Wallenius Wilhelmsen

Wallenius Wilhelmsen ASA

Q2 Report 2022

Investor Relations:

Anette Orsten

anette.orsten@walwil.com

Media:

Anette Maltun Koefoed

anette.maltunkoefod@walwil.com

Highlights – Q2 2022

- Strong EBITDA of USD 311m on continued solid shipping results
- Cash position increased to USD 821m driven by solid EBITDA
- Lasse Kristoffersen joined as CEO
- Dividend installment of USD 38m paid to shareholders
- USD 950m in new debt with pricing linked to emission reduction

"We are proud to deliver another strong quarter, despite the extreme global supply-chain situation.

Being new to the company, I am impressed with the skill and commitment of my colleagues across the world. Thanks to their dedication, we enjoy a strong standing with our customers who trust that we manage an increasing part of their logistics needs.

Going forward we will use this leading position to accelerate sustainable and digitalized end-to-end solutions."

Lasse Kristoffersen

CEO

Consolidated results and key figures – Q2 2022

Revenue continued to grow, and EBITDA remained solid in Q2, on continued strong shipping activity. Global supply chain issues continued to pose operational challenges across the group, and auto parts shortages negatively impacted volumes and profitability in the logistics segment.

USDm*	Q2 2022	Q1 2022	% change QoQ	Q2 2021	% change YoY
Total revenue	1,190	1,149	4 %	978	22 %
EBITDA	311	309	1 %	170	83 %
EBIT	187	177	5 %	64	190%
Profit/(loss) for the period	126	177	-29 %	17	618%
Earnings per Share [1]	0.25	0.37	-32 %	0.03	849%
Net interest-bearing debt	3,257	3,294	-1 %	3,487	-7 %
ROCE adjusted [2]	8.9 %	7.8 %	n.a.	2.8 %	n.a.
Equity ratio	37.5 %	37.4 %	n.a.	34.5 %	n.a.
EBITDA adjusted [3]	305	301	1 %	205	49 %

** Except per share and per cent*

1. *After tax and non-controlling interests*
2. *The calculation of ROCE has changed from prior periods to base the return on results for the last twelve months. Previously returns were calculated as an annualized amount based on year-to-date results. Prior period figures have been updated on same basis*
3. *Q2-22 EBITDA adjusted for the USD 6m gain on a sale of a vessel (Q1-22 USD 8m gain)*

Consolidated results

Total revenues in Q2 were USD 1,190m, up 4% QoQ, driven by growth in the shipping and government services segments, while the logistics segment saw decreased revenues compared to Q1. Compared to Q2-21, total revenue for the group was up 22%, mainly due to continued growth in the shipping segment.

EBITDA for the quarter ended at USD 311m, up 1% QoQ. Adjusted EBITDA was USD 305m, up 1% QoQ, excluding gain from sale of a vessel. Continued strong performance in the shipping segment with a QoQ EBITDA growth of USD 12m contributed to maintain good results for the group, on a combination of high freight rates, operational efficiency, and the full utilization of our fleet. EBITDA growth was somewhat lower than revenue growth on the back of higher fuel and charter costs. Logistics EBITDA decreased by USD 4m QoQ on lower margins due to somewhat lower revenues and continued cost pressure, while government services was on par with the previous quarter.

EBITDA increased by 83% YoY, with adjusted EBITDA up 49%, again primarily driven by growth in the shipping segment, countering negative YoY development in logistics.

Net financial expense was USD 58m in Q2, compared to net financial income of USD 2m in Q1, driven by unrealized losses on currency derivatives. Interest expense including realized interest derivatives was USD 43m, in line with the previous quarter. Unrealized gain on interest rate derivatives amounted to USD 22m. Net currency expense was USD 34m, with USD 88m in net unrealized losses on currency derivatives (largely USD NOK cross currency swaps related to bond debt issued in NOK and swapped to USD), partially offset by currency translation gains, both driven by the strengthened USD.

The group recorded a tax expense of USD 4m for Q2, compared to USD 3m in the first quarter.

The quarter ended with a net profit of USD 126m, down from the USD 177m net profit in Q1 largely due to unrealized losses on currency derivatives. Net profit YoY increased with USD 108m from USD 17m in Q2-21.

Sustainability-linked financing update

Earlier this year, Wallenius Wilhelmsen published its sustainability-linked financing framework, where the group commits to reduce CO2 intensity by 27.5% from 2019 to 2030. The framework includes interim CO2 intensity targets for each year from 2022-2030. In Q2, the group signed its first sustainability-linked financings referring to the target and definitions as outlined in the framework.

In April, Wallenius Wilhelmsen ASA completed the issuance of new NOK 1,250m (~USD 144m) sustainability-linked senior unsecured bonds with a coupon of 3m NIBOR plus 4.25% p.a. and maturity date on April 21, 2027. Net proceeds swapped to USD of USD 81m (after buybacks in Q4-22 maturities and swap impacts) will be used to refinance the remaining bond debt maturing in Q4-22 and other general corporate purposes. The redemption price of the bond will increase with 1.5% if the group fails to meet its interim CO2 intensity target for 2025.

On 30 June, Wallenius Wilhelmsen Ocean ("WWO") signed USD 800m in secured bank financings, increasing available credit lines, extending maturities and increasing the unencumbered fleet. The purpose is to refinance USD 569m of outstanding vessel debt across 9 existing agreements and for general corporate purposes.

- The USD 800m include a USD 200m term loan with a 6.5-year tenor signed with one bank, and a USD 600m term loan and revolving credit facility with 5.5-year tenor signed with 10 banks. The revolving credit line amounts to USD 270m.
- The facilities are secured by 20 sailing vessels with an average age of 12 years, a fleet market value of USD 1.4bn per Q2 and have 10-year repayment profiles to zero.
- The financings are attractively priced with a link to our CO2 intensity target, and the interest margins will be adjusted on an annual basis. If we achieve the target the margin will reduce- 0.05 percentage points for the next year, while if we do not achieve the target the margin will increase +0.05 percentage points for the next year.
- Covenants include loan to vessel market value clauses, as well as a minimum liquidity and gearing covenant on a consolidated basis. Wallenius Wilhelmsen ASA guarantees all WWO debt including the new facilities.
- As part of the refinancing, five vessels above the age of 20 years will become debt free, increasing WWO's unencumbered asset pool to 12 vessels.
- The new facility will refinance all WWO secured vessel debt maturities through 2024.

Capital and liquidity

In Q2, the group signed a total of USD 1.15bn of new debt for refinancing purposes, including the USD 144m sustainability linked bond, the new USD 800m sustainability-linked bank facilities, a USD 100m unsecured revolving credit facility in WWO, and USD 100m of vessel and corporate debt in EUKOR.

The new USD 800m facilities will not have any cash flow effects until Q3 as drawdown of new debt and refinancing's will take place in August. Due to the ongoing refinancing, the USD 569m is considered current debt per end-Q2, leading to a high current debt level in the balance sheet.

Cash and cash equivalents were USD 821m, up USD 62m QoQ. Cash improved during Q2 on solid operational performance and limited investments, countered by dividend payments, increase in working capital and financing outflows. In Q2, the group paid USD 14m in customer settlements and jurisdictional fines *(see Note 12 – Provisions).*

The investment cash flow consisted of vessel maintenance capex of USD 15m, logistics investments of USD 10m largely relating to Zeebrugge and Brunswick terminal expansion, USD 2m in IT investments and USD 21m in proceeds from the sale of a vessel.

In Q2, the group paid USD 38m in dividends to shareholders, USD 10m to the 20% minority shareholder in EUKOR, and USD 1m to other non-controlling interests. In addition to scheduled debt and lease payments, further financial cash flows included the net bond proceeds of USD 81m, a USD 10m net increase in drawn credit lines in WWO, and a USD 20m net increase in EUKOR debt relating to refinancings.

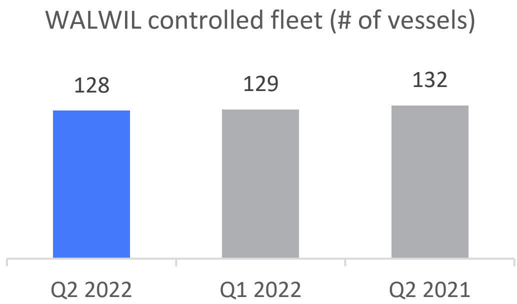
In addition to the cash position, Wallenius Wilhelmsen had USD 247m in undrawn credit facilities. This figure has been reduced by USD 82m due to a USD 10m net increase in drawn credit lines and cancellation of USD 70m in unutilized credit lines.

The equity ratio was 37.5% at the end of Q2, slightly up from Q1 as the group recorded a solid profit for the period countered by the USD 63.5m of dividends approved by the AGM, and dividends to non-controlling interests. Net interest-bearing debt was USD 3,257m at the end of Q2, down from USD 3,294m in Q1, decreasing QoQ as the above-mentioned cash increase and debt decreases offset a USD 46m increase in lease liabilities.

At the end of Q2, approximately 66% of interest-bearing debt had a fixed interest rate through interest hedges or through fixed rate agreements. On this basis, a 1% increase in interest rates is expected to lead to an increase of some USD 14m in interest cost per year.

Fleet

Wallenius Wilhelmsen controlled a fleet of 128 vessels at the end of Q2, down from 129 at the end of Q1. Short-term charters increased, however total operated fleet decreased by 1 ship due to sale of a vessel from the government segment and redelivery of a long-term charter vessel. One purchase option for a vessel under a financial lease contract will be exercised in July and two charter contracts are up for renewal in 2022. The decision to whether extend or redeliver the charters will be dependent on overall market situation, demand growth and long-term fleet strategy.



Events after the balance sheet date

On 15 August, Wallenius Wilhelmsen Ocean drew down USD 670m of the new USD 800m sustainability-linked financings, the amount will be used to refinance USD 569m of existing bank debt and for general corporate purposes.

Shipping services

Shipping delivers another strong quarter despite high fuel prices and operational challenges.

