anleggsmidler** | | **801 000 000** | **675 000 000** |
| **Sum anleggsmidler** | | **2 835 000 000** | **2 734 000 000** |
| **Omløpsmidler** | | | |
| **Varer** | | | |
| Inventories | 15 | 84 000 000 | 82 000 000 |
| **Sum varer** | | **84 000 000** | **82 000 000** |
| **Fordringer** | | | |
| Other current assets | 12/17 | 274 000 000 | 317 000 000 |
| **Sum fordringer** | | **274 000 000** | **317 000 000** |
| **Investeringer** | | | |
| Andre markedsbaserte finansielle instrumenter | 16/19 | 128 000 000 | 112 000 000 |
| **Sum investeringer** | | **128 000 000** | **112 000 000** |
| **Bankinnskudd, kontanter og lignende** | | | |
| Cash and cash equivalents | 17 | 269 000 000 | 153 000 000 |

## Konsernets balanse

| Beløp i: USD | Note | 2020 | 2019 |
|---|---|---|---|
| **Sum bankinnskudd, kontanter og lignende** | | **269 000 000** | **153 000 000** |
| | | | |
| **Sum omløpsmidler** | | **755 000 000** | **664 000 000** |
| | | | |
| **SUM EIENDELER** | | **3 590 000 000** | **3 398 000 000** |
| | | | |
| **BALANSE - EGENKAPITAL OG GJELD** | | | |
| | | | |
| **Egenkapital** | | | |
| **Innskutt egenkapital** | | | |
| Paid-in capital | | 60 000 000 | 59 000 000 |
| **Sum innskutt egenkapital** | | **60 000 000** | **59 000 000** |
| | | | |
| **Opptjent egenkapital** | | | |
| Retained earnings and other reserves | | 1 035 000 000 | 974 000 000 |
| **Sum opptjent egenkapital** | | **1 035 000 000** | **974 000 000** |
| | | | |
| Minoritetsinteresser | | 1 262 000 000 | 1 143 000 000 |
| | | | |
| **Sum egenkapital** | | **2 357 000 000** | **2 176 000 000** |
| | | | |
| **Gjeld** | | | |
| **Langsiktig gjeld** | | | |
| Pensjonsforpliktelser | 11 | 25 000 000 | 20 000 000 |
| Utsatt skatt | 9 | 12 000 000 | 11 000 000 |
| **Sum avsetninger for forpliktelser** | | **37 000 000** | **31 000 000** |
| **Annen langsiktig gjeld** | | | |
| Obligasjonslån | 8/18 | 161 000 000 | 154 000 000 |
| Gjeld til kredittinstitusjoner | 18/19 | 426 000 000 | 429 000 000 |
| Other non current liabilities | 12 | 23 000 000 | 28 000 000 |
| **Sum annen langsiktig gjeld** | | **610 000 000** | **611 000 000** |
| | | | |
| **Sum langsiktig gjeld** | | **647 000 000** | **642 000 000** |
| | | | |
| **Kortsiktig gjeld** | | | |
| Current interest-bearing debt | 18/19 | 38 000 000 | 65 000 000 |
| Leverandørgjeld | 8/18 | 31 000 000 | 27 000 000 |

# Konsernets balanse

| Beløp i: USD | Note | 2020 | 2019 |
|---|---|---|---|
| Current income tax | 9 | 13 000 000 | 9 000 000 |
| Public duties payable | | 14 000 000 | 12 000 000 |
| Utbytte | | 12 000 000 | 11 000 000 |
| Other current liabilites | 12 | 478 000 000 | 456 000 000 |
| **Sum kortsiktig gjeld** | | **586 000 000** | **580 000 000** |
| | | | |
| **Sum gjeld** | | **1 233 000 000** | **1 222 000 000** |
| | | | |
| **SUM EGENKAPITAL OG GJELD** | | **3 590 000 000** | **3 398 000 000** |

**Tallyman AS**
Org. nr. 991184104

## Kontantstrømoppstilling

| | 2020 | 2019 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Profit before tax (incl discont operations, before non-controlling intere | 17 | 24 |
| Depreciation/impairment | -11 | -10 |
| **Net cash provided by operating activities** | **6** | **14** |
| **Cash flow from investing activities** | | |
| Net proceeds from sale/investments in financial assets | -6 | -3 |
| **Cash flow from investing activities** | **6** | **3** |
| **Cash flow from financing activities** | | |
| Dividend to shareholders/purchase of own shares | 12 | 17 |
| **Cash flow from financing activities** | **-12** | **-17** |

**Tilleggsopplysninger**

**Tallyman AS**
Org. nr. 991184104

## Koncern
## Kontantstrømoppstilling

| | 2020 | 2019 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Profit before tax (incl discont operations, before non-controlling intere | 205 | 145 |
| Financial income/expenses | -2 | 17 |
| Share of profit/loss form joint ventures and associates | 50 | -49 |
| Depreciation/impairment | 78 | 71 |
| Gain/loss on sale of fixed assets | -5 | -8 |
| Gain/loss from sale of subsidiaries, joint ventures and associates | 0 | -6 |
| Change in inventory | 1 | -9 |
| Change in working capital | 70 | -19 |
| Tax paid (company income tax, withholding tax) | -9 | -8 |
| Changes in fair value financial assets | -192 | -34 |
| **Net cash provided by operating activities** | **196** | **100** |
| **Cash flow from investing activities** | | |
| Current financial investments | -56 | -35 |
| Dividend received from joint ventures and associates | 21 | 33 |
| Net proceeds from sale/investments in fixed assets | 7 | 7 |
| Net proceeds from sale/investments in financial assets and subsidia | 74 | 74 |
| Interes received | 1 | 4 |
| **Cash flow from investing activities** | **47** | **83** |
| **Cash flow from financing activities** | | |
| Net proceeds from issue of debt after debt expenses | 19 | 93 |
| Repayment of debt | -60 | -136 |
| Repayment of leasing debt | -18 | -24 |
| Interest paid including interest derivatives | -18 | -25 |
| Interest paid leasing debt | -10 | -11 |
| Dividend to shareholders | -24 | -66 |
| Cash from/(to) financial derivatives | -14 | 0 |
| **Cash flow from financing activities** | **-126** | **-170** |
| Net increase in cash and cash equivalents | 117 | 14 |
| **Cash and cash equivalents at the beginning of the period** | **153** | **140** |
| **Cash and cash equivalents at 31.12** | **269** | **153** |

**Tilleggsopplysninger**

Admincontrol

# List of Signatures

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**Tallyman_Årsregnskap og styrets årberetning 2020.pdf**

| Name | Method | Signed at |
|---|---|---|
| Wilhelmsen, Thomas | BANKID_MOBILE | 2021-05-31 19:43 GMT+02 |
| Baumann, Julie | BANKID_MOBILE | 2021-05-28 12:58 GMT+02 |
| Due, Christian | BANKID_MOBILE | 2021-05-28 12:34 GMT+02 |

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External reference: 4CC35AA52ABD46308A69FACADEF174B6

# DIRECTORS' REPORT FOR 2020
# TALLYMAN AS

**The Company and the Group**
Tallyman Group consists of the parent company Tallyman AS and its subsidiary Wilh. Wilhelmsen Holding ASA (WWH ASA). Tallyman's headquarter is at Lysaker in Bærum. The parent company has no employees and the main business is owning shares in WWH ASA, and all material operations are therefore in the Wilhelmsen group. WWH ASA is a listed company in the maritime industry with operations worldwide. Tallyman AS controls 60.2% of the votes and own 49.7% of the share capital in WWH ASA.

Pursuant to the 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.

**Financial accounts**
The income statement shows a profit before tax and minority interest of USD 17 million for the parent company and USD 205 million for the Group, profit after tax, respectively USD 17 million and USD 178 million.

The Group's interest-bearing debt decreased by USD 30 million in 2020 (decrease USD 39 million in 2019). The Group met its financial covenants at the end of 2020.

The cash flow statement shows a positive change in cash and cash equivalents for the group of USD 117 million. Tallyman Group's cash position at year-end 2020 was satisfactory. Cash flow from operation is expected to be satisfactory in 2021.

The financial statements are prepared and presented in accordance with simplified IFRS pursuant to section 3-9 of the Norwegian Accounting Act.

**Allocation of profit and dividend**
The Board's proposal for allocation of the net profit for the year is as follows:

| Parent company accounts | NOK millions | USD millions |
|---|---|---|
| Profit for the year | 142 | 17 |
| Dividends | 100 | 12 |
| Transfer to retained earnings | 42 | 5 |

Distributable equity in the parent company was NOK 3.358 (3.312) / USD 391 (377) million as at 31 December 2020. The parent company's functional currency is NOK.

The basis for the business operations is mainly the consolidated company WWH ASA. WWH ASA has prepared a comprehensive annual report, and we refer to this for a detailed description of the activities.

This year's main events:
Maintaining operation and creating solution for safe crew handling during the pandemic.
Investing in solutions enabling sustainable global trade.
Reduction in operating income and profit.
Net gain on financial assets.
Acquiring 50% of Wilhelmsen Ahrenkiel Ship Management.
Acquiring 25% of Edda Wind.
Reduced shareholding in Hyundai Glovis from 12% to 11%.
Paid dividend of NOK 2.00 per share.
3% shareholder return.

**Working environment**
The group's head office is in Norway, and the group has 229 offices in 62 countries within its controlled structure. The group employs 10.639 seafarers and 4.813 land-based employees. Wilhelmsen has a clear policy stating that men and women have the right to equal opportunities. Harassment and discrimination based

on race, gender or similar grounds or other behavior 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 two of the five directors are female. Tallyman board and management team consist of two men and one woman.

The sickness absence rate was 2.01% for onshore operations, and 0.01% on nvessels, in line with previous years. There were no occupational disease cases recorded in 2020, and there were zero work related fatalities in 2020. In 2020, the lost-time injury frequency (LTIF) rate for sailing personell was 0.28, within the target not to exceed 0.50. The total recordable case frequency (TRCF) rate was 1.40 within the target not to exceed 2.80. The LTIF rate target for 2021 is not to exceed 0.40 and the TRCF rate is not to exceed 2.80. For onshore operations, campaigns focused on COVID-19 measures and mental and physical health and wellness, including the working from home situation. At the end of the year, approximately 60% of the onshore employees were working from home. The LTIF rate onshore was 0.13 in 2020, within target not to exceed 0.5. The TRCF rate result of 0.30 was within target not to exceed 1.5. The LTIF rate target for 2021 is not to exceed 0.40 and the TRCF rate is not to exceed 1.0. The Board considers the working environment as good.

**Environment**
Wilhelmsen works to reduce the environmental impact of their own and their customer's operations, as well as addressing industry and social issues, climate actions and marine litter and pollution. The full report is available on wilhelmsen.com.

**Corporate governance**
Tallyman Group observes the Norwegian Code of Practice for corporate governance, in addition to requirements specified in the Norwegian Public Companies Act and the Norwegian Accounting Act. The board's corporate governance report for 2020 can be found in the annual report and on wilhelmsen.com.

**Sustainability**
Tallyman Group 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. Wilhelmsen subscribes to the 10 principles of the UNGC and works actively within theUNGC Sustainable ocean business action platform to partner with other serious actors to contribute to the achievement of the Sustainable Development Goals (SDGs).During 2020, a special COVID-19 task force was also established in the platform and delivered several papers and interventions toaddress the crew change challenges. The board is committed to a sustainablestrategy and acknowledges that it is a vital prerequisite for Wilhelmsen to be aprofitable and responsible player in the industry and society at large. With an aim to increase transparency, Wilhelmsen issues a sustainability report following the guidelines set forward in the Global Reporting Initiative's(GRI) sustainability reporting standards. The report describes how Wilhelmsen combines long-term profitability with emphasis on ESG factors. The full report is available on wilhelmsen.com.

**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 on profitability. The responsibility of governing boards, management and all employees are to be aware of the current environment in which the companies 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.

**Events after the balance sheet date/Prospects for Tallyman Group**
The 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 20 of the group accounts.

Wilhelmsen is a global provider of maritime related services, transportation, and logisticssolutions. The prospects for the group and its business segments are, to various degree, correlated with general development in worldeconomy and trade. After an estimated 3-4% drop in global GDP in 2020 due to measures implemented to containthe pandemic. A rebound is expected to take place in 2021 and 2022. Measures implemented to contain spread of COVID-19 also have an impact on the global operation, with majority of office employees still working from home at the start of 2021. Travel restrictions in many countries will alsocontinue to create operational issues related to crew changes.

Wilhelmsen holds leading positions in severalmaritime industry segments. The combined forces of extensive business knowledge, globalnetwork, innovative organisation, and strong solidity will continue to support developmentof the group. Wilhelmsen is exposed to global trade. Uncertainty remains on future development ofglobal trade, including global economic growth,trade restrictions and the environment. In the short term, measures to stop the spread of the coronavirus will continue to have a negative impact on most business activities. Wilhelmsenretains its robustness and capacity to both meetsuch eventualities and to actively expand its footprint within targeted business segments.

