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**Quarterly interim report**

**Q4 2016**

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## The quarter in brief

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Six Vessels are laid up, one vessel, Sapphire, redelivered from Petrobras on October 10. Commercial and technical management of Emerald and Sapphire have been transferred to Tschudi Ship Management AS. The two vessels are in lay up in Cadiz.

World Wide Supply Group's net operating income for the 4<sup>th</sup> quarter was NOK 2,8 million. The EBITDA in the 4<sup>th</sup> quarter was NOK -27,5million and EBIT was NOK -252,4 million after deduction of NOK 224,9 million in write down and depreciaton. Net financial expence in 4<sup>th</sup> quarter were NOK -101,9 million resulting in a pre-tax loss of NOK 354,2 million in 4<sup>th</sup> quarter.

The Company is in breach of its obligations under the loanagreement. The lenders have, in spite of the default, asked the board and management to continue the operations of the Company and not file for bankruptcy. In this respect an agreement has been entered into reflected in the chapter on financial risk.

On December the 22 the bondholders held a meeting resolving to sell all six vessels. The Company received a letter to this effect asking this to be done in cooperation with the bondholders. The sale went through on January 27 for a total price of USD 27,5 million in cash.

As a result of the Company being in breach of its loan agreements and the upcoming sale of all six vessels the Company cannot report financially as a going concern.

## Operations

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Average utilization of the fleet was 0 % for the 4<sup>th</sup> quarter.

Two vessels were on four years contract with Petrobras in Brazil until June 2018, based on yearly renewal of the CAA (Certificate of Charter Authorization) and AIT (Registration Certificate of temporary foreign Vessel). The two vessels had their certificates up for renewal on June 21 and August 10 respectively. The contracts were blocked by Brazilian companies. One vessel was redelivered on August 30<sup>th</sup> and another was redelivered on October 10<sup>th</sup>. Six vessels are laid-up at the end of the quarter.

## Profit and loss 1.1. – 31.12.2016 (1.1. – 31.12.2015)

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Operating income was equivalent to NOK 108,0 (NOK 217,9) million in the period while operating expenses were NOK 111,7 (NOK 232,8) million. Depreciation and write down was NOK 228,0 (NOK 770,8) million.

Net financial expence were NOK 167,2 (NOK 250,0) million including unrealized currency loss of net NOK 43,0 (NOK 96,0) million related to USD bond loan and loan granted to subsidiaries.

Net result before tax was NOK -399,0 (NOK -1 036,0) million.

### **Balance sheet per 31.12.2016 (per 31.12.2015)**

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Total assets were NOK 290,9 (NOK 549,4) million.

Tangible fixed assets amounted to NOK 232,7 (NOK 460,6) million.

The fleet has been written down to USD 27,5 million based on the value of the vessels in the sales transaction on January 27 2017.

The group`s current assets were NOK 55,1 (NOK 76,9) million of which cash equivalents corresponded to NOK 49,1 (NOK 32,9) million.

Book equity as per 31.12.2016 was NOK -1 145,4 (NOK -881,8) million based on conversion of EUR to NOK at rates on sale date for the vessels.

At the balance sheet date of 31.12.2016 the Group had long term interest bearing debt in the amount of USD 150 million.

The working capital was NOK -1 381,2 million at 31.12.2016 compared to NOK -1 274 million at 31.12.2015.

### **Employees**

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The Group had at the end of 4<sup>th</sup> quarter 7 employees of which 5 hired sailors.

## **Responsibility statement**

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We hereby declare that to the best of our knowledge, the information in this report provides a fair and true description of the Group's assets, liabilities, financial position and result as a whole.

We also declare that this interim report gives a true and fair view of the development and performance of the business and the position of the Group, as well as a description of the most central risks and uncertainty factors that the Group is facing.