USDm	Q2 2022	Q1 2022	% change QoQ	Q2 2021	% change YoY
Total revenue	968	930	4 %	757	28 %
EBITDA	280	268	4 %	128	119 %
EBIT	191	172	11 %	47	308 %
Volume ('000 CBM) [1]	15,863	15,223	4 %	16,138	-2 %
H&H Share [2]	31 %	32 %	-5 %	32 %	-4 %
EBITDA adjusted [3]	280	278	1 %	163	72 %
EBITDA adjusted margin	28.9 %	29.9 %	n.a.	21.5 %	n.a.

1. *Prorated cubic meters ("cbm"). Historical volume figures subject to change as figures are based on estimates and prorating*
2. *Based on unprorated volumes*
3. *Q1-22 EBITDA adjustment relates to sale of assets from the shipping to the government segment. This has a positive impact on adjusted EBITDA in the shipping segment but has zero effect on group consolidated EBITDA.*

Shipping services - Total revenue and EBITDA

The shipping services segment is engaged in ocean transportation of vehicles and RoRo cargo. Its main customers are global car manufacturers as well as manufacturers of construction and other high and heavy equipment, in addition to select industrial break-bulk cargo.

Total revenues were USD 968m in Q2, up 4% QoQ on a positive development in total carried volumes and an increase in fuel surcharges due to continued increase in fuel prices. Charter out activity remained stable QoQ.

Net freight rate in Q2 was USD 50.8 per cbm, down from USD 53.1 per cbm in Q1, on less favorable cargo and trade route mix development. Cargo mix was 31% in Q2, down from 32% in Q1. European and US exports volumes grew in Q2, particularly in the Oceania and the EUAS trades, while exports out of Asia saw a small decline due to tonnage allocation, causing trade mix to temporarily shift and reducing average net freight rates, however better on overall trade balance in terms of cargo flows between regions. Contract renewals already had positive effects on the net freight rate and continued into Q2.

Shipping volumes increased by 4% QoQ. The ongoing Russia-Ukraine war continued to create volatility and uncertainty in the markets, including negative impacts on fuel price and fuel availability, but the impact on cargo volumes was minimal in Q2. Prices for very-low-sulfur fuel oil continued to increase in Q2 and reached a new all-time high.

The semiconductor shortage continued to be a challenge for the industry. Further, operational disruptions and port congestions in several central ports around the world continued to be a challenge in Q2 due to labor shortages in ports and general bottlenecks in the logistics supply chain. As a consequence, waiting times at several key ports created challenges for Wallenius Wilhelmsen and our customers throughout the quarter. We are doing our best to mitigate these challenges by having a continuous dialogue with our customers and re-routing to other ports with less congestion whenever possible.

EBITDA was USD 280m, up 4% QoQ, while adjusted EBITDA was flat QoQ. The adjusted EBITDA margin remain high, though decreased somewhat from 30% in Q1 to 29% in Q2 as the higher revenue was offset by increased fuel and charter costs. Fuel surcharge revenue under FAFs increased with USD 40m QoQ countered by a USD 46m increase in fuel expenses. A large portion of the fuel expense increase is expected to be recovered as a surcharge revenue in subsequent quarters[1]. Voyage expenses decreased during the quarter mainly due to less space charter activity. However, expenses related to voyage execution such as load, discharge and port expenses increased in Q2 along with the volume increase. Charter expenses increased during Q2 due to an increase in charter rates. Ship operating expenses and SG&A remained relatively stable QoQ

The market recovery is the key driver for the changes YoY. Revenues increased by 28% from Q2-21, due to strong development in net freight rates, particularly on Asian exports and higher fuel surcharges. EBITDA improved by 119% YoY, on the increase in revenues, with relatively lower marginal increase in expenses.

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[1] FAF (fuel adjustment factor) is a main mechanism to manage fuel price risk in the segment and the main contributor to fuel surcharges revenue. However, the segment has a short-term exposure to the fuel prices since FAF is calculated based on the average fuel price over a historical period and then fixed during an application period, creating a lag effect. As such, in periods of rising fuel prices the segment will not be able to recoup the higher prices through the FAF. Conversely, in periods of falling fuel prices the segment will benefit from higher FAF

Logistics services

Supply chain issues due to parts shortages continued to impact auto volumes, which led to lower revenue and reduced high margin business activity.

USDm	Q2 2022	Q1 2022	% change QoQ	Q2 2021	% change YoY
Total revenue	208	211	-2%	203	3%
EBITDA	18	22	-18%	35	-48%
EBIT	(6)	(3)	n.a.	10	n.a.
EBITDA adjusted	18	22	-18%	35	-48%
EBITDA adjusted margin	8.8 %	10.5 %	n.a.	17.2 %	n.a.
EBITDA by product					
Auto	1	4	-67%	11	-89%
H&H	3	1	120%	4	-24%
Terminals	13	16	-18%	15	-16%
Inland	4	4	0%	5	-23%
Other	(3)	(3)	6%	(1)	166%

Logistics services - Total revenue and EBITDA

Logistics services serve mainly the same customer groups as shipping services. Customers operating globally are offered sophisticated logistics services, such as vehicle processing centers, equipment processing centers, inland distribution networks and terminals.

Traditionally, the reporting structure in logistics encompassed a mix of product and region. To better explain the drivers of each individual business and to better align with the current internal reporting structure, we have as of Q2 2022 adopted a global product view: Autos, H&H, Terminals and Inland. This representation will allow for a clear delineation between the respective areas of business within the logistics segment.

Q2 revenues for the segment were USD 208m, down 2% QoQ. Volume development was negative for the quarter as parts shortages continued to impact the auto business, while H&H and Inland saw volume growth for the quarter.

Q2 EBITDA was USD 18m, down 18% QoQ mainly driven by Autos in Americas experiencing lower volume from their main customers with manufacturing activities in the US and a reduction of higher margin services.

Autos is the largest product group in the logistics portfolio, providing light vehicle processing services to auto producers globally. QoQ, volume decreased 14%, revenue decreased 10% and EBITDA decreased 67% due to lower volumes from main customers specifically in the Americas, Europe and South Africa. South Africa experienced rail damage and plant closures due to severe flooding in April.

H&H includes equipment processing centers on and off port sites globally with the largest concentration in the US. QoQ revenue increased 9%, mainly due to stronger processing, accessories and storage revenue in Americas. EBITDA increased 120% QoQ directly related to increased revenue, offset by lower revenue and EBITDA with less fumigation services in Asia due to the spring and summer being the low season for BMSB, and lower import volumes due to the Shanghai Covid-19 lockdown in June.

Inland includes the global transporting of cargo by road or rail to a port or final point of sale. QoQ revenue increased 10%, primarily due to increased trucking volumes in the US and Europe, partially offset by lower brokerage volumes in the US. EBITDA was flat QoQ with increased expenses and impact of higher fuel cost and the lag effect of fuel surcharges to customers.

Terminal offers our cargo processing, handling and storage at some of the world's largest RoRo ports. Revenue decreased 3% QoQ, mainly due to congestion, lower vessel calls in Europe and BMSB seasonality. EBITDA decreased 18% as a result of lower revenue and additional land cost in Europe due to congestion.

YoY, revenues increased by 3% with increased volumes in Inland, H&H and Terminal, while Autos had decreased volume due to semiconductor chip shortages. YoY, EBITDA decreased by 48% mainly due to lower volumes for Autos (America), but all other products also saw lower EBITDA.

Government services

Revenues improved QoQ due to improved U.S. Flag cargo volumes, while EBITDA was slightly lower due to higher fuel prices.

USDm	Q2 2022	Q1 2022	% change QoQ	Q2 2021	% change YoY
Total revenue	65	58	11 %	61	5 %
EBITDA	15	16	-3 %	12	28 %
EBIT	4	5	n.a.	12	-67 %
EBITDA adjusted [1]	9	8	17 %	12	-22 %
EBITDA adjusted margin	14.3 %	13.5 %	n.a.	19.2 %	n.a.

1. *In Q2 EBITDA was adjusted USD 6m for the gain on sale of a vessel, in Q1 EBITDA was adjusted USD 8m for the gain on sale of a vessel.*

Government services - Total revenue and EBITDA

The Government services segment provides ocean transport of RoRo cargo, breakbulk and vehicles. The segment also performs logistics services primarily related to multimodal transportation, stevedoring and terminal operations. The primary customer is the U.S. government, but the segment also includes commercial cargos such as those generated by the financial sponsorship of a federal program, or a guarantee provided by the U.S. government. In the segment, contract duration can vary from less than one year up to ten years. Segment revenue and EBITDA is primarily driven by government activities which are in part driven by world events and government objectives and does not necessarily follow regular seasonal patterns or quarterly trends.

Total revenues in Q2 were USD 65m, up 11% QoQ. Increased U.S. Flag cargo more than offset delays in voyages from Covid-19 related port congestion.

EBITDA ended at USD 15m, a 3% reduction QoQ. Increased fuel costs offset higher margins from improved U.S. Flag Cargo activity and a USD 6m gain from the sale of the vessel M/V Freedom to the U.S. government to support recapitalization of the government-owned sealift fleet. Adjusted EBITDA was USD 9m, up 17% QoQ.

Revenue was 5% up YoY on increased charters, offset in part by lower U.S. Flag cargo activity due to port delays and the timing of U.S. Flag cargo moves. Adjusted EBITDA was down 22% YoY, due to significantly higher fuel prices which more than offset higher revenue year over year.

Consolidated results – first half 2022

Wallenius Wilhelmsen delivered a strong first half of 2022, increasing EBITDA with 106% to USD 620m YoY on the back of a significant shipping market rebound from H1-21.

USDm*	H1 2022	H1 2021	% change
Total revenue	2,339	1,816	29 %
EBITDA	620	301	106 %
EBIT	364	77	372 %
Profit/(loss) for the period	303	13	2243 %
Earnings per Share [1]	0.62	0.01	4709 %
Net interest-bearing debt	3,257	3,487	-7 %
ROCE adjusted [2]	8.9 %	2.8 %	n.a.
Equity ratio	37.5 %	34.5 %	n.a.
EBITDA adjusted [3]	606	336	80 %

** Except per share and per cent*

1. *After tax and non-controlling interests*
2. *The calculation of ROCE has changed from prior periods to base the return on results for the last twelve months. Previously returns were calculated as an annualized amount based on year-to-date results. Prior period figures have been updated on same basis*
3. *H1-22 EBITDA adjusted for USD 14m gain on sale of two vessels (H1-21 adjusted for USD 35m in provisions)*

Consolidated results

Total revenues in H1-22 were USD 2,339m, up 29% YoY, largely on the back of solid shipping segment markets year to date while in H1-21 shipping experienced challenging conditions in the rebound from the initial pandemic impact. EBITDA was USD 620m compared to USD 301m in H1-21, on the back of significant margin improvements in shipping and government, while logistics experienced a negative development due to the ongoing parts shortage issues.