Lysaker, May 21, 2021

| | | |
|---|---|---|
| Thomas Wilhelmsen<br>Chair | Julie Baumann<br>Director | Christian Due<br>Director/CEO |

## INCOME STATEMENT | TALLYMAN AS

| PARENT COMPANY | | | | GROUP | |
|---|---|---|---|---|---|
| USD mill | | | | USD mill | |
| 2020 | 2019 | Note | | 2020 | 2019 |
| | | | **Operating revenue** | | |
| 0 | 0 | 1/3/21 | Operating revenue | 807 | 836 |
| | | | **Other Income** | | |
| 0 | 0 | 1 | Other Income | 5 | 14 |
| **0** | **0** | | **Total income** | **812** | **850** |
| | | | **Operating expenses** | | |
| 0 | 0 | 15 | Cost of goods and change in inventory | (243) | (247) |
| 0 | 0 | 6 | Employee benefits | (299) | (306) |
| 0 | 0 | 1/21 | Other expenses | (131) | (148) |
| 0 | 0 | 7/8 | Depreciation | (78) | (71) |
| **0** | **0** | | **Total operating expenses** | **(751)** | **(772)** |
| **0** | **0** | | **Operating profit** | **61** | **78** |
| | | | **Financial income/expenses** | | |
| 5 | 13 | | Dividend subsidiaries | 0 | 0 |
| 0 | 0 | 4 | Share of profit/(loss) from joint ventures and associates | (50) | 49 |
| 0 | 0 | 14 | Change in fair value financial assets | 192 | 34 |
| 0 | 0 | 1 | Financial income | 46 | 34 |
| 0 | 0 | 1 | Financial expenses | (44) | (49) |
| 11 | 10 | | Write down/revaluation long term assets | 0 | 0 |
| **17** | **24** | | **Financial income/(expenses)** | **144** | **68** |
| **17** | **24** | | **Profit (loss) before tax** | **205** | **145** |
| 0 | 0 | 9 | Tax income/(expenses) | (27) | (15) |
| **17** | **24** | | **Profit (loss) for the period** | **178** | **130** |
| | | | Of which: | | |
| | | | Profit attributable to non-controlling interests | 120 | 73 |
| | | | Profit/(loss) attributable to owners of the parent | 58 | 57 |
| | | | **Transfers** | | |
| 12 | 11 | | Dividends | | |
| 5 | 13 | | Retained earnings | | |
| 17 | 24 | | | | |

## COMPREHENSIVE INCOME | TALLYMAN AS

| 2020 | 2019 | Note | | 2020 | 2019 |
|---|---|---|---|---|---|
| 17 | 24 | | **Profit for the year** | 178 | 130 |
| | | | **Items that may be reclassified to income statement** | | |
| | | | Cash flow hedges (net after tax) | -3 | 1 |
| 0 | 0 | | Comprehensive income from associates | (4) | (2) |
| 11 | (7) | 19 | Currency translation differences | 49 | 8 |
| | | | **Items that will not be reclassified to income statement** | | |
| 0 | 0 | 11 | Remeasurement postemployment benefits, net of tax | (3) | (1) |
| 11 | (7) | | **Other comprehensive income net of tax** | 39 | 6 |
| 28 | 17 | | **Total comprehensive income** | 217 | 136 |
| | | | **Attributable to** | | |
| 28 | 17 | | Owners of the parent | 80 | 63 |
| 0 | 0 | | Non-controlling interests | 137 | 73 |
| 28 | 17 | | **Total comprehensive income for the year** | 217 | 136 |

# BALANCE SHEET | TALLYMAN AS

| PARENT COMPANY | | | BALANCE 31.DECEMBER | GROUP | |
|---|---|---|---|---|---|
| USD mill | | | | USD mill | |
| **2020** | **2019** | **Notes** | **ASSETS** | **2020** | **2019** |
| | | | **Non current assets** | | |
| 0 | 0 | 9 | Deferred tax asset | 55 | 57 |
| 0 | 0 | 7 | Property, vessel and other tangible assets | 560 | 555 |
| 0 | 0 | 7 | Goodwill and other intangible assets | 238 | 246 |
| 0 | 0 | 8 | Right-of-use assets | 177 | 173 |
| 3 | 0 | 4 | Investments in joint ventures and associates | 976 | 1,003 |
| 0 | 0 | 14/19 | Financial assets to fair value | 801 | 675 |
| 0 | 0 | 12 | Other non current assets | 28 | 25 |
| **3** | **0** | | **Total non current assets** | **2,835** | **2,734** |
| | | | **Non current financial Investments** | | |
| 456 | 438 | 5 | Investments in subsidiaries | 0 | 0 |
| 456 | 438 | | Total non current financial investments | 0 | 0 |
| | | | **Current assets** | | |
| 0 | 0 | 15 | Inventories | 84 | 82 |
| 4 | 10 | 16/19 | Current financial investments | 128 | 112 |
| 0 | 0 | 12/17 | Other current assets | 274 | 317 |
| 0 | 0 | 17 | Cash and cash equivalents | 269 | 153 |
| **4** | **10** | | **Total current assets** | **755** | **664** |
| **463** | **447** | | **Total assets** | **3,590** | **3,397** |
| **2020** | **2019** | | **EQUITY AND LIABILITIES** | **2020** | **2019** |
| | | | **EQUITY** | | |
| | | | **Paid-in capital** | | |
| 60 | 59 | | Paid-in capital | 60 | 59 |
| 391 | 377 | | Retained earnings and other reserves | 1,035 | 974 |
| **451** | **436** | | **Attributable to equity holders of the parent** | **1,095** | **1,032** |
| 0 | 0 | | Non-controlling interests | 1,262 | 1,143 |
| **451** | **436** | | **Total equity** | **2,357** | **2,175** |
| | | | **LIABILITIES** | | |
| | | | **Non current liabilities** | | |
| 0 | 0 | 11 | Pension liabilities | 25 | 20 |
| 0 | 0 | 9 | Deferred tax | 12 | 11 |
| 0 | 0 | 18/19 | Non current interest-bearing debt | 426 | 429 |
| 0 | 0 | 8/18 | Non current lease liabilities | 161 | 154 |
| 0 | 0 | 12 | Other non current liabilities | 23 | 28 |
| **0** | **0** | | **Total non current liabilities** | **647** | **642** |
| | | | **Current liabilities** | | |
| 0 | 0 | 9 | Current income tax | 13 | 9 |
| 0 | 0 | | Public duties payable | 14 | 12 |
| 0 | 0 | 18/19 | Current interest-bearing debt | 38 | 65 |
| 0 | 0 | 8/18 | Current lease liabilities | 31 | 27 |
| 0 | 0 | 12 | Other current liabilities | 478 | 456 |
| 12 | 11 | | Dividends | 12 | 11 |
| **12** | **12** | | **Total current liabilities** | **586** | **581** |
| **463** | **447** | | **Total equity and liabilities** | **3,590** | **3,397** |

Lysaker, May 21. 2021

Thomas Wilhelmsen
Chair

Julie Baumann
Director

Christian Due
Director/CEO

| USD mill | | | Note | USD mill | |
|---|---|---|---|---|---|
| 2020 | 2019 | | | 2020 | 2019 |
| | | **Cash flow from operating activities** | | | |
| 17 | 24 | Profit before tax | | 205 | 145 |
| 0 | 0 | Share of (profit)/loss from joint ventures and associates | 4 | 50 | (49) |
| 0 | 0 | Changes in fair value financial assets | 14 | (192) | (34) |
| 0 | 0 | Financial (income)/expenses | 1 | (2) | 17 |
| (11) | (10) | Depreciation/impairment | 7/8 | 78 | 71 |
| 0 | 0 | (Gain)/loss on sale of fixed assets | 1 | (5) | (8) |
| 0 | 0 | Gain from sale of subsidiaries, joint ventures and associates | 1/4 | - | (6) |
| 0 | 0 | Change in inventory | | 1 | (9) |
| 0 | 0 | Change in working capital | | 70 | (19) |
| 0 | 0 | Tax paid (company income tax, withholding tax) | | (9) | (8) |
| 5 | 14 | **Net cash provided by operating activities** | | 196 | 100 |
| | | **Cash flow from investing activities** | | | |
| 0 | 0 | Dividend received from joint ventures and associates | 4 | 21 | 33 |
| 0 | 0 | Proceeds from sale of fixed assets | | 7 | 17 |
| 0 | 0 | Investments in tangible and intangible assets | 7 | (37) | (40) |
| 0 | 0 | Net proceeds from sale of subsidiaries | | - | 3 |
| 0 | 0 | Net proceeds from sale of joint ventures and associates | | - | 34 |
| 0 | 0 | Investments in subsidiaries, joint ventures and associates | 4 | (34) | -3 |
| 0 | 0 | Loan repayments received from sale of subsidiaries | | - | 6 |
| 0 | 0 | Proceeds from dividend and sale of financial investments | | 146 | 65 |
| 6 | 3 | Current financial investments | | (56) | (35) |
| 0 | 0 | Interest received | 1 | 1 | 4 |
| 6 | 3 | **Net cash flow from investing activities** | | 47 | 83 |
| | | **Cash flow from financing activities** | | | |
| 0 | 0 | Net proceeds from issue of debt after debt expenses | 18 | 19 | 93 |
| 0 | 0 | Repayment of debt | 18 | (60) | (136) |
| 0 | 0 | Repayment of leasing debt | 8 | (18) | (24) |
| 0 | 0 | Interest paid including interest derivatives | 1 | (18) | (25) |
| 0 | 0 | Interest paid on lease liability | 1/8 | (10) | (11) |
| 0 | 0 | Cash from/(to) financial derivatives | | (14) | - |
| (12) | (17) | Dividend to shareholders/purchase of own shares | | (24) | (66) |
| (12) | (17) | **Net cash flow from financing activities** | | (126) | (170) |
| 0 | 0 | Net increase in cash and cash equivalents | | 117 | 14 |
| 0 | 0 | Cash and cash equivalentsat the beginning of the period | | 153 | 140 |
| 0 | 0 | **Cash and cash equivalents at 31.12** | | 269 | 153 |

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.

Equity | TALLYMAN AS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| USD mill | Share capital | Own shares | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|
| Balance at 31.12.2019 | 59 | 0 | 974 | 1,032 | 1,143 | 2,175 |
| **Comprehensive income for the period:** | | | | | | |
| Profit/(loss) for the period | | | 58 | 58 | 120 | 178 |
| Other comprehensive income | 1 | | 21 | 22 | 17 | 39 |
| **Total comprehensive income for the period** | **1** | **-** | **79** | **80** | **137** | **217** |
| **Transactions with owners:** | | | | | | |
| Change in non-controlling interests* | | | | - | (1) | (1) |
| Own shares * | | | (3) | (3) | | (3) |
| Dividends | | | (16) | (16) | (18) | (33) |
| **Balance 31.12.2020** | **60** | **0** | **1,035** | **1,097** | **1,262** | **2,357** |
| | 60 | | 1,035 | | 1,262 | 2,357 |

| USD mill | Share capital | Own shares | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|
| Balance at 31.12.2018 | 60 | 0 | 948 | 1,004 | 1,107 | 2,114 |
| **Comprehensive income for the period:** | | | | | | |
| Profit/(loss) for the period | 0 | 0 | 57 | 57 | 73 | 130 |
| Other comprehensive income | 0 | 4 | 2 | 6 | 0 | 6 |
| **Total comprehensive income for the period** | **0** | **4** | **59** | **63** | **73** | **136** |
| **Transactions with owners:** | | | | | | |
| Change in non-controlling interests* | | | 5 | 5 | (5) | - |
| Own shares ** | (1) | (4) | (27) | (32) | 0 | (32) |
| Dividends | | | (11) | (11) | (34) | (45) |
| **Balance 31.12.2019** | **59** | **0** | **974** | **1,032** | **1,143** | **2,175** |

*Liquidation of 2.200.000 own shares in Treasure ASA.

**WWH acquired own shares 30 September 2019 for USD 31 million, represented 537.092 A-shares and 1.286.732 B-shares. Average cost per shares was NOK 144.00.

Dividend for fiscal year 2019 was NOK 2.00 per share, where NOK 2.50 per share was paid in May 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.

The proposed dividend for fiscal year 2020 is NOK 5.00 per share, payable May 2021.
A decision on this proposal will be taken by the annual general meeting on 22 April 2021. The proposed dividend is not accrued in the year-end balance sheet.

The dividend will have effect on retained earnings in second quarter 2021.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

| USD mill | Share capital | Own shares | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|
| Balance at 31.12.2019 | 59 | 0 | 377 | 435 | 0 | 436 |
| **Comprehensive income for the period:** | | | | | | |
| Profit for the period | | | 17 | 17 | | 17 |
| Comprehensive income | 1 | | 10 | 11 | | 11 |
| **Total comprehensive income for the period** | **1** | **0** | **27** | **28** | **-** | **28** |
| **Transactions with owners:** | | | | | | |
| Dividends | | | (12) | (12) | | (12) |
| **Balance 31.12.2020** | **60** | **0** | **391** | **451** | **0** | **451** |

| USD mill | Share capital | Own shares | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|
| Balance at 31.12.2018 | 60 | 0 | 377 | 436 | 0 | 436 |
| **Comprehensive income for the period:** | | | | | | |
| Profit for the period | | | 24 | 24 | | 24 |
| Comprehensive income | (1) | | (6) | (7) | | (7) |
| **Total comprehensive income for the period** | **(1)** | **0** | **18** | **17** | **-** | **17** |
| **Transactions with owners:** | | | | | | |
| Dividends | | | (17) | (17) | | (17) |
| **Balance 31.12.2019** | **59** | **0** | **377** | **437** | **0** | **436** |

# GENERAL ACCOUNTING PRINCIPLES GROUP

GENERAL INFORMATION
Tallyman AS (referred to as the parent company) is domiciled in Norway. The consolidated accounts for fiscal year 2020 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 21 May 2021.

BASIS OF PREPARATION
**Compliance with IFRS**
The consolidated accounts and the separate financial statements for the parent company have been prepared and presented in accordance with simplified IFRS according to section 3-9 of the Norwegian Accounting Act. The exception from IFRS for recognition of dividends and group contribution is applied. Tallyman also provides additional disclosures in accordance with requirements in the Norwegian Accounting Act related to remuneration to the board and the management.