Board of Directors

**World Wide Supply AS**

March 22 2017

Aage Rasmus Bjelland Figenschou  
Chairman

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**Key Financials – Income statement (condensed consolidated)**

<i>Amounts in NOK 1000</i>	Note	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Charter hire	3	2 852	155 143	107 973	217 914
<b>Operating income</b>		<b>2 852</b>	<b>155 143</b>	<b>107 973</b>	<b>217 914</b>
Crew expenses		4 047	89 615	41 945	118 557
Operating expenses vessels		15 805	62 899	49 156	81 371
Other operating expenses		10 458	27 754	20 644	32 887
<b>Total operating expenses</b>		<b>30 310</b>	<b>180 268</b>	<b>111 744</b>	<b>232 814</b>
			0		
<b>Operating result pre depreciation (EBIT)</b>		<b>-27 458</b>	<b>-25 125</b>	<b>-3 771</b>	<b>-14 900</b>
Depreciation	7	1 249	23 716	4 341	35 206
Write down vessels		223 659	735 542	223 659	735 542
<b>Total depreciation</b>		<b>224 908</b>	<b>759 258</b>	<b>228 000</b>	<b>770 749</b>
			-		
<b>Operating profit (EBIT)</b>		<b>-252 366</b>	<b>-784 383</b>	<b>-231 771</b>	<b>-785 648</b>
Financial income	4	-82 306	23 453	38 639	26 909
Financial expenses	4	19 572	252 497	205 856	276 908
<b>Net financial items</b>		<b>-101 878</b>	<b>-229 044</b>	<b>-167 217</b>	<b>-249 999</b>
			0		
<b>Result before tax</b>		<b>-354 244</b>	<b>-1 013 427</b>	<b>-398 988</b>	<b>-1 035 647</b>

**Key Financials – Cash flow (condensed consolidated)**

<i>Amounts in NOK 1000</i>	Q4 2016	Q3 2016	2015
<b>Cash flow from operating activities</b>			
Profit before tax	-354 244	-12 016	-1 036 058
Depreciaton	224 908	1 016	35 206
Other changes	141 090	7 136	948 488
<b>Net cash flow from operating activities</b>	<b>11 754</b>	<b>-3 864</b>	<b>-52 364</b>
<b>Cash flow from investment activities</b>			
Purchase of fixed assets	-70	-	-
Received from investment in shares/parts	-	-	437
<b>Net cash flow from investment activities</b>	<b>-70</b>	<b>-</b>	<b>437</b>
<b>Cash flow from financing activities</b>			
New equity received, net	-	-	-
<b>Net cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>11 685</b>	<b>-3 864</b>	<b>-51 927</b>
Cash at beginning of period	37 422	41 286	84 830
<b>Cash and cash equivalents at end of period</b>	<b>49 107</b>	<b>37 422</b>	<b>32 903</b>

**Key Financials – Assets, equity and liabilities (condensed consolidated)**

<i>Amounts in NOK 1000</i>	Note	31.12.2016	31.12.2015
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible fixed asset</b>			
Deferred tax asset			-
<b>Tangible fixed assets</b>			
Vessels	7	232 734	460 667
<b>Financial fixed assets</b>			
Pension liabilities		116	116
Investment in shares		2 932	2 932
Long term receivables	5	-	8 827
<b>Total fixed assets</b>		<b>235 782</b>	<b>472 542</b>
<b>Current assets</b>			
Inventory		-	16 724
Accounts receivable		1 974	17 706
Other short-term receivables		3 988	9 530
Cash and bank deposits		49 107	32 903
<b>Total current assets</b>		<b>55 068</b>	<b>76 863</b>
<b>TOTAL ASSETS</b>		<b>290 851</b>	<b>549 405</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		15 204	15 204
Share premium reserve			-
<b>Total paid in capital</b>		<b>15 204</b>	<b>15 204</b>
Other equity		-1 160 630	-896 965
<b>Total equity</b>	8	<b>-1 145 425</b>	<b>-881 762</b>
<b>Liabilities</b>			
<b>Long term liabilities</b>			
Deffered tax		-	80 229
Pension liability		-	-
Bond		-	-
<b>Total long term liabilities</b>		<b>-</b>	<b>80 229</b>
<b>Current liabilities</b>			
Bond	6	1 293 000	1 300 295
Bond interest		135 002	35 557
Accounts payable		1 986	6 597
Tax payable		-	-
Public duties payable		345	3 760
Other short term liabilities		5 944	4 729
<b>Total current liabilities</b>		<b>1 436 277</b>	<b>1 350 938</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>290 851</b>	<b>549 405</b>