Furthermore, there were some items impacting the result below EBITDA. The put-call arrangement[2] in the shareholder agreement with the non-controlling interest in EUKOR had a positive change in value of USD 5m during H1-22, recognized as a gain under Other gain/(loss) in the income statement, compared to negative USD 6m H1-21. Net financial expense was USD 55m in H1-22, compared to USD 60m in H1-21. The group recorded a tax expense of USD 7m in H1-22, up from an expense of USD 5m in H1-21. In H1-21, net profit was positively impacted by a USD 14m reversal of impairments related to a vessel which was reclassified to a tangible asset from an asset held-for-sale.

The half year ended with a net profit of USD 303m, significantly up from USD 13m in H1-21.

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[2] See Note 2. Non-controlling shareholders hold a put option for their 20% shareholding in EUKOR through the shareholder agreement from 2002. The shareholder agreement also contains a symmetrical call option held by the group. A key element to calculate the gain/loss is the estimated value of the 20% non-controlling interest related to EUKOR.

Market update

Automotive sales continued at low levels in Q2 and declined 5.6% QoQ, as lower consumer confidence reduced demand and the ongoing semiconductor shortage led to reduced supply in all major markets. Global High & heavy (H&H) exports increased further from last year's high base to reach an all-time high.

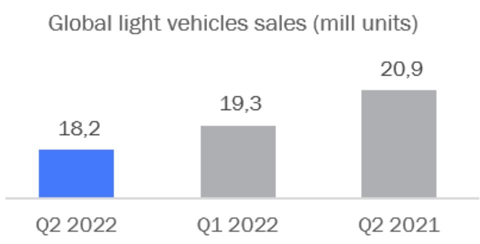
The first half of 2022 saw a significant slowdown in economic activity worldwide. At present, the S&P is still projecting growth of 2.7%, compared with its forecast of 4.2% for the global economy at the beginning of the year. As a base case, most forecasters still expect the economy to expand, albeit at a slowing pace, over the next year-and-a-half. But while a recession is not in the baseline forecast, the risk of a near-term downturn has climbed in recent months as evidenced by two quarters of negative economic growth in the United States.

The direct demand effects of the ongoing war are limited as Russia and Ukraine do not import nor export significant deep-sea volumes of LVs or HH units. However, the affected countries are significant producers of the noble gases neon and palladium used for semiconductor production, and global shortage of these raw materials might put additional pressure on the supply chains. There is still no shortage of these noble gases.

Moreover, higher commodity prices including energy costs lead to accelerating inflation, which force central banks into interest rate hikes that will eat into purchasing power for consumers. We observe that LV sales have been soft for some time already, not due to low demand, but to low supply of new LVs. As a consequence, if the global economy weakens further, car sales are already at low levels, so further downside in sales, and shipments, might be limited.

Auto markets

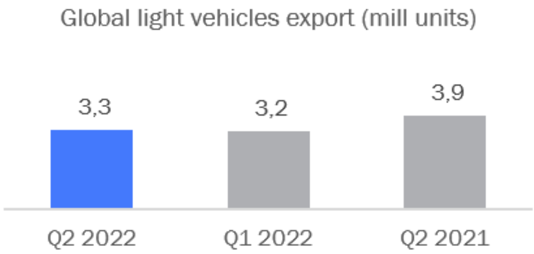
Global light vehicle ("LV") sales include all passenger cars, SUVs, MPVs and light commercial vehicles. Sales in Q2 were down 5.6% QoQ and down 13.0% YoY as Chinese sales took a hit due to lockdowns. Also, this quarter LV sales and production continue to be hindered by disruptions in the automotive supply chain particularly in Europe and North America. The semiconductor shortage has led to low vehicle inventories, followed by increased waiting times for new vehicles. Compared to sales in the same pre-Covid-19 quarter in 2019, sales were down 18.7%. The strong demand side have moderated as consumers see downside in increased inflation, higher interest rates and lower disposable income. However, OEMs report inventories at low levels at that they sell all cars that they can produce. Partial local lockdowns due to Covid-19 hindered both production and sales in the Chinese market. However, both the demand and supply sides have some experience in how to handle the pandemic situation. Shortage of semiconductor chips is expected to cause some disruption in various regions during 2022 with a gradually improvement of the situation. Further sales increase in auto markets is dependent on higher production figures as inventories are running low. Incentives in the LV sector globally has led the sales mix to low emission vehicles.



North American sales declined 17.6% YoY (up 9.0% QoQ). Solid underlying demand including pent-up demand after Covid-19 is not translated into high LV sales as production is hampered by semiconductor shortage. Original equipment manufacturers ("OEMs") prioritize the most profitable models. Average transaction price is high, inventories are low and retail sales performed better than fleet sales in the US.

Sales in Europe declined 22.2% YoY and increased 0.6% QoQ as vehicle production was held back by issues in the supply chain including semiconductor shortage and a moderating consumer sentiment. Governmental subsidies continue, mostly focused on low-emission vehicles generally and Battery Electric Vehicles (BEVs) specifically. The war in Ukraine leading to some inbound supply chain issues for OEMs including shortage of wiring looms. Other factors impacting LV sales include the implementation of the EU WLTP emission test scheme, diesel woes and Brexit.

The Covid-19 related lockdowns influenced both LV production and sales negatively in China, and sales was down 12.9% YoY, down 16.6% QoQ. The government put in place various stimulus to improve LV sales including reduced purchasing tax. In addition, several cities and provinces introduced local incentives. Chinese sales figures did however improve at the end of the quarter. In China buyers are tempted by incentives for low-emission plug-in hybrid and battery electric vehicles seeing the segment expand with triple digits.



Global deep-sea exports in Q2 were down 15.8% compared to Q2-21, and up 1.5% from Q1-22 as semiconductor shortage held back LV production and export. Exports out of North America were down 13.8% YoY (up 6.5% QoQ). European exports declined 18.8% YoY, up 10.1% QoQ. Japanese exports declined 25.2% YoY, down 1.5% QoQ, with main volumes exported to North America and Europe. Exports out of South Korea declined 17.9% YoY, up 12.1% QoQ. Chinese exports were up 10.5% YoY, down 10.0% QoQ.

Our shipping volumes continued to develop more positively than market volumes as we were present in more favorable trades and because we had customers performing more positive than the market.

High and heavy markets

H&H export[3] markets remained very strong in Q2, with volumes increasing 1.6% YoY to an all-time high.

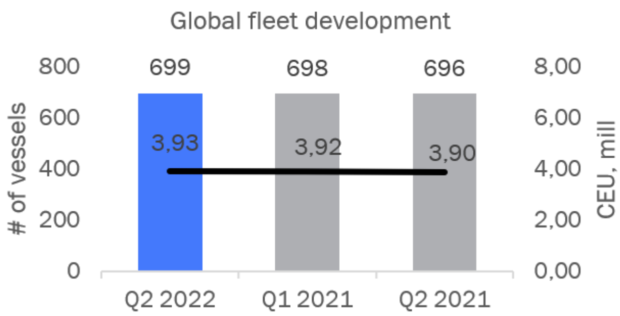
Exports of construction equipment increased 3.7% YoY to an all-time high – as volumes continued to increase to all markets except Europe. Meanwhile, construction activity[4] slowed around the world during the course of the quarter. U.S. construction spending again increased for the period but declined sharply in June amid rising mortgage rates. Inflationary pressure and economic uncertainty also weighed on European activity, with contraction recorded in all construction segments by the end of the quarter. In Australia, a broad decline in activity was recorded in June following months of positive or stable conditions.

Global mining equipment markets[5] continued to expand in Q2, against a backdrop of a steep pullback in metal prices. Mining equipment deliveries increased 25.9% YoY and were essentially unchanged from last quarter. Compared to last year, volumes increased to all regions except Latin America and Europe (incl. Russia). Deliveries were 41.9% higher than last year when excluding the Russian market.

Global exports of farm machinery declined 4.1% YoY compared to the seven-year high in the same period last year. Farmers continue to benefit from historically high food prices despite the recent pullback in prices, but farm margins remain under pressure from rising input costs (e.g., fertilizers). End-user demand for farm machinery was again mixed around the world in the quarter[6]. U.S. large tractor sales extended the strong run and increased another 4.5% YoY, while Australian tractor sales increased 8.7% YoY as buyers rushed to make use of the national tax expensing program. Meanwhile, the UK market recorded its second consecutive decline with registrations 5.9% lower than last year. The German market declined 2.4% YoY following last quarter's modest gains.

Global fleet

The global car carrier fleet (with size >1,000 car equivalent units, "CEU") totaled 699 vessels with a capacity of 3.93m CEU at the end of Q2. During Q2 one new vessel was delivered and no vessels were recycled. 24 new orders were confirmed for the official orderbook in the period (for vessels >4,000 CEU). The orderbook for deep-sea vehicle carriers (>4,000 CEU) counts 75 vessels, which amounts to about 13% of the global fleet capacity.



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[3] Source(s): IHS Markit. All import/export data refer to the three-month rolling period ending in May 2022 unless otherwise specified and are limited to countries that have reported data per August 3rd, 2022

[4] Source(s): IHS Markit, U.S. Bureau of Census, Ai Group, Eurostat

[5] Source(s): The Parker Bay Company

[6] Source(s): AEM, TMA, AEA and VDMA tractor sales/registrations (US (2WD +100HP & 4WD), Australia (100+HP), UK (+50HP) and Germany (+70kW)

Sustainability

In Q2 we underline our commitment to our 2030 carbon intensity target through USD 950m of new debt with sustainability-linked pricing.