**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.

Most statements of financial position items will be affected by uncertainty related to estimates and assumption to a certain degree. The items most affected, and where estimates and assumptions are assessed to have the greatest significance include:

- Deferred tax asset (Note 9)
- Goodwill (Note 7)
- Leases (Note 8)
- Loss allowance on accounts receivable (Note 13)
- Provisions and other non-current liabilities (Note 12)

Accounting principles applied, estimates and assumptions used by management are presented in the respective notes.

**Financial reporting principles**
The financial reporting principles are described in the relevant notes in the consolidated financial statements and in the notes in the financial statements of the parent company.

The financial reporting principles described in the consolidated financial statements also apply to the financial statements of the parent company, unless otherwise stated.

## Note 1 | COMBINED ITEMS, INCOME STATEMENT

GROUP

| USD mill | Note | 2020 | 2019 |
|---|---|---|---|
| OPERATING REVENUE | | | |
| Ships service revenue | 2/3 | 480 | 528 |
| Supply services revenue | 2/3 | 260 | 249 |
| Ship management and crewing revenue | 2/3 | 47 | 45 |
| Revenue from services | 2/3 | 19 | 13 |
| **Total operating revenue** | 21 | **807** | **836** |
| OTHER INCOME | | | |
| Gain on sale of assets | | 5 | 14 |
| **Total other income** | | **5** | **14** |
| OTHER EXPENSES | | | |
| Office expenses | | (11) | (16) |
| Communication and IT expenses | | (31) | (26) |
| External services | | (22) | (20) |
| Travel and meeting expenses | | (4) | (9) |
| Marketing expenses | | (2) | (3) |
| Lease expenses | 8 | (12) | (10) |
| Other operating expenses | | (49) | (64) |
| **Total other expenses** | 21 | **(131)** | **(148)** |
| **Financial items** | | | |
| Investment management | | 13 | 12 |
| Interest income | | 1 | 4 |
| Dividend from financial assets | | 16 | 16 |
| Other financial items | | 1 | 1 |
| **Net financial items** | | **31** | **33** |
| **Financial - Interest expenses** | | | |
| Interest expenses | | (18) | (25) |
| Interest expenses lease liabilities | 8 | (10) | (11) |
| Other financial expenses | | (8) | (5) |
| **Net financial - interest expenses** | | **(36)** | **(41)** |
| **Financial - currency gain/(loss)** | | | |
| Operating currency - net | | (4) | 7 |
| Financial currency - net | | (3) | (10) |
| Derivatives for hedging of cash flow risk - realised | | (14) | (10) |
| Derivatives for hedging of cash flow risk - unrealised | | 29 | 4 |
| **Net financial - currency gain/(loss)** | | **7** | **(8)** |
| **Financial income/(expenses)** | | **2** | **(17)** |
| **Spesification of financial income and expenses** | | | |
| Net financial items | | 31 | 33 |
| Net currency derivatives | | 15 | |
| **Financial income** | | **46** | **33** |
| Net financial - interest expenses | | (36) | (41) |
| Net financial currency | | (7) | (8) |
| **Financial expenses** | | **(44)** | **(49)** |

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

## Note 2 | SEGMENT REPORTING

GROUP

Financial reporting principles

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

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board and Group Management Team, consisting of the group chief executive officer (group CEO) and three executive managers.

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 229 offices in some 62 countries.

The Supply Services segment is mainly related to the operation of supply bases for the offshore 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 group's investments in WalWil and Edda Wind is presented as part of Holding and Investments as investments in associates.

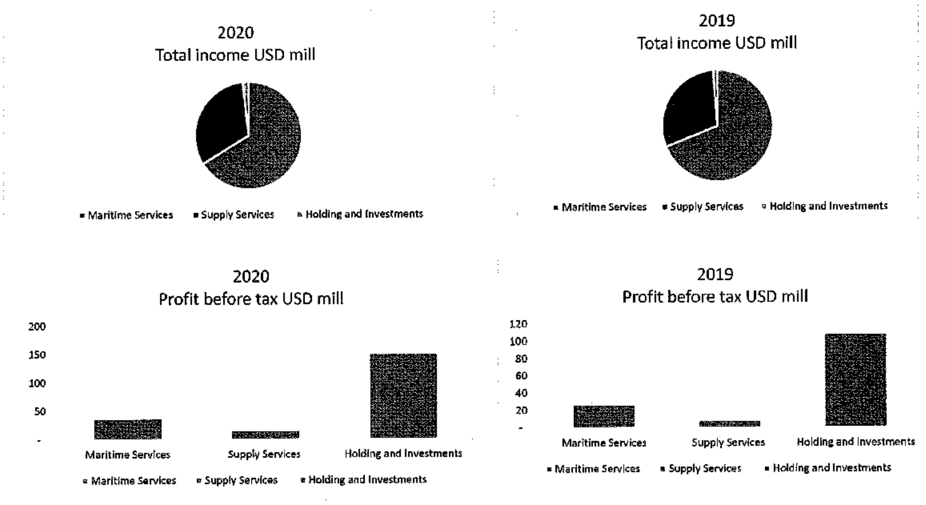
Eliminations are between the group's three segments mentioned above.

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 2020 is as follows:

| USD mill | Maritime Services | | Supply Services | | Holding and Investments | | Eliminations | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| INCOME STATEMENT | | | | | | | | | | |
| Operating revenue | 542 | 582 | 260 | 249 | 14 | 11 | (10) | (7) | 807 | 836 |
| Gain on disposals of assets | 2 | 9 | 3 | 6 | 0 | | | | 5 | 14 |
| **Total income** | **544** | **591** | **263** | **255** | **14** | **11** | **(10)** | **(7)** | **812** | **850** |
| Cost of goods and change in inventory | (166) | (181) | (77) | (65) | (1) | (1) | | | (243) | (247) |
| Employee benefits | (199) | (204) | (88) | (89) | (12) | (14) | | | (299) | (306) |
| Other expenses | (91) | (103) | (40) | (42) | (8) | (9) | 8 | 5 | (131) | (148) |
| **Operating profit/(loss) before depreciation, amortisation and impairment** | **89** | **103** | **57** | **59** | **(7)** | **(12)** | **(1)** | **(1)** | **138** | **149** |
| Depreciation and impairment | (39) | (29) | (35) | (37) | (5) | (5) | 1 | 1 | (78) | (71) |
| **Operating profit** | **50** | **73** | **22** | **22** | **(12)** | **(17)** | **(0)** | **0** | **60** | **78** |
| Share of profit/(loss) from associates | 1 | 4 | 11 | 6 | (62) | 39 | | | (50) | 49 |
| Changes in fair value financial assets | | (27) | | | 192 | 61 | | | 192 | 34 |
| Net financial income/(expenses) | (14) | (24) | (17) | (19) | 33 | 26 | | | 2 | (17) |
| **Profit before tax** | **37** | **27** | **16** | **8** | **151** | **109** | **(0)** | **0** | **205** | **145** |
| Tax income/(expense) | (19) | (12) | (3) | (3) | (5) | 1 | | | (27) | (15) |
| **Profit for the period** | **18** | **15** | **13** | **5** | **146** | **109** | **(0)** | **0** | **178** | **130** |
| Non-controlling interests | | 1 | 3 | 1 | 57 | 13 | | | 120 | 73 |
| **Profit to the equity holders of the company** | **17** | **14** | **10** | **4** | **90** | **96** | **(0)** | **0** | **58** | **57** |

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



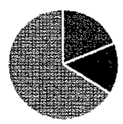
## Cont. note 2 | SEGMENT REPORTING

GROUP

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.

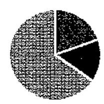
| USD mill | Maritme Services | | Supply Services | | Holding and Investments | | Eliminations | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31.12.20 | 31.12.19 | 31.12.20 | 31.12.19 | 31.12.20 | 31.12.19 | 31.12.20 | 31.12.19 | 31.12.20 | 31.12.19 |
| BALANCE SHEET | | | | | | | | | | |
| **Assets** | | | | | | | | | | |
| Deferred tax asset | 40 | 42 | 6 | 5 | 9 | 10 | - | - | 55 | 57 |
| Tangible assets | 177 | 83 | 381 | 473 | 3 | 27 | | (6) | 560 | 555 |
| Intangible assets | 134 | 145 | 7 | 5 | 1 | | 97 | 95 | 238 | 246 |
| Right of use assets | 42 | 46 | 118 | 108 | 18 | 24 | (2) | | 177 | 173 |
| Investments in joint ventures and associates | 19 | 11 | 128 | 126 | 825 | 867 | 0 | - | 973 | 1,003 |
| Financial assets to fair value | | | | | 801 | 675 | 0 | | 801 | 675 |
| Other non current assets | 10 | 19 | 15 | 7 | 16 | 15 | (12) | (16) | 28 | 25 |
| Current financial investments | | | | | 124 | 102 | 5 | 9 | 129 | 111 |
| Other current assets | 291 | 327 | 68 | 82 | 3 | 27 | (3) | (35) | 359 | 400 |
| Cash and cash equivalents | 175 | 116 | 12 | 7 | 81 | 31 | 0 | - | 269 | 153 |
| **Total assets** | **889** | **887** | **735** | **710** | **1,880** | **1,753** | **85** | **47** | **3,590** | **3,397** |
| | | | | | | | | | | |
| **Equity and liabilities** | | | | | | | | | | |
| Shareholders' equity | 208 | 204 | 164 | 154 | 1,636 | 1,523 | (913) | (848) | 1,095 | 1,032 |
| Equity non-controlling interests | (2) | (1) | 56 | 54 | 203 | 149 | 1,005 | 941 | 1,262 | 1,143 |
| Deferred tax | 12 | 11 | | | | | - | - | 12 | 11 |
| Interest-bearing debt | 199 | 198 | 277 | 288 | | 23 | (13) | (14) | 464 | 494 |
| Leasing debt | 45 | 49 | 129 | 113 | 20 | 25 | (2) | (6) | 192 | 181 |
| Other non current liabilities | 24 | 22 | 16 | 22 | 8 | 6 | 0 | (1) | 48 | 49 |
| Other current liabilities | 402 | 404 | 93 | 80 | 14 | 27 | 7 | (24) | 516 | 487 |
| **Total equity and liabilities** | **889** | **887** | **735** | **710** | **1,880** | **1,753** | **85** | **47** | **3,590** | **3,397** |
| | | | | | | | | | | |
| Investments in tangible assets | 15 | 14 | 21 | 20 | 1 | 1 | | | 37 | 36 |

Shareholder's equity 31.12.20





Shareholder's equity 31.12.19



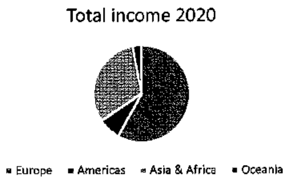
Cont. note 2 | SEGMENT REPORTING GROUP

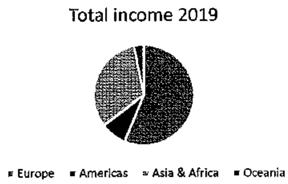
The amounts provided to the chief operating decision-maker with respect to cash flows are measured in a manner consistent with that of the balance sheet.

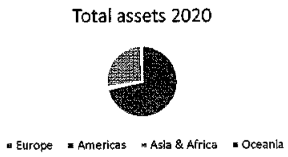
| USD mill | Maritime Services 2020 | Maritime Services 2019 | Supply Services 2020 | Supply Services 2019 | Holding and Investments 2020 | Holding and Investments 2019 |
|---|---|---|---|---|---|---|
| CASH FLOW | | | | | | |
| Profit before tax | 37 | 27 | 16 | 8 | 152 | 109 |
| Changes in fair value financial assets | | 27 | | | (192) | (61) |
| Share of profit (from)/loss joint ventures and associates | (1) | (4) | (11) | (6) | 62 | (39) |
| Net financial (income)/expenses | 14 | 24 | 17 | 19 | (33) | (26) |
| Depreciation/impairment | 39 | 29 | 35 | 37 | 5 | 5 |
| Change in working capital | 35 | (21) | | (18) | 1 | 3 |
| Net gain from sale of assets | 8 | 1 | (3) | (8) | | |
| **Net cash provided by operating activities** | **131** | **83** | **54** | **32** | **(5)** | **(8)** |
| Dividend received from joint ventures and associates | 4 | 3 | 17 | 10 | | |
| Net sale/(investments) in fixed assets | (10) | (8) | (16) | (20) | (1) | |
| Net sale/(investments) in entities and segments | (9) | (3) | (5) | 39 | (20) | 3 |
| Net investments in financial investments | 1 | 3 | | 1 | | (3) |
| Net changes in other investments | | | | | 98 | 23 |
| **Net cash flow from investing activities** | **(15)** | **(5)** | **(5)** | **29** | **77** | **42** |
| Net change of debt | (13) | (9) | (24) | (48) | (25) | |
| Net change in other financial items | (20) | (15) | (16) | (12) | (6) | |
| Net dividend from other segments/ to shareholders | (24) | (48) | (3) | (5) | 9 | (22) |
| **Net cash flow from financing activities** | **(57)** | **(73)** | **(44)** | **(66)** | **(22)** | **(22)** |
| **Net increase in cash and cash equivalents** | 60 | 6 | 5 | (5) | 50 | 12 |
| Cash and cash equivalents at the beginning of the period | 116 | 110 | 7 | 12 | 31 | 18 |
| **Cash and cash equivalents at the end of period** | **175** | **116** | **12** | **7** | **81** | **31** |

Cont. note 2 | SEGMENT REPORTING GROUP

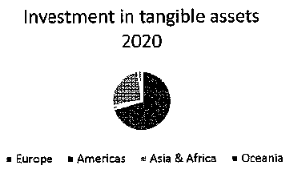
GEOGRAPHICAL AREAS

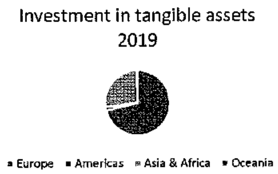







*Russia is defined as Europe.