## Key Financials – Notes (condensed consolidated)

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### NOTES TO INTERIM CONDENSED CONSOLIDATED ACCOUNTS

#### Note 1 General

The interim condensed consolidated accounts for 4th quarter 2016 are prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

This interim accounts report does not include all the information and disclosure required in the Annual financial statements, and should be read in conjunction with the group's Annual financial statements as of December 31st 2016.

The Group has followed the same accounting principles and methods as used in the last Annual Report.

The reporting currency is in USD from 1st to 3rd quarter 2015. The reporting currency is in NOK from 4th quarter 2015. The P&L is converted to average monthly rates and the Balance Sheet to closing rates at the end of the relevant month regarding subsidiaries.

#### Note 2 Segment information

All six Vessels are of the same design; Damen PSV 3300 CD.

They are all Platform Supply Vessels.

<b>Note 3 Charter hire</b>	<b>Q4 2016</b>	<b>2016</b>	<b>2015</b>
Gross charter hire	3 105	115 271	265 850
Charter commission	155	-3 123	-6 169
Local tax Brazil	-407	-4 174	-7 506
Other		-	-34 261
<b>Net Charter hire</b>	<b>2 852</b>	<b>107 973</b>	<b>217 914</b>

#### Note 4 Financial income and expenses

##### *Financial income are:*

Foreign exchange profits	-4 174	4 703	14 536
Interest income	-26	127	481
Unrealized exchange profits	-79 988	33 809	11 892
<b>Total financial income</b>	<b>-84 188</b>	<b>38 639</b>	<b>26 909</b>

##### *Financial expenses are:*

Foreign exchange losses	-4 664	2 889	18 685
Interest expenses	32 238	99 448	93 824
Unrealized exchange losses	-13 998	73 812	114 803
Other financial expenses	5 997	29 707	49 596
<b>Total financial expenses</b>	<b>19 573</b>	<b>205 856</b>	<b>276 908</b>

<b>Note 5 Long term receivables</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
Vessel import tax Brazil	-	8 827
Reimbursements	-	6 456
<b>Total long term receivables</b>	<b>-</b>	<b>15 283</b>

<b>Note 6 Bond</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
Bond (fixed rate 7,75%, no amortization, maturity May 2017)	1 293 000	1 275 308
Refinancing expenses capitalized	-	24 987
<b>Net Bond</b>	<b>1 293 000</b>	<b>1 300 295</b>

<b>Note 7 Tangible fixed assets</b>	<b>Vessels</b>	<b>Maintenance, assets and fittings</b>	<b>Total</b>
Acquisition cost 01.01.16	1 254 953	19 159	1 274 112
Additions	-	71	71
<b>Accumulated cost 31.12.2016</b>	<b>1 254 953</b>	<b>19 230</b>	<b>1 274 183</b>
Accumulated depreciation 31.12.2016	-69 340	-19 182	-88 520
Conversion differences	-	-	-
Accumulated write down 31.12.2016	-952 928	-	-952 928
<b>Book value 31.12.2016</b>	<b>232 685</b>	<b>49</b>	<b>232 734</b>

<b>Note 8 Equity</b>	<b>Share capital</b>	<b>Premium reserve</b>	<b>Other equity</b>	<b>Total equity</b>
Equity 01.01.2016	15 204	-	-896 966	-881 762
<b>Change in equity 2016</b>				
Conversion differences and other changes			74 898	74 898
Result for the period		-	-338 563	-338 563
<b>Equity 31.12.2016</b>	<b>15 204</b>	<b>-</b>	<b>-1 160 631</b>	<b>-1 145 427</b>