Principles of governance

Wallenius Wilhelmsen adheres to good corporate governance standards to realize our strategy to deliver long-term prosperity for our shareholders and other stakeholders.

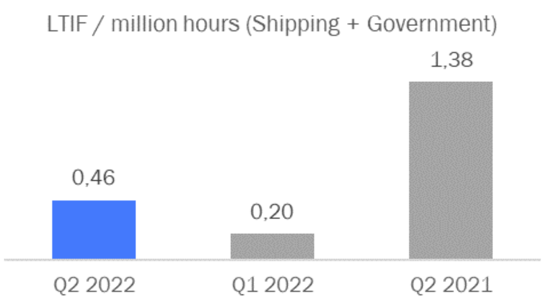
In March we started the implementation of a digital sustainability reporting platform. This platform will allow us to collect, analyze, calculate and report sustainability data from internal sources, suppliers and company holdings through a workflow that is transparent and traceable.

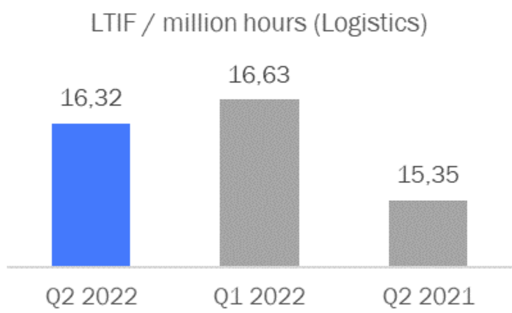
In April we launched a sustainability training for all IT enabled employees. The training set out a common understanding of what sustainability means to us as a company and what we do. By using gamification, the training strengthens understanding and creates engagement, driving new ideas and innovation.

People

There has been a continued effort to protect our seafarers from Covid-19. In close cooperation with our ship managers, we have achieved close to full rate of vaccination of our crew.

The lost time injuries frequency (LTIF)[7] for shipping and government services remain low and below our target of <1 at 0.46 in Q2. Although we have achieved improvements over the years, the LTIF[8] in logistics remains higher than our 2022 target of <14.5. The decrease in LTIF from 16.63 in Q1-22 to 16.20 in Q2 reflects a 17% decrease in the number of LTIs compared to the last quarter. It is a priority to drive continuous improvement of safety performance and we will particularly focus on recurring root causes in the facilities that have had the highest numbers of incidents. Most injuries in all segments are related to ergonomics, slips, trips and falls.





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[7] Per million exposure hours, which for our crew means 24 hours a day while at sea, including free time

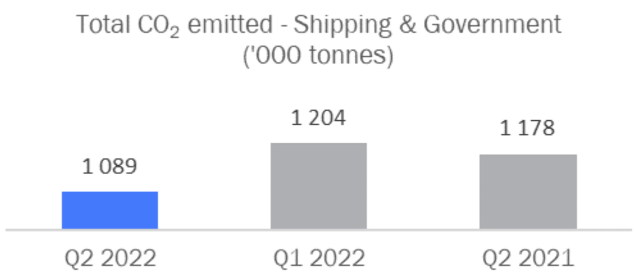
[8] Per million man-hours, reflects actual hours worked

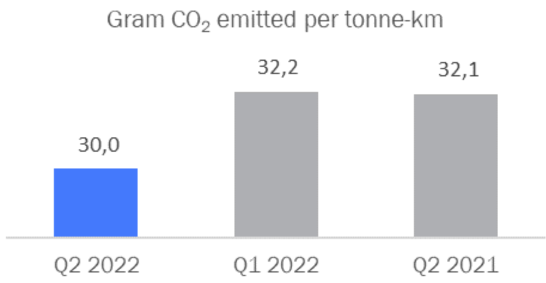
Planet

The world faces a climate crisis, and there is an urgent need for action. By decarbonizing and reducing our environmental footprint, we strive to be a part of the solution, not the problem. As a leading provider of logistics services, both on land and at sea, we work to reduce our environmental impact. To further align with the Paris Agreement, Wallenius Wilhelmsen committed to a carbon intensity target which was approved by our board. Our target is to reduce our carbon intensity by 27.5% from 2019 to 2030.

The total CO_2 emitted for Q2 decreased by about 9% compared to the previous quarter. The reason for this decrease is complex and is influenced by increased vessel operational efficiency, idling and reduced share of heavy cargo. The reduced total emissions led to decrease of about 7% in carbon intensity, measured in grams of CO_2 emitted per tonne-kilometer, compared to Q1. The overall increase of total CO2 emissions throughout 2021 and 2022 is due to increased market activity and re-introduction of ships from lay-up.

In Q2 we successfully completed a trial of electric forklifts trucks in Baltimore. So far 3 new electric forklifts have been deployed, with 5 more being considered. This work is part of our clean fleet initiative where all new equipment shall be zero emissions from 2023.





Prosperity

Our focus is to create long-term financial value whilst contributing to local and global economic, environmental, and social progress. By solving some of our industry's greatest challenges, we create prosperity for our employees, customers, and partners.

In Q2, we show our commitment to our carbon intensity target. The group signed ~USD 950m of new debt with pricing linked to whether we achieve the targets. The new debt is issued in line with the sustainability-linked financing framework published in Q1.

Risk update

As a global organization, Wallenius Wilhelmsen is exposed to a variety of risks through its worldwide ocean and landbased operations. The risks span from strategical, financial, market and commercial and operational, to various regulatory, cyber, environmental and safety categories.

The Group's overall risks are analyzed and reported at Business area and corporate levels. The 2021 Annual report provides further details about our key risk. For the second half of 2022, we foresee that the supply chain disruptions and parts shortages remain a challenge, that the tight tonnage situation continues, and that the stressed macro-economic environment may have an overall adverse impact.

Covid-19 restrictions still pose difficulties, the ongoing war in Ukraine and rising interest rates contribute to a volatile market, as further presented in our Prospects section.

Wallenius Wilhelmsen's diversified portfolio of business activities, combined with a clear strategic direction and risk reducing measures will further strengthen and position the Company for the next years, and opportunities ahead.

Prospects

We continue to expect the supply-demand balance in shipping to remain favorable over the mid-term due to the overall global fleet situation. Logistics volumes will benefit from gradual improvement of automotive parts supply expected during the latter part of 2022. This is expected to allow us to consolidate financial flexibility and help drive shareholder value creation in the absence of further volatility. Current disruptions to the global supply chains negatively impact the group and its customers.

Potential risks include negative global economic developments, further disruptions to the global supply chains, fuel cost volatility, labor cost and availability and further escalation of geopolitical tensions.

Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period January 1 to June 30, 2022 have been prepared in accordance with IAS 34 – Interim Financial Reporting and gives a true and fair view of the group's assets, liabilities, financial position and profit as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year.

Lysaker, 16 August 2022

The board of directors of Wallenius Wilhelmsen ASA

Rune Bjerke – Chair

Margareta Alestig Anna Felländer Thomas Wilhelmsen Hans Åkervall Yngvil Eriksson Åsheim

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

Consolidated income statement

USD million	Notes	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
Total revenue	3	**1,190**	**978**	**2,339**	**1,816**	**3,884**
Operating expenses	3, 7	(879)	(808)	(1,719)	(1,515)	(3,054)
Operating profit before depreciation, amortization and impairment (EBITDA)		**311**	**170**	**620**	**301**	**830**
Other gain/(loss)	2	8	(0)	5	(6)	21
Depreciation and amortization	4, 5, 6	(133)	(119)	(260)	(232)	(483)
(Impairment)/reversal of impairment	4, 5, 6	-	14	-	14	(62)
Operating profit/(loss) (EBIT)		**187**	**64**	**364**	**77**	**306**
Share of profit/(loss) from joint ventures and associates		**1**	**1**	**1**	**1**	**1**
Interest income and other financial items		80	4	121	39	95
Interest expenses and other financial expenses		(138)	(49)	(176)	(99)	(203)
Financial items - net	8	**(58)**	**(45)**	**(55)**	**(60)**	**(108)**
Profit/(loss) before tax		**130**	**20**	**310**	**18**	**199**
Tax income/(expense)	10	(4)	(3)	(7)	(5)	(23)
Profit/(loss) for the period		**126**	**17**	**303**	**13**	**177**
Profit/(loss) for the period attributable to:						
Owners of the parent		105	11	260	5	133
Non-controlling interests		21	6	43	8	43
Basic and diluted earnings per share (USD)	9	0.25	0.03	0.62	0.01	0.32

Consolidated statement of comprehensive income

USD million	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
Profit/(loss) for the period	126	17	303	13	177
Other comprehensive income/(loss):					
Items that may subsequently be reclassified to the income statement					
Currency translation adjustment	(10)	2	(9)	(1)	(6)
Items that will not be reclassified to the income statement					
Changes in the fair value of equity investments designated at fair value through other comprehensive income	-		3		22
Remeasurement pension liabilities, net of tax	-	-	-	-	3
Other comprehensive income/(loss), net of tax	**(10)**	**2**	**(5)**	**(1)**	**19**
Total comprehensive income/(loss) for the period	**115**	**20**	**297**	**12**	**196**
Total comprehensive income/(loss) attributable to:					
Owners of the parent	96	13	256	5	149
Non-controlling interests	19	6	41	7	47
Total comprehensive income/(loss) for the period	**115**	**20**	**297**	**12**	**196**