**Total Income**
Area income is based on the geographical location of the company and includes sales gain.

**Total assets**
Area assets are based on the geographical location of the assets. The group's investment in Hyundai Glovis is classified in the geographical segment Asia & Africa.

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

## Note 3 | REVENUE FROM CONTRACTS WITH CUSTOMERS

GROUP

### OPERATING REVENUE

Financial reporting principles

Revenue derived from customer contracts in scope of IFRS 15 Revenue from contracts with customers are assessed using the five-step model, where only customer contracts with a firm commitment is used as basis for revenue recognition. Revenue from contracts with customers is recognised upon satisfaction of the performance obligation for the transfer of goods and services in each such contract. The revenue amount recognised is equal to the consideration the group expects to be entitled in exchange for the goods and services.

Other revenue also consists of revenue from operating leases. Leases, in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. The group recognises lease payments as revenue 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 lease income.

| Revenue segments | Maritime services | | | | Supply services | | | Holding and Investments | Elimination | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| USD mill | Marine Products | Ships Agency | Technical/ crewing management | Other | Operation | Property | Other | Other | | 2020 |
| Revenue from external customers | 321 | 117 | 59 | 45 | 235 | 24 | 1 | 14 | (10) | 807 |
| **Total** | 321 | 117 | 59 | 45 | 235 | 24 | 1 | 14 | (10) | 807 |
| Timing of revenue recognition | | | | | | | | | | |
| At a point in time | 321 | | | 42 | | | | 14 | (10) | 367 |
| Over time | | 117 | 59 | 3 | 235 | 24 | 1 | | | 439 |
| **Total** | 321 | 117 | 59 | 45 | 235 | 24 | 1 | 14 | (10) | 607 |

| Revenue segments | | | | | | | | | | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue from external customers | 368 | 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 |

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 recognised net of any discounts. Some customers are entitled to retrospective volume discounts based on aggregate sales over a defined perod. Revenue from these sales is recognised 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 reconized 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. The contract durations follow industry standards, and will usually incluce 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 revenenue 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 also has an insurance agency business where 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 offshore industry (Operations), from the rental of properties (Property) and from the sale of services to other industries (Other). The duration of the operations contracts varies from 3 to 10 years. The pricing of the contracts are mainly based on delivered quantity via supply bases.

***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 to 7 years. For contracts with a duration of more than one year the rent is adjusted annually based on commonly used indexes. Lease revenue is usually 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 JOINT VENTURES AND ASSOCIATES

GROUP

Financial reporting principles

Associates:

Associates are all entities over which the group has significant influence but not control or control jointly. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

Joint arrangement:

Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet

Equity method:

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits after tax of the investee in income statement, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Sale and dilution of the share of associate companies is recognised in the income statement when the transactions occur for the group.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment when impairment indicators are present.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

| INVESTMENTS IN ASSOCIATED COMPANIES | | 2020 | 2019 |
|---|---|---|---|
| | Business office/country | Voting share/ownership | |
| **Holding and Investments** | | | |
| Wallenius Wilhelmsen ASA (WAWI) | Lysaker, Norway | 37.8% | 37.8% |
| Denholm Port Services Limited | Grangemouth, United Kingdom | 40.0% | 40.0% |
| Dolittle AS | Lysaker, Norway | 45.9% | 45.9% |
| Massterly AS | Lysaker, Norway | 50.0% | 50.0% |
| Edda Wind AS | Haugesund, Norway | 25.0% | |
| **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% |
| Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG | Germany | 50.0% | |
| Verwaltung Wilhelmsen Ahrenkiel GmbH | Germany | 50.0% | |
| Wilhelmsen Ahrenkiel Ship Management B.V | Netherlands | 50.0% | |
| Baasher Barwil Agencies Ltd | Sudan | | 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% |

## Cont. note 4 | INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

GROUP

| Maritime Services - companies with significant shares of profits (cont.) | Business office/country | Voting share/ownership 2020 | 2019 |
|---|---|---|---|
| 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% |
| 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% |
| 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% |
| 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 126

| USD mill | 2020 | 2019 |
|---|---|---|
| **Share of profit/(loss) from associates** | | |
| WAWI group | (63) | 39 |
| Other associates Holding and Investments | 1 | (0) |
| Other associates Maritime Services | 1 | 4 |
| Other associates Supply Services | 1 | (2) |
| **Share of profit/(loss) from associates** | **(60)** | **41** |
| | | |
| **Book value of material associates** | | |
| WAWI group | 798 | 864 |
| | | |
| **Specification of share of equity and profit/loss:** | | |
| Share of equity 01.01 | 883 | 900 |
| Share of profit for the year | (60) | 41 |
| Associates in Maritime Services | 10 | |
| Associates in Holding & Investment | 20 | |
| Associates in Supply Services | 3 | 3 |
| Dividend | (5) | (29) |
| Disposals associates | (1) | (31) |
| Financial derivatives in associates | (4) | |
| Other comprehensive income | 4 | (2) |
| **Share of equity 31.12** | **850** | **883** |

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

The group acquired 25% of Østensjø Group's offshore wind company, Edda Wind and secured an option to buy another 25% before June 2021. Edda Wind owns and operates service vessels supporting the maintenance work conducted during the commissioning and operation of offshore wind parks.

The group acquired 50% stake in Ahrenkiel Steamship, within the container segment in particular, ship management. Ahrenkiel Steamship is the technical container ship manager within the MPC Capital Group.

Cont. note 4 | INVESTMENTS IN JOINT VENTURES AND ASSOCIATES GROUP

Set out below are the summarised financial information for, based on 100%, for WAWI 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 | WAWI 2020 | WAWI 2019 | Other 2020 | Other 2019 |
|---|---|---|---|---|
| SUMMARISED STATEMENT OF COMPREHENSIVE INCOME | | | | |
| Total income | 2,958 | 3,909 | 65 | 57 |
| Operating expenses | (3,041) | (3,551) | (55) | (52) |
| **Net operating profit** | **(84)** | **358** | **10** | **4** |
| Finance income & expenses | (222) | (246) | (1) | 0 |
| **Profit before tax** | **(306)** | **112** | **9** | **5** |
| Tax | 4 | (10) | (1) | (1) |
| **Profit/(loss) after non-controlling interests** | **(286)** | **93** | **8** | **4** |
| Other comprehensive income | (1) | (2) | (3) | (0) |
| **Total comprehensive income (shareholder's equity)** | **(287)** | **90** | **5** | **3** |
| WWH share of dividend from associates | | 19 | 5 | 10 |

| USD mill | WAWI 12/31/2020 | WAWI 12/31/2019 | Other 12/31/2020 | Other 12/31/2019 |
|---|---|---|---|---|
| SUMMARISED BALANCE SHEET | | | | |
| Non current assets | 6,391 | 6,747 | 155 | 22 |
| Other current assets | 582 | 650 | 47 | 45 |
| Cash and cash equivalents | 655 | 399 | 94 | 39 |
| **Total assets** | **7,628** | **7,796** | **296** | **105** |
| Non current financial liabilities | 1,924 | 1,729 | 101 | 4 |
| Other non current liabilities | 1,995 | 2,108 | 14 | 14 |
| Current financial liabilities | 282 | 175 | 67 | 52 |
| Other current liabilities | 812 | 863 | 5 | 1 |
| Non-controlling interest | 224 | 239 | | |
| **Total liabilities** | **5,238** | **5,114** | **188** | **71** |
| **Net assets** | **2,391** | **2,682** | **108** | **34** |

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.

| USD mill | WAWI 12/31/2020 | WAWI 12/31/2019 | Other 12/31/2020 | Other 12/31/2019 |
|---|---|---|---|---|
| RECONCILIATION OF SUMMARISED FINANCIAL INFORMATION | | | | |
| **Net asset 01.01** | **2,682** | **2,647** | **34** | **112** |
| Profit for the period | (286) | 93 | 8 | 4 |
| Access associated companies | | | 80 | |
| Other comprehensive income | (1) | (12) | | |
| Currency translation differences | | | (3) | (1) |
| Disposal | | | | (66) |
| Transaction with non controlling interests | (4) | 6 | | |
| Dividend | | (51) | (10) | (15) |
| **Net assets 31.12** | **2,391** | **2,682** | **108** | **34** |
| WWH share | 904 | 1,014 | 45 | 15 |
| Currency | 2 | (2) | | |
| Fair value adjustment vessel and goodwill * | (108) | (148) | 6 | 5 |
| **Carrying value 31.12** | **798** | **864** | **51** | **20** |

* 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 2020 was USD 435 million (2019: USD 398 million). WAWI is a separately listed company on Oslo Stock Exchange. The market capitalisation of its shares at year end is 45% lower (2019: 54% 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 WAWI. This impairment test has been reviewed by the management of WWH, and adjusted for factors related to the financing and working capital of WAWI in order to assess a reasonable value in use for the investment in the shares of WAWI. 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 WAWI.
The fair value adjustment has increased during the year due to reversal of impairment goodwill and unrealised loss related to asset which are not part of carry amount of the investment for Wilhelmsen group.

**Reconciliation of the group's income statement and balance sheet**

| USD mill | 2020 | 2019 |
|---|---|---|
| Share of profit from joint ventures | 11 | 8 |
| Share of profit/(loss) from associates | (60) | 41 |
| **Share of profit/(loss) from joint ventures and associates** | **(50)** | **49** |
| | | |
| Share of equity from joint ventures | 123 | 121 |
| Share of equity from associates | 850 | 865 |
| **Share of equity from joint ventures and associates** | **973** | **986** |

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.

Cont. note 4 | INVESTMENTS IN JOINT VENTURES AND ASSOCIATES GROUP

| INVESTMENTS IN JOINT VENTURES | Business office, country | 2020 | 2019 |
|---|---|---|---|
| | | Voting share/ownership | |
| **Supply Services** | | | |
| Coast Center Base AS (CCB) | Fjell, Norway | 50.0% | 50.0% |
| KS Coast Center Base (CCB) | Fjell, Norway | 50.0% | 50.0% |
| CCB Energy Holding AS | Fjell, Norway | 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 offshore 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.

CCB Energy Holding AS is a joint venture between NorSea Group and Bernh. Larsen Holding AS and was established in 2020. It owns shares in companies involved in production of hydrogen and climate netural solutions.

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 in 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. See note 23 for contingencies for the group.

Cont. note 4 | INVESTMENTS IN JOINT VENTURES AND ASSOCIATES GROUP

| USD mill | 2020 | 2019 |
|---|---|---|
| **Summarised financial information - according to the group's ownership** | | |
| Share of total income | 76 | 96 |
| Share of operating expenses | (54) | (75) |
| Share of depreciation | (7) | (8) |
| Share of net financial items | (3) | (4) |
| Share of tax expense | (2) | (1) |
| **Share of profit for the year** | **11** | **8** |

| | | |
|---|---|---|
| **Share of equity (equity method)** | | |
| Book value | 67 | 76 |
| Excess value (goodwill) | 56 | 44 |
| **Investments in Joint Ventures** | **123** | **121** |

| USD mill | 2020 | 2019 |
|---|---|---|
| **Joint ventures' assets, equity and liabilities (group's share of investments)** | | |
| Share of non current assets | 187 | 167 |
| Share of cash and cash equivalents | 32 | 27 |
| Share of current assets | 5 | 16 |
| **Total share of assets** | **224** | **209** |
| | | |
| Share of equity | 76 | 68 |
| Share of profit for the period | 11 | 8 |
| Dividend received/repayments of share capital | (21) | (4) |
| Currency translation differences | 1 | 3 |
| **Share of equity 31.12** | **67** | **76** |
| | | |
| Share of non current financial liabilities | 100 | 98 |
| Share of other non current liabilities | 7 | 7 |
| Share of current financial liabilities | 14 | |
| Share of other current liabilities | 36 | 28 |
| **Total share of liabilities** | **158** | **133** |
| | | |
| **Total share of equity and liabilities** | **224** | **209** |

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%).

| | CCB | | Other | |
|---|---|---|---|---|
| USD mill | 2020 | 2019 | 2020 | 2019 |
| SUMMARISED STATEMENT OF COMPREHENSIVE INCOME | | | | |
| Total income | 143 | 182 | 10 | 10 |
| | | | | |
| Operating expenses | (107) | (149) | (1) | (1) |
| Depreciation / amortisation | (13) | (15) | (1) | (1) |
| **Net operating profit** | **23** | **19** | **8** | **8** |
| Financial income/(expenses) | (5) | (5) | (2) | (2) |
| **Profit before tax** | **18** | **13** | **6** | **6** |
| Tax income/(expense) | (2) | (1) | (1) | (1) |
| **Profit after non-controlling interests** | **16** | **12** | **5** | **4** |
| Other comprehensive income | | | | |
| **Total comprehensive income** | **16** | **12** | **5** | **4** |
| | | | | |
| WWH share of dividend from joint ventures | 15 | 3 | 2 | 1 |

Cont. note 4 | INVESTMENTS IN JOINT VENTURES AND ASSOCIATES GROUP

| USD mill | CCB 12/31/2020 | CCB 12/31/2019 | Other 12/31/2020 | Other 12/31/2019 |
|---|---|---|---|---|
| SUMMARISED BALANCE SHEET | | | | |
| Non current assets | 246 | 209 | 127 | 124 |
| Other current assets | 61 | 50 | 3 | 3 |
| Cash and cash equivalents | 8 | 30 | 3 | 3 |
| **Total assets** | **315** | **289** | **133** | **130** |
| Non current financial liabilities | 124 | 118 | 75 | 78 |
| Other non current liabilities | 12 | 12 | 2 | 2 |
| Current financial liabilities | 27 | | 2 | |
| Other current liabilities | 67 | 50 | 5 | 7 |
| **Total liabilities** | **230** | **179** | **85** | **88** |
| **Net assets** | **85** | **110** | **49** | **43** |

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 2020 | CCB 2019 | Other 2020 | Other 2019 |
|---|---|---|---|---|
| RECONCILIATION OF SUMMARISED FINANCIAL INFORMATION | | | | |
| **Opening net asset 31.12** | **110** | **96** | **43** | **42** |
| Profit for the period | 16 | 12 | 5 | 4 |
| Other comprehensive income | | | | |
| Currency translation differences | 5 | 6 | 2 | |
| Dividend to shareholder | (45) | (4) | (1) | (3) |
| **Closing net assets 31.12** | **85** | **110** | **49** | **43** |
| WWH share | 42 | 55 | 24 | 21 |
| Goodwill/ Surplus value / Reversal of internal gain | 61 | 48 | (4) | (3) |
| **Carrying value 31.12** | **103** | **102** | **20** | **18** |

Note 5 | PRINCIPAL SUBSIDIARIES PARENT COMPANY/GROUP

Financial reporting principles
The consolidated financial statements consists of all entities controlled by Tallyman and Wilh. Wilhelmsen Holding ASA as at 31 December 2020.