Consolidated balance sheet

USD million	Notes	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Assets				
Non-current assets				
Deferred tax assets	10	65	87	71
Goodwill and other intangible assets	4	437	552	455
Vessels and other tangible assets	5	3,929	4,091	4,033
Right-of-use assets	6	1,580	1,443	1,507
Other non-current assets	2	270	188	249
Total non-current assets		**6,281**	**6,360**	**6,315**
Current assets				
Fuel/lube oil		151	95	147
Trade receivables		570	428	457
Other current assets		227	153	144
Cash and cash equivalents		821	566	710
Assets held for sale	7	-	-	21
Total current assets		**1,770**	**1,241**	**1,479**
Total assets		**8,051**	**7,602**	**7,794**
Equity and liabilities				
Equity				
Share capital	9	28	28	28
Retained earnings and other reserves		2,701	2,367	2,511
Total equity attributable to owners of the parent		**2,729**	**2,395**	**2,539**
Non-controlling interests		288	228	266
Total equity		**3,016**	**2,624**	**2,804**
Non-current liabilities				
Pension liabilities		50	72	55
Deferred tax liabilities	10	77	79	82
Non-current interest-bearing debt	11	1,456	2,213	2,158
Non-current lease liabilities	11	1,245	1,222	1,218
Non-current provisions	12	5	30	16
Other non-current liabilities		83	134	68
Total non-current liabilities		**2,915**	**3,751**	**3,596**
Current liabilities				
Trade payables		103	142	154
Current interest-bearing debt	11	1,107	428	515
Current lease liabilities	11	271	190	238
Current income tax liabilities	10	3	8	4
Current provisions	12	39	90	28
Other current liabilities		597	368	455
Total current liabilities		**2,120**	**1,227**	**1,395**
Total equity and liabilities		**8,051**	**7,602**	**7,794**

Consolidated cash flow statement

USD million	Notes	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
Cash flow from operating activities						
Profit before tax		130	20	310	18	199
Financial (income)/expenses		58	45	55	60	108
Share of net (income)/loss from joint ventures and associates		(1)	(1)	(1)	(1)	(1)
Depreciation and amortization	4, 5, 6	133	119	260	232	483
Impairment/(reversal of impairment)		-	(14)	-	(14)	62
(Gain)/loss on sale of tangible assets		(9)	(0)	(14)	0	(0)
Change in net pension assets/liabilities		(6)	0	(6)	4	(8)
Change in derivative financial assets	2	(8)	0	(5)	6	(21)
Net change in other assets/liabilities		(141)	(22)	(166)	(67)	(173)
Tax (paid)/received		(1)	(3)	(8)	(9)	(24)
Net cash flow provided by operating activities[1]		**155**	**145**	**425**	**230**	**623**
Cash flow from investing activities						
Dividend received from joint ventures and associates		0	0	0	0	0
Proceeds from sale of tangible assets		21	0	42	4	5
Investments in vessels, other tangible and intangible assets		(27)	(29)	(45)	(39)	(141)
Investments in subsidiaries, net of cash acquired		-	-	(10)	-	
Investments in joint ventures		-	-	-	(8)	-
Investments in financial investments		-	-	-	-	(7)
Interest received		1	0	2	1	2
Net cash flow provided by/(used in) investing activities		**(5)**	**(28)**	**(11)**	**(42)**	**(140)**
Cash flow from financing activities						
Proceeds from loans and bonds		281	21	320	112	474
Repayment of loans and bonds	11	(222)	(82)	(364)	(206)	(531)
Repayment of lease liabilities	11	(51)	(47)	(120)	(94)	(204)
Interest paid including interest derivatives		(43)	(41)	(87)	(87)	(165)
Realized other derivatives		(3)	1	(3)	2	7
Dividend to non-controlling interests		(11)	(1)	(12)	(3)	(8)
Dividend to shareholders	9	(38)	-	(38)	-	
Net cash flow used in financing activities		**(87)**	**(150)**	**(303)**	**(276)**	**(427)**
Net increase/(decrease) in cash and cash equivalents		**62**	**(33)**	**111**	**(88)**	**56**
Cash and cash equivalents at beginning of period		759	599	710	654	654
Cash and cash equivalents at end of period[1]		**821**	**566**	**821**	**566**	**710**

1 The group is located and operating world-wide and every entity has several bank accounts in different currencies. Unrealized currency effects are included in net cash provided by operating activities.

Consolidated statement of changes in equity

USD million	Note	Share capital	Own shares	Total paid-in capital	Retained earnings and other reserves	Total	Non-controlling interests	Total equity
2022								
Balance at December 31, 2021		**28**	**(0)**	**28**	**2,511**	**2,539**	**266**	**2,804**
Profit for the period		-	-	-	260	260	43	303
Other comprehensive income		-	-	-	(4)	(4)	(1)	(5)
Total comprehensive income		**-**	**-**	**-**	**256**	**256**	**41**	**297**
Acquisition of non-controlling interest	13	-	-	-	(3)	(3)	(7)	(10)
Dividend to owners of the parent	9	-	-	-	(63)	(63)	-	(63)
Dividend to non-controlling interests		-	-	-	-	-	(12)	(12)
Balance at June 30, 2022		**28**	**(0)**	**28**	**2,701**	**2,729**	**288**	**3,016**

USD million	Share Capital	Own shares	Total paid-in capital	Retained earnings and other reserves	Total	Non-controlling interests	Total equity
2021							
Balance at December 31, 2020	**28**	**(0)**	**28**	**2,363**	**2,391**	**224**	**2,615**
Profit for the period	-	-	-	5	5	8	13
Other comprehensive income	-	-	-	(1)	(1)	(0)	(1)
Total comprehensive income	**-**	**-**	**-**	**5**	**5**	**7**	**12**
Sale of own shares	-	-	-	-	-	-	-
Dividend to non-controlling interests	-	-	-	-	-	(3)	(3)
Balance June 30, 2021	**28**	**(0)**	**28**	**2,367**	**2,395**	**228**	**2,624**

USD million	Share Capital	Own shares	Total paid-in capital	Retained earnings and other reserves	Total	Non-controlling interests	Total equity
2021							
Balance at December 31, 2020	**28**	**(0)**	**28**	**2,363**	**2,391**	**224**	**2,615**
Profit for the period	-	-	-	133	133	43	177
Other comprehensive income	-	-	-	16	16	3	19
Total comprehensive income	**-**	**-**	**-**	**149**	**149**	**47**	**196**
Sale of own shares	-	0	0	0	0	-	0
Change in non-controlling interests	-	-	-	(1)	(1)	3	1
Dividend to non-controlling interests	-	-	-	-	-	(8)	(8)
Balance at December 31, 2021	**28**	**(0)**	**28**	**2,511**	**2,539**	**266**	**2,804**

Note 1. Accounting Principles

This consolidated interim financial report has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. The consolidated interim financial reporting should be read in conjunction with the annual financial statements for the year end December 31, 2021 for Wallenius Wilhelmsen ASA group (the group), which have been prepared in accordance with IFRSs endorsed by the EU.

The accounting policies implemented are consistent with those of the annual financial statements for the group for the year end December 31, 2021.

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

The significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

As a result of rounding amounts to the nearest million, totals presented may deviate from the sum of individual amounts.

Note 2. Other gain/(loss)

Non-controlling shareholders hold a put option for their 20% shareholding in EUKOR through a shareholder agreement entered into in 2002. The shareholder agreement also contains a symmetrical call option held by the group.

Non-controlling interests containing a symmetrical put and call option held by the non-controlling interest shareholders and the group, respectively, is recognized as one integrated derivative financial instrument. The derivative financial instrument is recognized as a non-current asset when the options are exercisable and the fair value of the non-controlling interest exceeds the value of the exercise price for the symmetrical put and call option.

During the second quarter of 2022, the change in the value of the derivative was USD 8 million recognized as a gain within Other gain/(loss) in the income statement. The gain for the six months ended June 30, 2022 is USD 5 million. Comparatively, the change in value during the first half of 2021 resulted in a loss of USD 6 million.

A key element to calculate the gain/loss is the estimated value of the 20% non-controlling interest related to EUKOR. The financial derivative is recognized in Other non-current assets in the balance sheet and has a carrying value of USD 156 million at June 30, 2022, compared to USD 152 million at the end of 2021.

Note 3. Segment description

The group's operating segments, which are the same as the group's reporting segments, are the key components of the group's business which are assessed, monitored and managed on a regular basis by the Chief Executive Officer (CEO).

The reporting segments comprise:
- Shipping services
- Logistics services
- Government services

The Board of Directors and management have identified the three reporting segments based on the current organization of activities. Such organization of activities and reporting segments are continuously being assessed and remains subject to future changes.

Shipping services
The shipping services segment is engaged in ocean transport of cars and RoRo cargo. Its main customers are global car manufacturers as well as manufacturers of construction and other high and heavy equipment, in addition to select industrial break-bulk cargo. The customers' cargo is carried in a worldwide transport network. This is the group's most capital-intensive segment. The revenue is generated from transporting these products and varies with voyage routes. The total vessel capacity is balanced by time charter, both in and out. The shipping services segment's margin is highly influenced by fuel prices. FAF (fuel adjustment factor) is a key mechanism to manage fuel oil price risk in the segment and the main contributor to fuel surcharges revenue. However, the segment has a short-term exposure to fuel prices since FAF is calculated based on the average fuel price over a historical period and then fixed during an application period, creating a lag effect. In periods of rising fuel prices the segment will therefore not be able to recoup the higher prices through the FAF. Conversely, in periods of falling fuel prices the segment will benefit from higher FAF. In the shipping services segment, contract duration is normally one to five years, with some 20-30 percent of contracts being renewed annually. Fixed prices are usually applied, with review for CPI development or other applicable index for contracts exceeding three years. FAF adjustments are reflected in most contracts and represent a variable pricing element. In some contracts, the group is guaranteed a fixed percentage of a customer's volume, but mostly there are no defined minimum volumes.

Logistics services
The logistics services segment has mainly the same customer groups as shipping services. Customers operating globally are offered sophisticated logistics services, such as vehicle processing centers, equipment processing centers, inland distribution networks and terminals. The segment's primary assets are human capital (expertise and systems) and long-term customer relationships. In the logistics services segment, contract duration is normally one to five years with options to extend and in some cases a term up to 10 years. Pricing is usually fixed with CPI or other adjustments applicable for many contracts. Volumes may vary depending on customer output.

Government services
The government services segment provides ocean transport of RoRo cargo, breakbulk and vehicles. The segment also performs logistics services primarily related to multimodal transportation, stevedoring and terminal operations. The primary customer is the U.S. government, but the segment also includes commercial cargos such as those generated by the financial sponsorship of a Federal program or a guarantee provided by the U.S. Government. In the government services segment, contract duration can vary between less than one year and as long as ten years. Segment revenue and EBITDA is primarily driven by government activities which are in part driven by world events and government objectives, and does not necessarily follow regular seasonal patterns.