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. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

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

| | Business office/country | Nature of business | Proportion of ordinary shares directly held by parent (%) | Proportion of ordinary shares held by the group (%) |
|---|---|---|---|---|
| **Maritime Services** | | | | |
| Wilh. Wilhelmsen Holding ASA | Lysaker, Norway | | 60%/49,7%** | 60%/49,7%** |
| 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 Holding AS | Lysaker, Norway | 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 2020 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
*At 31.12.2020 Treasure ASA had 3 965 000 own shares (2019: 465 000).
** In Wilh. Wilhelmsen Holding ASA, the share capital consist of A-shares and B-shares with different voting rights.
Controlling interest in Wilh. Wilhelmsen Holding ASA is 60%, proportion of ownership is 49.7%.

## Note 6 | EMPLOYEE BENEFITS

GROUP

Financial reporting principles

Employee benefits include wages, salaries, social security contributions, sick leave, parental leave and other employee benefits. The benefits are recognized in the period in which the associated services are rendered by the employees.

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.

| USD mill | Note | 2020 | 2019 |
|---|---|---|---|
| Pay | | 224 | 243 |
| Payroll tax | | 29 | 23 |
| Pension cost | 11 | 16 | 10 |
| Other remuneration | | 30 | 31 |
| **Total employee benefits** | | **299** | **306** |

| | 2020 | 2019 |
|---|---|---|
| **Number of employees:** | | |
| Group companies in Norway | 1,003 | 1,028 |
| Group companies abroad | 3,471 | 3,807 |
| Seagoing personnel Ship Management | 10,639 | 10,230 |
| **Total employees** | **15,113** | **15,065** |
| Average number of employees | 15,089 | 14,575 |

REMUNERATION OF SENIOR EXECUTIVES

| USD thousand | Pay | Bonus | Pension premium | * Other remuneration | Total | Total in NOK thousand |
|---|---|---|---|---|---|---|
| **2020** | | | | | | |
| Group CEO | 595 | 167 | 197 | 183 | 1,142 | 9,740 |
| Group CFO | 421 | 103 | 53 | 53 | 630 | 5,370 |
| President and CEO Wilhelmsen Ships Service | 375 | 99 | 123 | 23 | 620 | 5,287 |
| President and CEO Wilhelmsen Ship Management | 255 | 54 | 36 | 169 | 515 | 4,389 |
| CEO NorSea Group ** | 276 | 115 | 9 | 19 | 419 | 3,572 |
| **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 |

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.
** The CEO NorSea Group has additional benefit related to disability pension.

**Remuneration of the board of directors**

| USD thousand | 2020 | 2019 |
|---|---|---|
| Diderik Schnitler (chair) | 82 | 80 |
| Trond Westlie | 50 | 48 |
| Carl E. Steen | 50 | 48 |
| Rebekka Glasser Herlofsen | | |
| Ulrika Laurin | | |
| Irene Waage Basili | 50 | 48 |
| Cathrine Løvenskiold Wilhelmsen* | 37 | 48 |

*Resigned from the board on 7 February 2020. The remuneration was reduced with 1/4 to reflect the period as a board member.

The board's remuneration for fiscal year 2020 will be approved by the general meeting 22 April 2021.

Remuneration of the nomination committee, for both Wilh. Wilhelmsen Holding ASA and Treasure ASA, totalled USD 22 thousand for 2020 (2019: 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 in WWH, and note 21 Related party transaction.

## Cont. note 6 | EMPLOYEE BENEFITS GROUP

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 Ships Service and 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 2020, a provision has been made related to the LTI programme ending on 31 December 2022. Potential payment will be in March 2023. The provision has been calculated based on development in value adjusted equity for the two first years of the four year measurement period, risk free return and standard deviation of historic annual value creation.

For further details, see note 16 Statement on the remuneration for senior executives in the parent company accounts.

EXPENSED AUDIT FEE

| USD mill | 2020 | 2019 |
|---|---|---|
| Statutory audit | 1.6 | 2.5 |
| Other assurance services | 0.2 | 0.4 |
| Tax advisory fee | 1.9 | 1.4 |
| Other assistance | 0.1 | 0.1 |
| **Total expensed audit fee** | **3.9** | **4.4** |

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

## Note 7 | PROPERTY, VESSEL AND OTHER TANGIBLE ASSETS

GROUP

Financial reporting principles

Property, vessel 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 aquisition costs are recognised in the income statement when they arise. Aquisition 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 |
| Vessel: | 25 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.

Impairment:
The group applies IAS 36 Impairment of Assets to determine whether property, vessels and other tangible assets is impaired and to account for any impairment loss identified.

At each reporting date the accounts are assessed whether there is an indication that an asset may be impaired. 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. If any such indication exists, or when annual impairment testing for an asset is required, estimates of the asset's recoverable amount are done. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units – "CGU"). 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. 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.

USD mill

| TANGIBLE ASSETS | Property | Vessel | Other tangible assets | Total tangible assets |
|---|---|---|---|---|
| **2020** | | | | |
| Cost 1.1 | 560 | 35 | 244 | 839 |
| Acquisition | 19 | | 11 | 31 |
| Reclass/disposal | (4) | | (21) | (25) |
| Currency translation differences | 22 | 1 | 6 | 29 |
| **Cost 31.12** | **596** | **36** | **241** | **873** |
| | | | | |
| Accumulated depreciation and impairment losses 1.1 | (175) | (19) | (90) | (284) |
| Depreciation/amortisation | (16) | (1) | (11) | (28) |
| Reclass/disposal | 3 | | 12 | 15 |
| Impairment | (1) | (2) | | (3) |
| Currency translation differences | (9) | (1) | (3) | (13) |
| **Accumulated depreciation and impairment losses 31.12** | **(198)** | **(23)** | **(92)** | **(313)** |
| | | | | |
| **Carrying amounts 31.12** | **398** | **13** | **149** | **560** |

Cont. note 7 | PROPERTY, VESSEL AND OTHER TANGIBLE ASSETS

USD mill

| TANGIBLE ASSETS | Property | Vessel | Other tangible assets | Total 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** | **554** |
| | | | | |
| 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 GROUP

Financial reporting principles
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 acquired through business combinations are allocated to the relevant cash-generating unit ("CGU").

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
- 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.

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 |

Impairment:
The group applies IAS 36 Impairment of Assets to determine whether goodwill or other Intangible asset is impaired and to account for any impairment loss identified.

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 have an indefinite useful life not subject to amortisation and is tested annually for impairment and carried at cost less impairment losses. 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 CGU. The allocation is made to those CGU or groups of CGU which are expected to benefit from the acquisition. 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 recoverable amount 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.

Impairment of other intangible assets follow the same principles as impairment for other non-financial assets, refer to financial reporting principles for property, vessels, and other tangible assets above.

USD mill

| INTANGIBLE ASSETS | Goodwill | Other intangible assets | Software and licences | Total intangible assets |
|---|---|---|---|---|
| **2020** | | | | |
| Cost 01.01 | 218 | 35 | 71 | 324 |
| Acquisition | | 1 | 6 | 7 |
| Reclass/disposal | 1 | (2) | (43) | (44) |
| Currency translation differences | 4 | 1 | (2) | 3 |
| **Cost 31.12** | **223** | **35** | **33** | **291** |
| | | | | |
| Accumulated amortisation and impairment losses 01.01 | (2) | (19) | (56) | (77) |
| Amortisation/impairment | (11) | (3) | (4) | (18) |
| Reclass/disposal | | 1 | 40 | 41 |
| Currency translation differences | | (1) | 2 | 1 |
| **Accumulated amortisation and impairment losses 31.12** | **(13)** | **(22)** | **(18)** | **(52)** |
| | | | | |
| **Carrying amounts 31.12** | **209** | **14** | **15** | **238** |

Cont. note 7 | GOODWILL AND OTHER INTANGIBLE ASSETS

| 2019 | | | | |
|---|---|---|---|---|
| Cost 01.01 | 219 | 34 | 67 | 320 |
| Acquisition | | 1 | 5 | 6 |
| Reclass/disposal | (2) | | | (2) |
| Currency translation differences | (1) | | (1) | (2) |
| **Cost 31.12** | **216** | **35** | **71** | **322** |
| | | | | |
| Accumulated amortisation and impairment losses 01.01 | (1) | (15) | (53) | (68) |
| Amortisation/impairment | (1) | (4) | (4) | (9) |
| Reclass/disposal | | | | |
| Currency translation differences | | | | 1 |
| **Accumulated amortisation and impairment losses 31.12** | **(2)** | **(19)** | **(56)** | **(77)** |
| | | | | |
| **Carrying amounts 31.12** | **214** | **16** | **16** | **246** |

| **Segment-level summary of the goodwill allocation:** | 2020 | 2019 |
|---|---|---|
| Maritime Services | 209 | 214 |
| **Total goodwill allocation** | **209** | **214** |

The group conducted no material acquisition resulting in recognition of goodwill in 2020 or 2019.

**Impairment testing of goodwill**
In the Maritime Services segment, USD 112 million relate to business area Ships 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 (2019: NOK and USD). Goodwill is tested for impairment annually.

For the purpose of impairment testing, goodwill is allocated to the respective cash generating units within the Ships Service business area.

During the quarter ending June 30 2020 the group recognised an impairment loss of USD 11 million. The impairment was related to the downscaling of activities and corresponding re-organization of operations in specific markets due to the effect of the Covid-19 pandemic. The recoverable amount for the specific cash generating units was determined by the unit's estimated fair value less cost of disposal (2019: value-in-use). The assumptions in the forecast used in the recoverable amount assessments were based on external available market information where possible, in addition to the group's expectations about the future. The applied assumptions were adjusted to reflect the current market conditions and specific business activities of the group.

As of December 31 2020, management performed additional impairment test for goodwill. No additional impairment was recognised (analogus for 2019).

Recoverable amount is calculated using estimated fair value less cost of disposal. In calculating the fair value less cost of disposal, the Group considers relevant information generated by market transactions involving similar group of assets, including qualitative and quantitative information.

Fair value less cost of disposal has been estimated by using an Enterprise value/EBITDA multiple (see note 24 for definition of the terms). The forecasted EBITDA is based on historical levels for EBITDA in each CGU. The multiples are estimated to be in the range of 6 - 9, which management believes is a fair estimate of market multiples for the relevant CGU's.

In 2019, recoverable amount was calculated based on value in use. Value in use was determined by discounting the future cash flows. 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:

| | 2020 | 2019 |
|---|---|---|
| USD/NOK | 8.53 | 8.77 |
| Multiple (2020) / Discount rate (2019) | 6.5 | 7.4% |
| Growth rate | 1-5% | 1-5% |
| Increase in material cost | 1-5% | 1-5% |
| Increase in pay and other remuneration | 1-3% | 1-3% |
| Increase in other expenses | 2-4% | 2-4% |

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 as of December 31 2020.

## Note 8 | LEASES

Financial reporting principles
The group adopted IFRS 16 Leases from 1 January 2019 which resulted in material changes to the group's financial statement.

Under IFRS 16 Leases, a lessee is required to recognise all contracts that qualify under its definition of a lease as right-of-use assets and lease liabilities 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 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 group applied IFRS 16 using the modified retrospective approach. The impact of changes in accounting policies and impact of the initial application is disclosed below 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:
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 noncancellable 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. 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.

## Cont. note 8 | LEASES

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 and business plans 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.

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. Group presents it's right-of-use assets as separate line items in the consolidated statement of financial position.

Impairment:
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. Impairment of right-of-use assets follow the same principles as impairment for other non-financial assets, refer to financial reporting principles for property, vessels, and other tangible assets note 7.

**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** |

**Reconciliation of lease commitment and lease liability**

USD mill

| | |
|---|---|
| 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 liability | 234 |
| Effect of discounting lease commitment to net present value | (14) |
| **Lease liability at 1 January 2019** | **220** |

Cont. note 8 | LEASES GROUP

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 |
|---|---|---|---|
| 2020 | | | |
| Acquisition cost 1.1 | 192 | 12 | 204 |
| Addition of right-of-use assets | 16 | 5 | 21 |
| Reclass/disposal | (12) | (5) | (16) |
| Currency exchange differences | 6 | | 6 |
| **Acquisition cost 31.12** | **202** | **13** | **215** |
| | | | |
| Accumulated depreciation and impairment 1.1 | (28) | (4) | (31) |
| Depreciation | (26) | (3) | (29) |
| Reclass/disposal | 21 | 4 | 24 |
| Currency exchange differences | (2) | | (2) |
| **Accumulated depreciation and impairment 31.12** | **(35)** | **(4)** | **(38)** |
| | | | |
| **Carrying amount of right-of-use assets 31.12** | 168 | 9 | **177** |

| USD mill | Buildings and land | Machinery, equipment and vehicles | Total |
|---|---|---|---|
| 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**

| USD mill<br>**Undiscounted lease liabilities and maturity of cash outflows** | 2020 | 2019 |
|---|---|---|
| Less than 1 year | (35) | (36) |
| 1-2 years | (34) | (33) |
| 2-3 years | (33) | (30) |
| 3-4 years | (33) | (29) |
| 4-5 years | (18) | (27) |
| More than 5 years | (65) | (63) |
| **Total undiscounted lease liabilities at 31.12** | **(218)** | **(217)** |

## Cont. note 8 | LEASES

USD mill

| Summary of the lease liabilities in the financial statements | 2020 | 2019 |
|---|---|---|
| Total lease liability 01.01 (initial application 01.01.2019) | 181 | 220 |
| Cash payments for the principal portion of the lease liability | (18) | (24) |
| Change of estimates | 10 | (20) |
| Currency exchange differences | 12 | 5 |
| **Total lease liabilities at 31.12** | **192** | **181** |
| | | |
| Current lease liabilities | 31 | 27 |
| Non-current lease liabilities | 161 | 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.

| Summary of other lease expenses recognised in income statement | 2020 | 2019 |
|---|---|---|
| Variable lease payments expensed in the period | 1 | 1 |
| Operating expenses related to short-term leases (including short-term low value assets) | 9 | 6 |
| Operating expenses related to low value assets (excluding short-term leases included above) | 2 | 3 |
| **Total lease expenses included in other operating expenses** | **12** | **10** |

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 3 million as of 31 December 2020 (2019: USD 4 million)

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 was 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 PARENT COMPANY/GROUP

Financial reporting principles

Income tax in the income statement consists of current tax, effect of changes in deferred tax / deferred tax assets, and withholding tax incurred in the period. Income tax is recognised in the income statement unless it relates to items recognised directly in equity or other comprehensive income.

Current tax:
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date that will be paid during the next 12 months. Current tax also includes any adjustment of taxes from previous years and taxes on dividends recognised in the year.

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.

Withholding tax:
Withholding tax and any related tax credits are generally recognised in the period they are incurred.

**Ordinary taxation**

The ordinary rate of corporation tax in Norway is 22% of net profit for 2020 (2019: 22%). 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% (2019: 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 | 2020 | 2019 |
|---|---|---|
| **Allocation of tax expense for the year** | | |
| Payable tax in Norway | (14) | (8) |
| Payable tax foreign | (12) | (12) |
| Change in deferred tax | (1) | 5 |
| **Total tax expense** | **(27)** | **(15)** |

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

| | | |
|---|---|---|
| Profit before tax | 205 | 144 |
| **22% tax** | **45** | **32** |
| **Tax effect from:** | | |
| Permanent differences | 4 | 7 |
| Non-taxable income | (48) | (19) |
| Share of (profit)/loss from joint ventures and associates | 11 | (11) |
| Impairment deferred tax asset * | 8 | |
| Withholding tax and payable tax previous year | 8 | 6 |
| **Calculated tax expense for the group** | **27** | **15** |
| Effective tax rate for the group | 13.4% | 10.2% |

* The group have material deferred tax assets, mainly related to companies within the Norwegian tax regime. As part of the group's revenue subject to Norwegian taxation falls within the tax exemption method, there is an increased uncertainty regarding the future use of the deferred tax asset. Based on this, the group have recognised an impairment loss of USD 8 million related to deferred tax assets.

## Cont. note 9 | TAX

GROUP

| USD mill | 2020 | 2019 |
|---|---|---|
| Net deferred tax assets at 01.01 | 46 | 42 |
| Currency translation differences | (2) | (1) |
| Tax charged to equity | 1 | |
| Income statement charge | (1) | 5 |
| **Net deferred tax assets at 31.12** | **44** | **46** |
| | | |
| Deferred tax assets in balance sheet | 55 | 57 |
| Deferred tax liabilities in balance sheet | (12) | (11) |
| **Net deferred tax assets at 31.12** | **44** | **46** |

| USD mill<br>**Deferred tax liabilities** | Fixed assets | Other | Total |
|---|---|---|---|
| **At 31.12.2019** | **(11)** | **(1)** | **(12)** |
| Through income statement | 7 | (1) | 7 |
| Currency translations | (1) | | (1) |
| **Deferred tax liabilities at 31.12.2020** | **(5)** | **(2)** | **(7)** |
| | | | |
| **At 31.12.2018** | **(13)** | **(5)** | **(18)** |
| Through income statement | 1 | 4 | **5** |
| Currency translations | 1 | | **1** |
| **Deferred tax liabilities at 31.12.2019** | **(11)** | **(1)** | **(12)** |

| USD mill<br>**Deferred tax assets** | Non current assets and liabilities | Current assets and liabilities | Tax losses carried forward | Total |
|---|---|---|---|---|
| **At 31.12.2019** | **6** | **11** | **42** | **59** |
| Through income statement | (6) | (4) | 2 | (8) |
| Charged directly to equity | 1 | | | 1 |
| Currency translations | | | (1) | (1) |
| **Deferred tax assets at 31.12.2020** | **0** | **7** | **43** | **51** |
| | | | | |
| **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** |

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.

## Cont. note 9 | TAX

PARENT COMPANY

| | 2020 | 2019 |
|---|---|---|
| Profit before tax | 17 | 24 |
| Revaluation assets | (11) | (10) |
| Dividends net of 3% taxation | (5) | (13) |
| Tax basis | - | 1 |
| **Payable taxes** | - | - |

## Note 10 | EARNINGS PER SHARES

GROUP

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

The calculation of basic and diluted earnings per share is based on the income attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding. Treasury shares are not included in the weighted average number of ordinary shares. Weighted average number of diluted and ordinary shares is the same, as the company does not have any dilutive instruments.

**Earnings per share**

Earnings per share taking into consideration the number of outstanding shares in the period. At 31 December 2020 WWH ASA owns a total of 1 823 824 own shares, split on 537 092 A-shares and 1 286 732 B-shares. Total outstanding shares as of 31 December 2020 are 34 000 000 A-shares and 10 580 000 B-shares.

Earnings per share is calculated based on an average of 44 580 000 shares for 2020 and 45 947 868 shares for 2019.

See note 10 in the parent accounts for an overview of the largest shareholders at 31 December 2020.

Note 11 | PENSION GROUP

Financial reporting princples
Defined contribution plan:
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.

Defined benefit plan:
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.

**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 through 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** | 2020 | 2019 | 2020 | 2019 |
| In employment | 13 | 16 | 5 | 4 |
| On retirement (inclusive disability pensions) | 141 | 140 | 26 | 26 |
| **Total number of people covered by pension schemes** | **154** | **156** | **31** | **30** |

| | Expenses | | Commitments | |
|---|---|---|---|---|
| **Financial assumptions for the pension calculations:** | 2020 | 2019 | 12/31/2020 | 12/31/2019 |
| Discount rate | 2.30% | 2.70% | 1.60% | 2.30% |
| Anticipated pay regulation | 2.00% | 2.50% | 1.75% | 2.00% |
| Anticipated increase in National Insurance base amount (G) | 2.00% | 2.50% | 1.75% | 2.00% |
| Anticipated regulation of pensions | 0.10% | 0.10% | 0.10% | 0.10% |

USD mill
Pension expenses

| | 2020 | 2019 |
|---|---|---|
| Service cost/ net interest cost | 1 | 1 |
| Cost of contribution plan | 15 | 9 |
| **Pension expenses** | **16** | **10** |

Cont. note 11 | PENSION GROUP

| USD mill | 12/31/2020 | 12/31/2019 |
|---|---|---|
| **Pension obligations** | | |
| Defined benefit obligation at end of prior year | 36 | 40 |
| Effect of changes in foreign exchange rates | (1) | |
| Service cost | 1 | 1 |
| Interest expense | 1 | 1 |
| Benefit payments from plan | (1) | (5) |
| Benefit payments from employer | 1 | |
| Settlement payments from plan assets | | (1) |
| Remeasurements - change in assumptions | 4 | |
| **Pension obligations 31.12** | **42** | **36** |

**Fair value of plan assets**

| | | |
|---|---|---|
| Fair value of plan assets at end of prior year | 16 | 20 |
| Interest income | | 1 |
| Employer contributions | 1 | |
| Benefit payments from plan | (1) | (1) |
| Settlement payments from plan assets | | (4) |
| **Gross pension assets 31.12** | **17** | **16** |

USD mill

**Total pension obligations**

| | | |
|---|---|---|
| Defined benefit obligation | 42 | 36 |
| Fair value of plan assets | 17 | 16 |
| **Net liability** | **25** | **20** |

## Note 12 | COMBINED ITEMS, BALANCE SHEET

GROUP

Financial reporting principles
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.

Accounts payable and other payables:
Accounts payable and other payables are recognised at the original invoiced amount, where the invoiced amount is considered to be approximately equal to the vale derived if the amortised cost method would have been applied.

| USD mill | Note | 2020 | 2019 |
|---|---|---|---|
| OTHER NON CURRENT ASSETS * | | | |
| Non current share investments | 19 | 2 | 1 |
| Other non current assets | 19 | 26 | 23 |
| **Total other non current assets** | | **28** | **25** |
| | | | |
| OTHER CURRENT ASSETS * | | | |
| Account receivables | | 178 | 233 |
| Financial derivatives | 19 | 15 | |
| Other current assets | 17/19 | 82 | 83 |
| **Total other current assets** | | **274** | **317** |
| | | | |
| OTHER NON CURRENT LIABILITIES * | | | |
| Related party non current liabilities | | | 3 |
| Other non current liabilities | | 23 | 25 |
| **Total other non current liabilities** | | **23** | **28** |
| | | | |
| OTHER CURRENT LIABILITIES * | | | |
| Account payables | | 208 | 223 |
| Financial derivatives | 19 | 9 | 16 |
| Other current liabilities ** | | 260 | 216 |
| **Total other current liabilities** | | **478** | **455** |

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

** Maritime Services has 615 965 (2019: 612 738) cylinders booked as other tangible asset in the balance sheet, see note 7. The cylinders are valued at USD 109 million (2019: USD 112 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 96 million (2019: USD 85 million).

Provisions in other current liabilities, including cylinder deposit liability, does include some degree of uncertainty due to the nature of the provisions. Provisions are calculated and recognised based on available information and assumptions at the time when the provision is made, and will be updated if needed when new information becomes available.

## Note 13 | RECEIVABLES

Financial reporting princples
Account receivables and other receivables, that have fixed or determinable payments that are not quoted in an active market are classified as receivables. Account receivables and other receivables are recognised at the original invoiced amount, where the invoiced amount is considered to be approximately equal to the value derived if the amortised cost method would have been applied.

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, including receivables from lease contracts.

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 2020 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

| 31 December 2020 | Current | Less than 90 days past due | Between 90 and 180 days past due | More than 180 days past due |
|---|---|---|---|---|
| Expected loss rate | 0% | 1% | 3% | 68% |
| Gross carrying amount - trade receivables | 166 | 5 | 5 | 7 |
| **Loss allowance *** | **0** | **(0)** | **(0)** | **(5)** |

| 31 December 2019 | Current | Less than 90 days past due | Between 90 and 180 days past due | More than 180 days past due |
|---|---|---|---|---|
| Expected loss rate | 0% | 1% | 3% | 57% |
| Gross carrying amount - trade receivables | 216 | 7 | 7 | 7 |
| **Loss allowance *** | **0** | **(0)** | **(0)** | **(4)** |

* Loss allowance is rounded to nil for trade receivables less than 180 days overdue.

ACCOUNT RECEIVABLES

At 31 December 2020, USD 11 million (2019: USD 21 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:

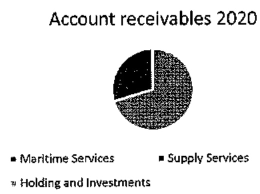
| USD mill | 2020 | 2019 |
|---|---|---|
| **Aging of account receivables past due but not impaired** | | |
| Up to 90 days | 5 | 7 |
| 90-180 days | 4 | 7 |
| Over 180 days | 2 | 7 |

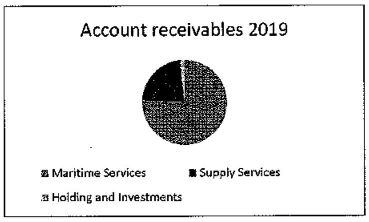
| | | |
|---|---|---|
| **Movements in group provision for impairment of account receivables are as follows** | | |
| Balance at 01.01 | 4 | 4 |
| Net provision for receivables impairment | 1 | |
| **Balance 31.12** | **5** | **4** |

Cont. note 13 | RECEIVABLES

| | 2019 | 2020 |
|---|---|---|
| **Account receivables per segment** | | |
| Maritime Services | 125 | 176 |
| Supply Services | 52 | 53 |
| Holding and Investments | 1 | 3 |
| **Total account receivables** | **178** | **233** |

See note 19 on credit risk.

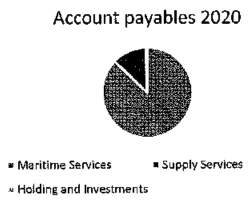


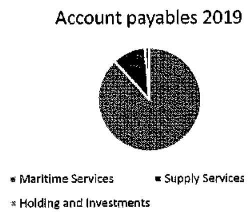




ACCOUNT PAYABLES
USD mill

| | 2020 | 2019 |
|---|---|---|
| **Account payables per segment** | | |
| Maritime Services | 181 | 197 |
| Supply Services | 25 | 23 |
| Holding and Investments | 1 | 3 |
| **Total account payables** | **208** | **223** |

See note 19 on credit risk.