Holding/Eliminations
Remaining group activities are shown in the "holding & eliminations" column. The holding segment includes the parent company, and other minor activities (including corporate group activities such as operational management, tax and finance) which fail to meet the definition for other core activities. Eliminations are transactions between the group's three segments described above.

Note 3. Segment reporting - QTD

USD million	Shipping services		Logistics services		Government services		Holding & eliminations		Total	
	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021
Net freight revenue	804	690	-	-	24	29	-	-	828	719
Fuel surcharges	153	55	-	-	2	1	-	-	155	56
Operating revenue	8	10	181	176	18	17	-	-	206	203
Internal operating revenue	3	2	27	27	21	14	(51)	(43)	-	-
Total revenue	**968**	**757**	**208**	**203**	**65**	**61**	**(51)**	**(43)**	**1,190**	**978**
Cargo expenses	(164)	(178)	-	-	(9)	(13)	40	38	(133)	(152)
Fuel	(281)	(178)	-	-	(9)	(6)	-	-	(291)	(184)
Other voyage expenses	(101)	(105)	-	-	(4)	(4)	-	-	(105)	(109)
Ship operating expenses	(56)	(56)	-	-	(21)	(15)	-	-	(77)	(70)
Charter expenses	(49)	(42)	-	-	(6)	(8)	9	3	(46)	(47)
Manufacturing cost	-	-	(75)	(64)	(1)	(1)	2	1	(73)	(64)
Other operating expenses	(1)	(36)	(78)	(78)	5	(0)	-	-	(75)	(114)
Selling, general and admin expenses	(37)	(34)	(37)	(26)	(5)	(4)	(2)	(4)	(80)	(69)
Total operating expenses	**(689)**	**(629)**	**(190)**	**(168)**	**(50)**	**(49)**	**49**	**38**	**(879)**	**(808)**
Operating profit/(loss) before depreciation, amortization and impairment (EBITDA)	**280**	**128**	**18**	**35**	**15**	**12**	**(2)**	**(5)**	**311**	**170**
Other gain/(loss)	8	(0)	-	-	-	-	-	-	8	(0)
Depreciation	(96)	(80)	(16)	(16)	(9)	(12)	-	-	(122)	(108)
Amortization	(1)	(1)	(8)	(9)	(2)	(2)	-	-	(11)	(11)
(Impairment)/reversal of impairment	-	-	-	0	-	14	-	-	-	14
Operating profit/(loss) (EBIT)[1]	**191**	**47**	**(6)**	**10**	**4**	**12**	**(2)**	**(5)**	**187**	**64**
Share of profit/(loss) from joint ventures and associates	-	-	1	1	-	-	-	-	1	1
Financial income/(expense)	(30)	(28)	(7)	(13)	(1)	(1)	(20)	(3)	(58)	(45)
Profit/(loss) before tax	**161**	**19**	**(12)**	**(3)**	**3**	**12**	**(22)**	**(8)**	**130**	**20**
Tax income/(expense)	(6)	(3)	3	0	(2)	0	-	-	(4)	(3)
Profit/(loss) for the period	**155**	**16**	**(9)**	**(2)**	**1**	**12**	**(22)**	**(8)**	**126**	**17**
Profit for the period attributable to:										
Owners of the parent	135	10	(9)	(3)	1	12	(22)	(8)	105	11
Non-controlling interests	21	6	(0)	1	-	-	-	-	21	6

[1] Cash settled portion of fuel hedge swaps is included in net operating profit by reduction/(increase) of voyage related expenses.

Note 3. Segment reporting - YTD

USD million	Shipping services			Logistics services			Government services			Holding & eliminations			Total		
	YTD 2022	YTD 2021	2021	YTD 2022	YTD 2021	2021	YTD 2022	YTD 2021	2021	YTD 2022	YTD 2021	2021	YTD 2022	YTD 2021	2021
Net freight revenue	1,611	1,276	2,742	-	-	-	45	53	110	-	-	-	1,655	1,329	2,851
Fuel surcharges	267	83	246	-	-	-	3	2	4	-	-	-	269	85	250
Operating revenue	17	17	33	366	353	687	32	32	62	-	-	-	415	402	782
Internal operating revenue	4	4	8	53	52	102	44	28	60	(101)	(85)	(170)	-	-	-
Total revenue	**1,898**	**1,380**	**3,029**	**419**	**405**	**789**	**123**	**115**	**236**	**(101)**	**(85)**	**(170)**	**2,339**	**1,816**	**3,884**
Cargo expenses	(340)	(333)	(660)	-	-	-	(19)	(24)	(48)	80	76	147	(279)	(281)	(561)
Fuel	(517)	(316)	(701)	-	-	-	(17)	(10)	(25)	-	-	-	(533)	(326)	(726)
Other voyage expenses	(207)	(211)	(402)	-	-	-	(7)	(6)	(13)	-	-	-	(214)	(218)	(415)
Ship operating expenses	(111)	(102)	(219)	-	-	-	(40)	(28)	(56)	-	-	-	(151)	(130)	(275)
Charter expenses	(93)	(88)	(173)	-	-	-	(12)	(15)	(31)	18	6	19	(87)	(97)	(185)
Manufacturing cost	-	-	-	(148)	(128)	(254)	(1)	(1)	(4)	2	2	4	(147)	(128)	(254)
Other operating expenses[1]	(11)	(37)	(72)	(159)	(157)	(300)	13	0	(2)	10	-	32	(148)	(194)	(342)
Selling, general and admin expenses	(72)	(66)	(133)	(71)	(57)	(126)	(10)	(8)	(17)	(8)	(11)	(20)	(161)	(142)	(296)
Total operating expenses	**(1,351)**	**(1,153)**	**(2,359)**	**(379)**	**(342)**	**(681)**	**(92)**	**(93)**	**(196)**	**102**	**73**	**182**	**(1,719)**	**(1,515)**	**(3,054)**
Operating profit/(loss) before depreciation, amortization and impairment (EBITDA)	**548**	**228**	**670**	**40**	**63**	**108**	**31**	**22**	**40**	**1**	**(12)**	**11**	**620**	**301**	**830**
Other gain/(loss)	5	(6)	21	-	-	-	-	-	-	-	-	-	5	(6)	21
Depreciation	(188)	(160)	(340)	(33)	(33)	(66)	(18)	(17)	(33)	-	-	-	(239)	(210)	(439)
Amortization	(2)	(2)	(4)	(17)	(17)	(34)	(3)	(3)	(6)	-	-	-	(22)	(22)	(44)
(Impairment)/reversal of impairment	-	-	(76)	-	(0)	(0)	-	14	14	-	-	-	-	14	(62)
Operating profit/(loss) (EBIT)[2]	**363**	**60**	**271**	**(9)**	**13**	**8**	**10**	**16**	**15**	**1**	**(12)**	**11**	**364**	**77**	**306**
Share of profit/(loss) from joint ventures and associates	-	-	-	1	1	1	-	-	-	-	-	-	1	1	1
Financial income/(expense)	(31)	(40)	(66)	(0)	(14)	(26)	(1)	(1)	1	(23)	(6)	(17)	(55)	(60)	(108)
Profit/(loss) before tax	**332**	**20**	**205**	**(8)**	**1**	**(16)**	**9**	**15**	**17**	**(22)**	**(17)**	**(6)**	**310**	**18**	**199**
Tax income/(expense)	(12)	(6)	(27)	6	1	4	(2)	0	1	-	(0)	(0)	(7)	(5)	(23)
Profit/(loss) for the period	**320**	**14**	**177**	**(2)**	**2**	**(12)**	**7**	**15**	**17**	**(22)**	**(18)**	**(6)**	**303**	**13**	**177**
Profit for the period attributable to:															
Owners of the parent	277	7	136	(2)	1	(14)	7	15	17	(22)	(18)	(6)	260	5	133
Non-controlling interests	42	6	42	0	1	2	-	-	-	-	-	-	43	8	43

1 Sale of a vessel from shipping to government services segment in Q1 resulted in a USD 10 million loss in the shipping segment included in Other operating expenses. This amount is eliminated on group level.

2 Cash settled portion of fuel hedge swaps is included in net operating profit by reduction/(increase) of voyage related expenses.

Note 4. Goodwill, customer relations/contracts and other intangible assets

USD million	Goodwill	Customer relations/ contracts	Other intangible assets	Total intangible assets
2022				
Cost at January 1	346	421	58	824
Additions	-	-	3	3
Disposal	-	-	(0)	(0)
Currency translation adjustment	-	-	(0)	(0)
Cost at June 30	**346**	**421**	**61**	**828**
Accumulated amortization and impairment losses at January 1	(116)	(225)	(28)	(369)
Amortization	-	(18)	(4)	(22)
Disposal	-	-	(0)	(0)
Currency translation adjustment	-	-	0	0
Accumulated amortization and impairment losses at June 30	**(116)**	**(243)**	**(32)**	**(391)**
Carrying amount at June 30	**230**	**178**	**29**	**437**

USD million	Goodwill	Customer relations/ contracts	Other intangible assets	Total intangible assets
2021				
Cost at January 1	346	421	54	820
Additions	-	-	5	5
Disposal	-	-	(0)	(0)
Currency translation adjustment	-	-	(0)	(0)
Cost at December 31	**346**	**421**	**58**	**824**
Accumulated amortization and impairment losses at January 1	(40)	(188)	(21)	(249)
Amortization	-	(36)	(8)	(44)
Impairment[1]	(76)	-	(0)	(76)
Disposal	-	-	1	1
Accumulated amortization and impairment losses at December 31	**(116)**	**(225)**	**(28)**	**(369)**
Carrying amount at December 31	**230**	**196**	**29**	**455**

1 In the fourth quarter of 2021, a goodwill impairment loss of USD 76 million was recognized.

“Other intangible assets” include port use rights and software.

Note 5. Vessels and other tangible assets

USD million	Property & land	Other tangible assets	Vessels & docking	Newbuild contracts[1]	Total tangible assets
2022					
Cost at January 1	125	92	5,439	1	5,656
Additions	1	16	20	4	41
Disposal	(0)	(2)	(15)	(1)	(18)
Reclassification	0	(0)	1	(1)	0
Currency translation adjustment	(5)	(2)	-	-	(7)
Cost at June 30	**120**	**103**	**5,445**	**3**	**5,671**
Accumulated depreciation and impairment losses at January 1	(23)	(43)	(1,557)	-	(1,623)
Depreciation	(5)	(6)	(123)	-	(133)
Disposal	0	(0)	10	-	10
Currency translation adjustment	2	1	-	-	3
Accumulated depreciation and impairment losses at June 30	**(26)**	**(47)**	**(1,669)**	**-**	**(1,742)**
Carrying amount at June 30	**94**	**56**	**3,776**	**3**	**3,929**

USD million	Property & land	Other tangible assets	Vessels & docking[2]	Newbuild contracts[1]	Total tangible assets
2021					
Cost at 1 January	127	89	5,307	45	5,567
Additions	2	11	63	60	136
Disposal	(1)	(3)	(23)	(0)	(27)
Reclassification	2	(2)	92	(104)	(12)
Currency translation adjustment	(5)	(2)	-	-	(7)
Cost at 31 December	**125**	**92**	**5,439**	**1**	**5,656**
Accumulated depreciation and impairment losses at 1 January	(16)	(33)	(1,343)	-	(1,392)
Depreciation	(10)	(12)	(242)	-	(264)
Impairment/(reversal of impairment)	-	-	14	-	14
Disposal	1	1	22	-	25
Reclassification	-	0	(8)	-	(8)
Currency translation adjustment	2	1	-	-	3
Accumulated depreciation and impairment losses at December 31	**(23)**	**(43)**	**(1,557)**	**-**	**(1,623)**
Carrying amount at December 31	**102**	**49**	**3,882**	**1**	**4,033**

1 Newbuild contracts include instalments on scrubber installations and dry-dock expenditure.

2 During the fourth quarter 2021, a new vessel (Nabucco) was delivered, resulting in a reclassification from newbuilding contracts to vessels of USD 74 million. The reclassification balance in Total tangible assets (cost and related depreciation) relates to the classification of two vessels to assets held-for-sale as at 31 December 2021, and the reversal of a vessel classified as held for sale back to tangible assets, as it continues to be used in operations.

Note 6. Right-of-use assets

USD million	Property & land	Vessels	Other assets	Total leased assets
2022				
Cost at January 1	484	1,464	31	1,979
Additions	53	69	6	127
Change in lease payments	3	63	8	74
Disposal	(4)	(3)	(0)	(7)
Currency translation adjustment	(21)	(8)	(0)	(29)
Cost at June 30	**514**	**1,585**	**45**	**2,144**
Accumulated depreciation and impairment losses at January 1	(114)	(348)	(10)	(472)
Depreciation	(27)	(73)	(5)	(105)
Disposal	4	3	0	7
Currency translation adjustment	5	1	0	6
Accumulated depreciation and impairment losses at June 30	**(132)**	**(417)**	**(15)**	**(564)**
Carrying amount at June 30	**383**	**1,167**	**30**	**1,580**

USD million	Property & land	Vessels	Other assets	Total leased assets
2021				
Cost at January 1	478	1,226	4	1,708
Additions	19	166	28	214
Change in lease payments	33	85	-	119
Disposal	(29)	(13)	(0)	(42)
Currency translation adjustment	(18)	(0)	(0)	(19)
Cost at December 31	**484**	**1,464**	**31**	**1,979**
Accumulated depreciation and impairment losses at January 1	(91)	(250)	(2)	(344)
Depreciation	(55)	(111)	(8)	(174)
Disposal	29	13	0	42
Currency translation adjustment	3	0	0	4
Accumulated depreciation and impairment losses at December 31	**(114)**	**(348)**	**(10)**	**(472)**
Carrying amounts at December 31	**370**	**1,115**	**21**	**1,507**

Note 7. Assets held for sale

During the fourth quarter 2021 two vessels were classified as assets held for sale as their sale was highly probable. The vessels were measured at their net carrying value, USD 21 million, which was lower than their fair value less costs to sell. In Q1 2022 one of the vessels was sold for a consideration of USD 21 million, resulting in a gain to the group of 8 million, and in Q2 the second vessel was sold for a consideration of USD 21 million, with a gain to the group of USD 6 million. There are no assets held for sale as at June 30, 2022.

Net gain/loss on disposal of assets is presented as part of operating expenses.

Note 8. Financial income and expenses

USD million	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
Financial income					
Interest income	1	0	2	1	2
DNK distribution[1]	-	-	-	-	19
Other financial items	0	0	0	0	6
Net financial income	**1**	**1**	**2**	**1**	**27**
Financial expenses					
Interest expenses	(38)	(35)	(75)	(71)	(140)
Interest rate derivatives - realized	(4)	(6)	(12)	(17)	(25)
Interest rate derivatives - unrealized	22	(3)	76	32	58
Other financial items	(4)	(2)	(7)	(5)	(9)
Loss on sale investments	-	-	-	0	0
Net financial expenses	**(25)**	**(47)**	**(18)**	**(60)**	**(117)**
Currency					
Net currency gain/(loss)	57	1	43	(6)	(9)
Foreign currency derivatives - realized	(3)	0	(3)	1	(3)
Foreign currency derivatives - unrealized	(88)	(2)	(80)	(1)	(12)
Net currency	**(34)**	**(1)**	**(39)**	**(7)**	**(24)**
Financial derivatives bunker					
Fuel oil derivatives - realized	-	1	-	2	10
Fuel oil derivatives - unrealized	-	1	-	4	(5)
Net bunker derivatives	**-**	**2**	**-**	**6**	**6**
Financial income/(expenses)	**(58)**	**(45)**	**(55)**	**(60)**	**(108)**

1 In the fourth quarter 2021, the group received a distribution from Den Norske Krigsforsikring (DNK) of USD 19 million less withholding tax of USD 5 million. The gross amount is recognized as finance income, and the related withholding tax is recognized as an income tax expense/receivable.

Note 9. Shares

Earnings per share takes into consideration the number of issued shares excluding own shares in the period.

Basic earnings per share is calculated by dividing profit for the period attributable to the owners of the parent by the average number of total outstanding shares (adjusted for average number of own shares).

Basic earnings per share for the second quarter of 2022 was USD 0.25 compared with USD 0.03 in the same quarter last year. Earnings per share for the six months ended June 30, 2022 was USD 0.62 compared with USD 0.01 in the same period in 2021.

The company's number of shares:	Jun 30, 2022	Jun 30, 2021	31 Dec 2021
Total number of shares	423,104,938	423,104,938	423,104,938
Own shares	700,883	706,856	700,883

	NOK million	USD million
The company's share capital is as follows:	220	28

On April 26, 2022 the annual general meeting approved an ordinary dividend for 2021 of USD 15 cents per share and the total amount of USD 63 million was reclassified from equity to current liabilities. Of this, USD 9 cents per share, totaling USD 38 million, was paid to shareholders of the parent company in May 2022. The remaining USD 6 cents per share, totaling USD 25 million, will be paid to shareholders of the parent company in November 2022.

Note 10. Tax

The effective tax rate for the group will, from period to period, change depending on gains and losses from investments inside the exemption method, and tax-exempt revenues from tonnage tax regimes. Tonnage tax is classified as an operating expense in the income statement.

The group recognized a tax expense of USD 4 million for the second quarter 2022, compared with a tax expense of USD 3 million for the same quarter in 2021. The tax expense for the first half of 2022 was USD 7 million, compared with USD 5 million in the same period last year.

The group continues the non-recognition of net deferred tax assets in the balance sheet due to uncertain future utilization of tax losses carried forward and non-deductible interest cost carried forward in the Norwegian entities.

Note 11. Interest-bearing debt

USD million	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Non-current interest-bearing loans and bonds	1,456	2,213	2,158
Non-current lease liabilities	1,245	1,222	1,218
Current interest-bearing loans and bonds	1,107	428	515
Current lease liabilities	271	190	238
Total interest-bearing debt	**4,079**	**4,053**	**4,128**
Cash and cash equivalents	821	566	710
Net interest-bearing debt	**3,257**	**3,487**	**3,418**

Repayment schedule for interest-bearing debt

USD million	Bank loans	Bonds	Leasing commitments	Other interest-bearing debt	Jun 30, 2022
Due in 2022	639	71	148	0	**857**
Due in 2023	515	-	257	18	**790**
Due in 2024	171	203	207	0	**581**
Due in 2025	264	-	199	0	**463**
Due in 2026 and later	364	330	706	-	**1,399**
Total repayable interest-bearing debt	**1,952**	**603**	**1,516**	**18**	**4,090**
Amortized financing costs	(5)	(6)	-	-	**(11)**
Carrying value interest-bearing debt	**1,947**	**597**	**1,516**	**18**	**4,079**

Reconciliation of liabilities arising from financing activities

USD million	Non-current interest-bearing debt	Current interest-bearing debt	Non-current lease liabilities	Current lease liabilities	Total financing activities
Total debt December 31, 2021	**2,158**	**515**	**1,218**	**238**	**4,128**
Cash flows from loans and bonds (proceeds)	315	5	-	-	**320**
Cash flow from loans and bonds (repayments)	(91)	(274)	(6)	(115)	**(484)**
Net change lease commitments	-	-	182	15	**198**
Foreign exchange movement	(65)	(3)	(16)	(2)	**(85)**
Other non-cash movements	1		0	0	**2**
Re-classification	(863)	863	(133)	133	**0**
Total interest-bearing debt June 30, 2022	**1,456**	**1,107**	**1,245**	**271**	**4,079**

USD million	Non-current interest-bearing debt	Current interest-bearing debt	Non-current lease liabilities	Current lease liabilities	Total financing activities
Total debt December 31, 2020	**2,353**	**378**	**1,176**	**174**	**4,081**
Cash flows (proceeds) from loans and bonds	430	44	-	-	**474**
Cash flow (repayments) from loans and bonds	(104)	(427)	-	(204)	**(735)**
Net change lease commitments	-	-	258	67	**325**
Foreign exchange movement	(2)	(6)	(15)	(1)	**(24)**
Other non-cash movements	7	-	-	-	**7**
Re-classification	(526)	526	(202)	202	**-**
Total interest-bearing debt December 31, 2021	**2,158**	**515**	**1,218**	**238**	**4,128**

In Q2, the group signed USD 1.15bn of new debt for refinancing purposes, including a USD 144 million sustainability linked bond, new USD 800 million sustainability-linked bank facilities, a USD 100 million unsecured revolving credit facility in WWO, and USD 100 million of vessel and corporate debt in EUKOR. The new USD 800 million facilities will not have any cash-flow effects until Q3 as drawdown of new debt and refinancing will take place in August. Due to the ongoing refinancing, the USD 569 million of outstanding debt for refinancing is considered current debt per June 30, 2022, leading to a high current debt level in the balance sheet.