## Note 14 | FINANCIAL ASSETS TO FAIR VALUE

GROUP

Financial reporting principles

Management determines the classification of financial assets at their initial recognition, with financial assets held for trading carried at fair value. Financial assets measured at fair value are initially measured at fair value with transaction costs expensed in the income statement, and subsequently changes in fair value recognised in the income statement.

**Financial assets to fair value**

| USD mill | 2020 | 2019 |
|---|---|---|
| At 1 January | 675 | 650 |
| Acquisition | 9 | 9 |
| Reclassified | | 2 |
| Sale during the year | (86) | (20) |
| Currency translation adjustment through other comprehensive income | 11 | |
| Change in fair value through income statement | 192 | 34 |
| **Total financial assets to fair value** | **801** | **675** |

| **Financial assets to fair value** | 2020 | 2019 |
|---|---|---|
| Qube Holdings Limited | 80 | 92 |
| Kaplan Equity Limited (KEL) | 18 | 18 |
| Hyundai Glovis | 699 | 560 |
| Other | 5 | 6 |
| **Total financial assets to fair value** | **801** | **675** |

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). As per 31 December 2020 the group held 35 million shares, 1.8% of total (2019: 40 million shares, 2.5% of total). The shares in Qube serve as collateral for a credit facility. See note 18.

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 2020, Treasure ASA group held 4.1 million shares in Glovis (11% of total) (2019: 12.04%). Treasure ASA is listed on the Oslo Stock Exchange.

## Note 15 | INVENTORIES

GROUP

Financial reporting principles

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.

| USD mill | 2020 | 2019 |
|---|---|---|
| **Inventories** | | |
| Raw materials | 8 | 7 |
| Goods/projects in process | 2 | 2 |
| Finished goods/products for onward sale | 74 | 73 |
| Others | | 1 |
| **Total inventories** | **84** | **82** |
| Obsolescence allowance, deducted above | 4 | 2 |

## Note 16 | CURRENT FINANCIAL INVESTMENTS

GROUP

Financial reporting principles
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.

| USD mill | 2020 | 2019 |
|---|---|---|
| **Market value current financial Investments** | | |
| Equities | 72 | 57 |
| Bonds | 52 | 54 |
| Financial derivatives | 5 | 1 |
| **Total current financial investments** | **128** | **112** |

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 | 14 | 10 |

The parent company's portfolio of financial investments USD 119 million is held as collateral within a securities' finance facility. See note 18.

## Note 17 | CASH, RESTRICTED BANK DEPOSITS AND UNDRAWN CREDIT FACILITIES

GROUP

Financial reporting princples
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.

| USD mill | 2020 | 2019 |
|---|---|---|
| Payroll tax withholding account | 1 | 1 |

Companies that do not have payroll tax withholding account use bank guarantees. As per 31.12.2020 total guarantees amounted to USD 6.7 million (2019: USD 6.3 million).

| | | |
|---|---|---|
| Committed undrawn credit facilities | 263 | 299 |

Committed undrawn credit facilities are key part of the liquidity reserve.

| **Cash and cash equivalents** | | |
|---|---|---|
| Banks | 269 | 153 |
| **Total cash and cash equivalents** | **269** | **153** |

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

GROUP

Financial reporting principles

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

| USD mill | Note | 2020 | 2019 |
|---|---|---|---|
| **Interest-bearing debt** | | | |
| Bank and mortgages loan | | 464 | 494 |
| Leasing debt | | 192 | 181 |
| **Total interest-bearing debt** | 19 | **657** | **675** |
| | | | |
| **Book value of collateral, mortgaged and leased assets:** | | | |
| Financial assets to fair value, current financial investments | 14/16 | 199 | 193 |
| Assets Supply Services | | 853 | 770 |
| **Total book value of collateral, mortgaged and leased assets** | | **1,052** | **964** |

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 | | 70 | 92 |
| Due in year 2 | | 233 | 40 |
| Due in year 3 | | 32 | 40 |
| Due in year 4 | | 30 | 251 |
| Due in year 5 and later | | 291 | 252 |
| **Total interest-bearing debt** | 19 | **657** | **675** |

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 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 2020.

| USD mill | | 2020 | 2019 |
|---|---|---|---|
| **The group net interest-bearing debt** | | | |
| Non current interest-bearing debt | | 426 | 429 |
| Non current lease liabilities | | 161 | 154 |
| Current interest-bearing debt | | 38 | 65 |
| Current lease liabilities | | 31 | 27 |
| **Total interest-bearing debt** | | **657** | **675** |
| | | | |
| Cash and cash equivalents | | 269 | 153 |
| Current financial investments | 16 | 124 | 102 |
| **Net interest-bearing debt** | | **264** | **419** |
| | | | |
| **Net interest-bearing debt in joint ventures** | | | |
| Non current interest-bearing debt | 4 | 114 | 98 |
| **Total interest-bearing debt in joint ventures** | | **114** | **98** |
| | | | |
| Cash and cash equivalents | 4 | 32 | 27 |
| **Net interest-bearing debt in joint ventures** | | **82** | **71** |

## Cont. note 18 | INTEREST-BEARING DEBT

GROUP

| USD mill | 2020 | 2019 |
|---|---|---|
| **Guarantee commitments** | | |
| Guarantees for group companies | 71 | 49 |
| **Total** | **71** | **49** |

| **The carrying amounts of the group's bank loan are denominated in the following currencies** | | |
|---|---|---|
| USD | 199 | 198 |
| NOK | 252 | 285 |
| DKK | 13 | 10 |
| **Total** | **464** | **494** |

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

Cont. note 18 | INTEREST-BEARING DEBT

GROUP

| USD mill | Note | 2020 | 2019 |
|---|---|---|---|
| **Net debt** | | | |
| Cash and cash equivalents | | 269 | 153 |
| Liquid investments* | | 124 | 102 |
| Borrowings - repayable within one year | | (70) | (92) |
| Borrowings - repayable after one year | | (587) | (583) |
| **Net debt** | | **(264)** | **(419)** |

| | 2020 | 2019 |
|---|---|---|
| Cash and cash equivalents and liquid investments | 393 | 255 |
| Gross debt - variable interest rates** | (657) | (675) |
| **Net debt** | **(264)** | **(419)** |

*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 01.01.2020** | 153 | 102 | 27 | 154 | 65 | 429 | 675 | (419) |
| Reclass | | | (1) | 1 | 11 | (1) | 10 | (10) |
| Cash flows | 115 | (1) | | (18) | (27) | (9) | (54) | 168 |
| Foreign exchange adjustments | | (4) | 2 | 3 | | 6 | 12 | (16) |
| Other non-cash movements | | 28 | 3 | 21 | (11) | 2 | 15 | 8 |
| **Net debt 31.12.2020** | 269 | 124 | 31 | 161 | 38 | 426 | 657 | (264) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **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) |

## Note 19 | FINANCIAL RISK

GROUP

Financial reporting principles

The group uses derivatives to address financial risk. 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 16 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).

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

## Note 19 | FINANCIAL RISK

GROUP

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 except for 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. USDMYR is hedged using currency forwards with maturities up to 12 months. 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 | 2020 | 2019 |
|---|---|---|---|
| **Currency through Income Statement** | | | |
| **Including in other financial income/(expenses)** | | | |
| Operating currency, net | | (4) | 7 |
| Financial currency, net | | (3) | (10) |
| Currency derivatives, realised | | (14) | (10) |
| Currency derivatives, unrealised | | 29 | 4 |
| **Net currency items in other financial income/(expenses)** | 1 | **7** | **(8)** |
| | | | |
| **Through other comprehensive income** | | | |
| Currency translation differences through OCI | | 33 | (2) |
| **Total net currency effects** | | **40** | **(11)** |

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:

## Note 19 | FINANCIAL RISK

GROUP

| USD mill<br>Sensitivity | (10%) | (5%) | 0% | 5% | 10% |
|---|---|---|---|---|---|
| **Income statement sensitivities of economic hedge program** | | | | | |
| Transaction risk | | | | | |
| USD/NOK spot rate | 7,68 | 8,10 | 8,53 | 8,96 | 9,38 |
| **Income statement effect (post tax)** | **14** | **7** | | **(6)** | **(12)** |
| EUR/USD spot rate | 1,10 | 1,17 | 1,23 | 1,29 | 1,35 |
| **Income statement effect (post tax)** | **(9)** | **(4)** | | **4** | **9** |
| USD/SGD spot rate | 1,19 | 1,25 | 1,32 | 1,39 | 1,45 |
| **Income statement effect (post tax)** | **7** | **4** | | **(3)** | **(6)** |

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

**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 2020.

| USD mill | 2020 | 2019 |
|---|---|---|
| **Maturity schedule interest rate hedges** (nominal amounts) | | |
| Due in year 1 | | 23 |
| Due in year 2 | 12 | |
| Due in year 3 | 47 | 12 |
| Due in year 4 | 33 | 46 |
| Due in year 5 and later | 38 | 67 |
| **Total interest rate hedges** | **129** | **148** |

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 4 years. The hedges have an average remaining term of approximately 5 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 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 2020, the group has no material exposure subject to interest rate risk.

## Note 19 | FINANCIAL RISK

GROUP

| USD mill | 2020 Assets | 2020 Liabilities | 2019 Assets | 2019 Liabilities |
|---|---|---|---|---|
| **Interest rate derivatives** | | | | |
| Maritime Services | | | | |
| Supply Services | | 9 | | 6 |
| Holding and Investments | | | | |
| **Total interest rate derivatives** | | **9** | **0** | **6** |
| **Currency derivatives** | | | | |
| Maritime Services | 15 | | | 10 |
| Supply Services | | | | |
| Holding and Investments | 4 | | 1 | |
| **Total currency derivatives** | **20** | **-** | **1** | **10** |
| **Total market value of financial derivatives** | **20** | **9** | **1** | **16** |

Book value equals market value

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** | **(107)** | **(53)** | | **53** | **107** |

(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 exposure**
No material loans or receivables were past due or impaired at 31 December 2020 (analogous for 2019).

**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.

## Note 19 | FINANCIAL RISK

GROUP

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

| USD mill | Note | 2020 | 2019 |
|---|---|---|---|
| **Exposure to credit risk** | | | |
| Financial derivatives | 12 | 20 | 1 |
| Account receivables | 12 | 178 | 233 |
| Financial investments | 16 | 48 | 44 |
| Other non current assets | 12 | 28 | 25 |
| Other current assets | 12 | 77 | 82 |
| Cash and bank deposits | 17 | 269 | 153 |
| **Total exposure to credit risk** | | **618** | **537** |

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 2020, the group had in excess of USD 473 million (2019: USD 347 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 263 million (2019: USD 299 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 2020** | | | | |
| Mortgages | 38 | 19 | 11 | 196 |
| Finance lease liabilities | 31 | 15 | 51 | 95 |
| Bank loan | | 199 | | |
| Financial derivatives | 9 | | | |
| Interest due | 23 | 20 | 50 | |
| **Total undiscounted cash flow financial liabilities** | **102** | **254** | **112** | **291** |
| Current liabilities (excluding next year's instalment on interest-bearing debt) | 468 | | | |
| **Total gross undiscounted cash flows financial liabilities 31.12.2020** | **570** | **254** | **112** | **291** |

| 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 | |
| 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) | 439 | | | |
| **Total gross undiscounted cash flows financial liabilities 31.12.2019** | **573** | **75** | **332** | **266** |

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.

## Note 19 | FINANCIAL RISK

GROUP

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 | | 265 | 265 |
| Finance lease liabilities | | 192 | 192 |
| Bank loan | | 201 | 199 |
| **Total interest-bearing debt 31.12.2020** | 18 | **658** | **657** |
| Mortgages | | 273 | 273 |
| Finance lease liabilities | | 181 | 181 |
| Bank loan | | 224 | 221 |
| **Total interest-bearing debt 31.12.2019** | 18 | **677** | **675** |

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.

## Note 19 | FINANCIAL RISK

GROUP

| USD mill | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets at fair value** | | | | |
| Equities | 72 | | | 72 |
| Bonds | 48 | | | 48 |
| Financial derivatives | | 20 | | 20 |
| Financial assets to fair value | 778 | 5 | 18 | 801 |
| **Total financial assets 31.12.2020** | **898** | **25** | **18** | **940** |
| | | | | |
| **Financial liabilities at fair value** | | | | |
| Financial derivatives | | (9) | | (9) |
| **Total financial liabilities 31.12.2020** | **0** | **(9)** | **0** | **(9)** |
| | | | | |
| **Financial assets at fair value** | | | | |
| Equities | 58 | | | 58 |
| Bonds | 44 | | | 44 |
| 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 | | (16) | | (16) |
| **Total financial liabilities 31.12.2019** | **0** | **(16)** | **0** | **(16)** |

| USD mill | 2020 | 2019 |
|---|---|---|
| **Changes in level 3 instruments** | | |
| Opening balance 01.01 | 20 | 38 |
| Acquisition | | 6 |
| Transfer to level 3 | | 1 |
| Gains and losses recognised through income statement | (2) | (25) |
| **Closing balance 31.12** | **18** | **20** |

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 2020 are liquid investment grade bonds and listed equities (analogous for 2019).

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.