At June 30, 2022, the group had 8 unencumbered vessels with a total net carrying value of USD 93 million.

Note 12. Provisions

USD million	Jun 30, 2022	Jun 30, 2021	31 Dec 2021
Current provisions	39	90	28
Non-current provisions	5	30	16
Total provisions	**44**	**121**	**44**

The operating entities WW Ocean and EUKOR have been part of anti-trust investigations in several jurisdictions since 2012.

Proceedings with the outstanding jurisdictions were resolved in 2021, and amounts not yet paid were reclassified from provisions to other current liabilities. During the second quarter of 2022, the group paid USD 14 million in customer settlements and fines to jurisdictions (year-to-date USD 40 million), reducing other current liabilities accordingly.

In total, USD 44 million remain classified as provisions at June 30, 2022, as amounts and timing are uncertain. An amount of USD 11 million has been reclassified from non-current to current provisions at June 30, 2022. The provision is expected to cover any pay-outs related to potential civil claims as of June 30, 2022. At the quarter-end, the group has recognized USD 80 million of provisions (USD 44 million) and other current liabilities (USD 36 million) related to fines, civil claims and customer settlements.

Contingencies
The group is party to lawsuits related to laws and regulations in various jurisdictions arising out of the conduct of its business. The potential civil claims related to the anti-trust investigations are uncertain and as such there is a contingency related to the provision made.

Note 13. Acquisition of non-controlling interest

In March 2022, the group acquired the remaining 40% of the shares in Wallenius Wilhelmsen Logistics Abnormal Load Services Holding B.V. (ALS) for cash consideration of USD 10 million. With an existing 60% ownership, the group already controlled ALS and consolidated the investment as a subsidiary. The acquisition of the non-controlling interest was thus recognized as an equity transaction.

Note 14. Events after the balance sheet date

On August 15, 2022, Wallenius Wilhelmsen Ocean drew down USD 670 million of the new USD 800 million sustainability-linked financing (see note 11).

Reconciliation of alternative performance measures

Definitions of Alternative Performance Measures (APMs)
This section describes the non-GAAP financial alternative performance measures (APM) that are used in the quarterly and annual reports.

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 IFRS. These APMs are intended to enhance comparability of the results and cash flows from period to period and it is the group's experience that these are frequently used by investors, analysts and other parties. Internally, these APMs are used by 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 revenue less Operating expenses. EBITDA is used as an additional measure of the group's operational profitability, excluding the impact from financial items, taxes, depreciation and amortization and impairment/(reversal of impairment).

EBITDA adjusted is defined as EBITDA excluding items in the result which are not regarded as part of the underlying business. Examples of such items are restructuring costs, anti-trust, gain/loss on sale of vessels and other tangible assets and other income and expenses which are not primarily related to the period in which they are recognized.

EBIT is defined as Total revenue less Operating expenses, Other gain/loss and depreciation, amortization and impairment/(reversal of impairment). 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 and Profit/(loss) for the period adjusted is defined as EBIT/Profit/(loss) for the period adjusted excluding items in the result which are not regarded as part of the underlying business. Example of such items are restructuring costs, anti-trust, gain/loss on sale of vessels and other tangible assets, impairment, other gain/loss and other income and expenses which are not primarily related to the period in which they are recognized.

For the quarterly reporting, Capital employed (CE) is calculated based on the quarterly average of Total assets less Total liabilities plus total interest-bearing debt. For the full year CE is calculated based on the annual average of Total assets less Total liabilities plus total interest-bearing debt. CE is measured in order to assess how much capital is needed for the operations/business to function and evaluate if the capital employed can be utilized more efficiently and/or if operations should be discontinued.

Return on capital employed (ROCE) is based on last twelve months EBIT/EBIT adjusted divided by capital employed. ROCE is used to measure the return on the capital employed without taking into consideration the way the operations and assets are financed during the period under review. The group considers this ratio as appropriate to measure the return of the period. The metric was changed with effect from the financial year 2022, and previously utilized annualized profit/(loss) based on the current quarter results in the calculation. Prior period figures have been changed to reflect this.

Return on equity is based profit/(loss) after tax for the last twelve months divided by annual average of equity. The group considers this ratio as appropriate to measure the return for the period. The metric was changed with effect from the financial year 2022, and previously utilized annualized profit/(loss) based on the current quarter results in the calculation. Prior period figures have been changed to reflect this.

Total interest-bearing debt is calculated as the end of period sum of Non-current interest-bearing loans and bonds, Non-current lease liabilities, Current interest-bearing loans and bonds and Current lease liabilities. The group considers this a good measure of total financial debt.

Net interest-bearing debt (NIBD) is calculated as the end of period Total interest-bearing debt less the end of period Cash and cash equivalents. The group considers this a good measure of underlying financial debt.

NIBD/EBITDA adjusted is calculated based on the end of period Net interest-bearing debt divided by the aggregate last twelve months of EBITDA adjusted. The group considers this a good measure of leverage as it indicates how many years of EBITDA adjusted, being a proxy for normal cash flow from operations, is needed to cover the NIBD.

Cont. Reconciliation of alternative performance measures

Net interest-bearing debt

USD million	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Non-current interest-bearing loans and bonds	1,456	2,213	2,158
Non-current lease liabilities	1,245	1,222	1,218
Current interest-bearing loans and bonds	1,107	428	515
Current lease liabilities	271	190	238
Less Cash and cash equivalents	821	566	710
Net interest-bearing debt	**3,257**	**3,487**	**3,418**

Net interest-bearing debt divided by last twelve months adjusted EBITDA

USD million	YTD 2022	YTD 2021	2021
Net interest-bearing debt	3,257	3,487	3,418
Last twelve months adjusted EBITDA	1,135	639	865
Net interest-bearing debt/adjusted EBITDA ratio	**2.9x**	**5.5x**	**4.0x**

Equity ratio

USD million	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Total equity	3,016	2,624	2,804
Total assets	8,051	7,602	7,794
Equity ratio	**37.5%**	**34.5%**	**36.0%**

Reconciliation of Total revenue to EBITDA and EBITDA adjusted

USD million	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
Total revenue	1,190	978	2,339	1,816	3,884
Operating expenses excluding other gain/(loss)	(879)	(808)	(1,719)	(1,515)	(3,054)
EBITDA	**311**	**170**	**620**	**301**	**830**
EBITDA shipping services	280	128	548	228	670
Loss on sale of vessel	-	-	10	-	32
Anti-trust expense	-	35	-	35	35
EBITDA adjusted shipping services	**280**	**163**	**558**	**263**	**736**
EBITDA logistics services	18	35	40	63	108
EBITDA adjusted logistics services	**18**	**35**	**40**	**63**	**108**
EBITDA government services	15	12	31	22	40
Gain on sale of vessel	(6)		(14)		-
EBITDA adjusted government services	**9**	**12**	**16**	**22**	**40**
EBITDA holding/eliminations	(2)	(5)	1	(12)	11
Loss on sale of vessel	-	-	(10)	-	(32)
EBITDA adjusted holding/eliminations	**(2)**	**(5)**	**(9)**	**(12)**	**(20)**
EBITDA adjusted	**305**	**205**	**605**	**336**	**865**

cont. Reconciliation of alternative performance measures

Reconciliation of Total revenue to EBIT and EBIT adjusted

USD million	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
EBITDA	311	170	620	301	830
Other gain/loss	8	(0)	5	(6)	21
Depreciation and amortization	(133)	(119)	(260)	(232)	(483)
(Impairment)/reversal of impairment	-	14	-	14	(62)
EBIT	**187**	**64**	**364**	**77**	**306**
Anti-trust expense	-	35	-	35	35
Gain on sale of vessel	(6)	-	(14)	-	-
Change in fair value of derivative financial asset	(8)	-	(5)	6	(21)
Reversal of/impairment asset held-for-sale	-	(8)	-	(8)	(8)
Impairment recycling vessels	-	-	(0)	-	-
Impairment goodwill and intangible assets	-	-	-	-	76
Total adjustments	**(14)**	**27**	**(19)**	**34**	**82**
EBIT adjusted	**173**	**92**	**345**	**111**	**388**
Profit/(loss) for the period	**126**	**17**	**303**	**13**	**177**
Total adjustments	(14)	27	(19)	34	82
Profit/(loss) for the period adjusted	**112**	**45**	**283**	**46**	**259**

Reconciliation of total assets to capital employed and ROCE calculation and return on equity calculation

	Quarter average		YTD average		Year average
USD million	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
Total assets	7,959	7,611	7,893	7,609	7,620
Less Total liabilities	4,981	4,991	4,966	4,991	4,959
Total equity	**2,977**	**2,620**	**2,927**	**2,618**	**2,661**
Total interest-bearing debt	4,029	4,122	4,052	4,127	4,099
Capital employed	**7,006**	**6,742**	**6,979**	**6,745**	**6,760**
EBIT last twelve months	593	170	593	170	306
EBIT last twelve months adjusted	623	190	623	190	388
ROCE	**8.5%**	**2.5%**	**8.5%**	**2.5%**	**4.5%**
ROCE adjusted	**8.9%**	**2.8%**	**8.9%**	**2.8%**	**5.7%**
Profit/(loss) last twelve months	466	63	466	63	177
Profit/(loss) last twelve months adjusted	497	86	497	86	259
Return on equity	**15.6%**	**2.4%**	**15.9%**	**2.4%**	**6.6%**
Return on equity adjusted	**16.7%**	**3.3%**	**17.0%**	**3.3%**	**9.7%**