## Note 19 | FINANCIAL RISK

GROUP

USD mill

**Financial Instruments by category**

| **Assets** | Note | Financial assets at amortised cost | Fair value through the income statement | Other | Total |
|---|---|---|---|---|---|
| Other non current assets | 12 | | 2 | 26 | 28 |
| Financial asset to fair value | 14 | | 801 | | 801 |
| Current financial investments | 16 | | 124 | | 124 |
| Current financial derivatives | 12 | | 15 | | 15 |
| Other current assets | 12 | 260 | | | 260 |
| Cash and cash equivalent | 17 | 269 | | | 269 |
| **Assets at 31.12.2020** | | **528** | **942** | **26** | **1 496** |

| **Liabilities** | Note | Liabilities at fair value throug the income statement | Other financial liabilities at amortised cost | Total |
|---|---|---|---|---|
| Non current interest-bearing debt | 18 | | 573 | 573 |
| Current interest bearing liabilities | 18 | | 83 | 83 |
| Current financial derivatives | 12 | 9 | | 9 |
| Other non current liabilities | 12 | 23 | | 23 |
| Other current liabilities | 12 | | 468 | 468 |
| **Liabilities 31.12.2020** | | **32** | **1 125** | **1 158** |

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

| **Liabilities** | Note | Liabilities at fair value throug the income statement | Other financial liabilities at amortised cost | Total |
|---|---|---|---|---|
| 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 20 | COVID-19 COMPENSATION GROUP

Financial reporting princples

The group applies IAS 20 Accounting for Government Grants and Disclosure of Government Assistance for government grant related to income compensation or expense compensation. A government grant is recognised only when there is reasonable assurance that (a) the group will comply with any conditions attached to the grant and (b) the grant will be received. A government grant is recognised in the income statement over the period necessary to match them with the related income compensation or expense compensation, for which they are intended to compensate, on a systematic basis. A grant receivable as compensation for costs or compensation already incurred or for immediate financial support, with no future related costs, is recognised in the income statement in the period in which it is receivable. A grant relating to income compensation is reported separately as other income, while grants related to expense compensation is deducted from the related expense.

The COVID-19 pandemic will continue to affect the economic conditions and the demand for Maritime an Supply services regionally as well as globally and otherwise impact the group's operations adn operations of the group's customers, suppliers and other stakeholders. Governments in affected countries are imposing travel bans, quaranties and other emergency public health measures. Those measures, though temporary in nature, may continue and increase depending on the developmensts in the pandemic.

As a result of these measures, the groups operations located in regions affected by the pandemic may be negatively affected.

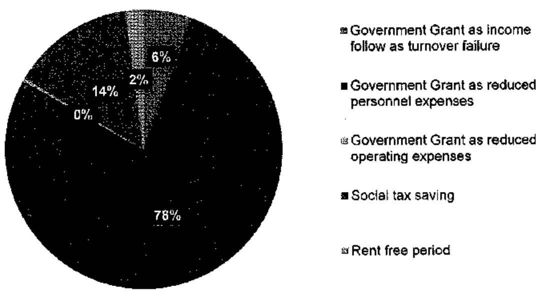
The ultimate severity of the pandemic is still uncertain and therefore we cannot predict the impact it may have on the group's future operations and the health of our employees, which could be material adverse.

During the Covid-19 pandemic, the governments of several of the countries where the group operates have established schemes to compensate local businesses because of lockdowns, decline in turnover, lay-offs, and loss of business. During 2020, the group have been granted compensation both as cash transfers and reduced costs (non-cash transactions).

| USD million | 2020 |
|---|---|
| COVID-19 COMPENSATION | |
| Government grants with cash effects | 6 |
| Government grants in non-cash transactions | 1 |
| **Total Covid-19 compensation** | **7** |

The compensation is allocated as following:

**Covid-19 Compensation**




**Grants with direct cash effect**
Grants as reduced personell expense mainly relate to grants from the government of Malaysia (USD 5.1 million), grants as income following turnover failure mainly relates to grants from the governments of Singapore (USD 170 thousand), Republic of Korea (USD 117 thousand), and Norway (USD 117 thousand), while grants as reduced operating expenses relates to grant from the government of France (USD 21 thousand).

**Non-cash grants**
Grants in form of reduction in social security taxes relates mainly to reduced rates by the governments of Norway (USD 571 thousand), China (USD 243 thousand), and Turkey (USD 132 thousand). Grant in form of reduced rental expenses mainly relates the governments of Hong Kong, Singapore, and Saudi Arabia (USD 120 thousand).

## Note 21 | RELATED PARTY TRANSACTION

GROUP

Financial reporting princples

Related parties are defined as entities outside of the group that are under control directly or indirectly, joint control or significant influence by the owners of Wilh. Wilhelmsen Holding ASA. All transactions with related parties are entered into on marked terms based on arm's length principles. Transactions with related parties include shared services and other services provided by the group. Shared Services are priced in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually. The services are:

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

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 Thomas Wilhelmsen controls Tallyman AS at 31 December 2020.
Remuneration to Mr Thomas Wilhelmsen for 2020 see note 10 for the parent company.

See note 6 regarding fees to board of directors, and note 2 and note 10 in the parent company regarding ownership.

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

Cont. note 21 | RELATED PARTY TRANSACTION

GROUP

| USD mill | Note | 2020 | 2019 |
|---|---|---|---|
| OPERATING REVENUE FROM RELATED PARTY | | | |
| **Sale of goods and services to joint ventures and associates:** | | | |
| WAWI group | | 20 | 18 |
| Maritime Services | | 3 | 7 |
| Supply Services | | 2 | 1 |
| **Operating revenue from related party** | | **25** | **26** |
| OPERATING EXPENSES FROM RELATED PARTY | | | |
| **Purchase of goods and services from joint ventures and associates:** | | | |
| Supply Services | | 9 | 2 |
| **Operating expenses to related party** | | **9** | **2** |
| ACCOUNT RECEIVABLES FROM RELATED PARTY | | | |
| Maritime Services | | 4 | 2 |
| **Account receivables from related party** | | **4** | **2** |
| ACCOUNT PAYABLES TO RELATED PARTY | | | |
| Maritime Services | | 4 | 6 |
| Supply Services | | | 1 |
| **Account payables to related party** | | **4** | **7** |
| NON CURRENT ASSETS TO RELATED PARTY | | | |
| Maritime Services | | 10 | 14 |
| Holding & Investment | | 1 | |
| **Non current assets to related party** | | **11** | **14** |

## Note 22 | SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTEREST

GROUP

Financial reporting princples
Non-controlling interest:
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 as an equity transaction.

Gains or losses on disposals to non-controlling interests are also recorded as an equity transaction.

| | Business office/country | 2020 Voting/control share |
|---|---|---|
| NorSea Group AS | Tananger, Norway | 75.15% |
| Treasure ASA* | Lysaker, Norway | 73.46% |

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.

*At 31.December 2020 Treasure ASA had 3.965.000 own shares (31 December 2019 had 465.000 own shares)

| USD mill | NorSea Group AS 2020 | NorSea Group AS 2019 | Treasure ASA 2020 | Treasure ASA 2019 |
|---|---|---|---|---|
| **Summarised balance sheet** | | | | |
| Non current assets | 657 | 618 | 699 | 560 |
| Current assets | 380 | 69 | 64 | 4 |
| **Total assets** | **1,037** | **686** | **763** | **563** |
| Non current liabilities | 370 | 362 | | |
| Current liabilities | 448 | 120 | | |
| **Total liabilities** | **818** | **482** | **0** | **0** |
| **Net assets** | **220** | **205** | **763** | **563** |
| **Summarised income statement/OCI** | | | | |
| Total income | 263 | 246 | 14 | 14 |
| Profit for the year | 13 | 4 | 214 | 48 |
| Other comprehensive income | (3) | 1 | | |
| **Total comprehensive income** | **10** | **6** | **213** | **48** |
| Profit allocated to NCIs | 4 | 4 | 57 | 13 |
| Dividends paid to NCIs | 1 | 1 | 2 | 2 |
| **Summarised cash flows** | | | | |
| Net cash flow provided by/(used in) operating activities | 32 | 21 | 75 | 11 |
| Net cash flow provided by/(used in) investing activities | (22) | 15 | (1) | |
| Net cash flow provided by/(used in) financing activities | (3) | (45) | (13) | (9) |
| **Net increase/(decrease) in cash and cash equivalents** | **8** | **(9)** | **61** | **1** |

| USD mill | 2020 | 2019 |
|---|---|---|
| **Total allocation to NCIs** | | |
| Profit/(loss) for the period to material NCIs | 61 | 17 |
| Profit/(loss) for the period to other immaterial NCIs | | (1) |
| **Profit for the period to NCIs** | **61** | **16** |

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https://wilhelmsen.sharepoint.com/sites/Toluma/acc/revisor/Tallyman/Shared Documents/038_Konsern_WWH group Notes consolidated 2020 2.0_tilpasset Tallyman.xlsx_Note 22 Material subs with NCI

## Note 23 | CONTINGENCIES

GROUP

Financial reporting princples

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.

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 2020. 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 until 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 | ALTERNATIVE PERFORMANCE MEASURES GROUP

**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 equivalenets and Current financial investments.

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

## Note 25 | GENERAL ACCOUNTING PRINCIPLES GROUP

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
This note provides a list of the significant accounting policies adopted in the preparation of theses consolidated financial statements to the extent they are not disclosed separately in the other notes in the consolidated financial statements or in the notes of the financial statements of the parent company. Accounting policies have been consistently applied to all the years presented, unless otherwise stated.

**Historical cost convention**
The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments),
- defined benefit pension plans – plan assets measured at fair value.

**New and amended standards adopted by the group**
The following are new or amended to standards and interpretations have been issued and become effective during the current period:

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

Definition of material - amendments to IFRS 1 and IAS 8

Interest rate benchmark reform – amendments to IFRS 9 and IFRS 7

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**New standards and interpretations not yet adopted**
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.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods.

**Functional and presentation currency**
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). 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 consolidated financial statements are presented in US dollar (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 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.

**Translations and balances**
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in income statement. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses are presented on a net basis in the income statement, within finance costs.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through income statement are recognised in income statement as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

**Group companies**
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this 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 dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate

**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.

Goodwill is recognised as the excess of:

- 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.

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.

## Note 26 | EVENTS AFTER THE BALANCE SHEET DATE

GROUP

The group acquired 66% of the shares in Olavsvern Group AS. The date of control was 12 February 2021.

The group declared the option to aquire an additional 25% in Edda Wind AS on 8 March 2021. Following the acquisition the group holds 50% in Edda Wind AS.

No 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 27 | EQUITY

PARENT COMPANY

| **Share capital comprises:** | **Number** | **Nominal value** |
|---|---|---|
| Class A shares | 1 | 10.1 |
| Class B shares | 51,044,518 | 10.1 |
| Total | 51,044,519 | |

The Class A share carries one vote, and class B shares do not carry any votes at the general assembly, each share confers the same rights in the company.
The Class A share is owned by Thomas Wilhelmsen.

The largest shareholders at 31. December 2020

| **Shareholders** | **B shares** | |
|---|---|---|
| AS Tres | 17,829,211 | 34.92% |
| AS W Wilhelmsen | 17,426,080 | 34.14% |
| Skips AS Tudor | 9,745,407 | 19.09% |
| AS Kassiopeia | 5,398,545 | 10.58% |
| Other | 645,275 | 1.27% |
| | 51,044,518 | 100.00% |

To the General Meeting of Tallyman AS

# *Independent Auditor's Report*

## *Report on the Audit of the Financial Statements*

### *Opinion*

We have audited the financial statements of Tallyman AS, which comprise:

- The financial statements of the parent company Tallyman AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- The consolidated financial statements of Tallyman AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows 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 2020, 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 2020, 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.

### *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

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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*

pwc

accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *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 a true and fair view of the financial statements in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, 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 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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to https://revisorforeningen.no/revisjonsberetninger pwc

## *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 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, 21 May 2021
**PricewaterhouseCoopers AS**

Geir Haglund
State Authorised Public Accountant

(This document is signed electronically)

**Securely signed with Brevio**

Revisjonsberetning

**Signers:**

| ***Name*** | ***Method*** | ***Date*** |
|---|---|---|
| Haglund, Geir | BANKID_MOBILE | 2021-05-27 15:03 |

Skattedirektoratet

| Saksbehandler | Deres dato | Vår dato |
|---|---|---|
| Rune Tystad | 21.09.2012 | 29.10.2012 |
| Telefon | Deres referanse | Vår referanse |
| 977 59 464 | Geir Haglund | 2012/745491 |

PRICEWATERHOUSECOOPERS AS
Postboks 748 Sentrum
0106 OSLO

**Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for Tallyman AS, org.nr. 991 184 104**

Vi viser til deres brev av 21. september 2012 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Tallyman AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Tallyman AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at det benyttes engelsk språk ved utarbeidelsen av årsregnskapet og årsberetningen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

**Bakgrunn**
Fra søknaden gjengis:

- *Tallyman's virksomhet er å eie en kontrollerende post i det børsnoterte Wilhelm Wilhelmsen Holding ASA som kun avlegger et engelsk årsregnskap og årsberetning*

- *Ingen av de primære regnskapsbrukerne av Tallyman anses å miste noen informasjon ved at årsregnskapet og årsberetning i likhet med det operative datterselskapet avlegges på engelsk*

*Det foretrukne språket i selskapsregnskapet (inkl, årsberetning) er engelsk og søknaden gjelder for selskapsregnskapet avlagt per 31. Desember 2012.*

På telefon i dag er det opplyst at Tallymann AS indirekte er eid av Wilhelmsen-familien.

**Skattedirektoratets vurdering**
Etter regnskapsloven § 3-4 tredje ledd skal årsregnskapet og årsberetningen være på norsk. Departementet kan ved forskrift eller ved enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.


| Postadresse | Besøksadresse | Sentralbord |
|---|---|---|
| Postboks 9200 Grønland | Se www.skatteetaten.no | 800 80 000 |
| 0134 Oslo | Org. nr: 996250318 | Telefaks |
| For elektronisk henvendelse se www.skatteetaten.no | | 22 17 08 60 |

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> *Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapets virksomhet er utpreget internasjonal og at selskapet har en begrenset eierkrets. Videre er det vektlagt at selskapets virksomhet er å eie aksjer i et selskap som har tillatelse til å utarbeide årsregnskapet på engelsk.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad