Wallenius Wilhelmsen ASA

Q3 Report 2022

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Highlights – Q3 2022

- Revenue and EBITDA at all-time high, improving across all segments
- Solid rates and fuel surcharges, combined with continued high utilization in Shipping
- Solid financial position with net debt to adj. EBITDA at 2.3x
- Xavier Leroi appointed new Chief Operating Officer of Shipping segment
- Wenche Agerup appointed new Chief People Officer
- No remaining anti-trust provisions after conclusion of last known customer settlement

"Our third quarter is the strongest on record. I am very happy to see improved performance across the Shipping, Logistics and Government segments.

We are still working hard on meeting growing customer demand in a time with limited shipping capacity and tough labor markets. I am proud of how our teams have shown resilience and flexibility in finding solutions for our customers.

Looking ahead, we expect a continued favorable supply-demand balance, but we closely follow the weakened macro-economic developments and the possible impact on our business."

Lasse Kristoffersen

CEO

Consolidated results and key figures – Q3 2022

The group delivered an all-time high EBITDA for the quarter, primarily driven by extraordinary results in shipping services, and improved revenues and margins in both logistics and government services.

USDm*	Q3 2022	Q2 2022	% change QoQ	Q3 2021	% change YoY
Total revenue	1,356	1,190	14 %	990	37 %
EBITDA	440	311	41 %	223	97 %
EBIT	305	187	64 %	108	183%
Profit/(loss) for the period	246	126	96 %	65	277%
Earnings per Share [1]	0.51	0.25	106 %	0.12	322%
Net interest-bearing debt	3,041	3,257	-7 %	3,403	-11 %
ROCE adjusted [2]	11.6 %	8.9 %	3 %	3.8 %	8 %
Equity ratio	38.8 %	37.5 %	1 %	35.7 %	3 %
EBITDA adjusted [3]	434	305	42 %	223	95 %

** 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 the same basis*
3. *Q3-22 EBITDA adjusted for the USD 6m reversal of remaining provision relating to customer claims (Q2-22 USD 6m gain on sale of vessel)*

Consolidated results

Total revenues in Q3 were USD 1,356m, up 14% QoQ, with revenue growth in all segments. Compared to Q3-21, total revenue for the group was up 37%, with solid growth in all segments.

EBITDA for the quarter ended at USD 440m, up 41% QoQ. Adjusted EBITDA was USD 434, up 42% QoQ, excluding a USD 6m reversal in provisions for settlement of customer claims. The extremely strong performance in the shipping segment, with a QoQ EBITDA improvement of USD 105m, was the main contributor to the significant lift in the group results. High fuel surcharges boosted the results, with a net positive effect from fuel periodization of approximately USD 50m QoQ, while high freight rates, operational efficiency with lower voyage expenses per cbm, and the continued full utilization of our fleet also contributed to the strong performance. Logistics EBITDA increased by USD 12m QoQ on higher volumes and improved margins. In addition, government services EBITDA increased by USD 13m QoQ on higher volumes and improved margins.

EBITDA increased by 97% YoY, with adjusted EBITDA up 95%, again primarily driven by the growth in the shipping segment. Equally, both logistics and government services improved YoY.

Other gains in the quarter include a USD 2m change in value of the symmetric put/call option relating to the minority shareholding in EUKOR.

Net financial expense was USD 51m in Q3, compared to USD 58m in Q2, as unrealized gains on interest derivatives, increased interest income and net currency gains offset unrealized losses on currency derivatives and an increased interest expense. Interest expense including realized interest derivatives was USD 49m, USD 6m higher than the previous quarter. The unrealized gain on interest rate derivatives amounted to USD 33m in Q3. Net currency expense was USD 37m, with USD 55m 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 8m for Q3, compared to USD 4m in the second quarter.

The quarter ended with a net profit of USD 246m, up from USD 126m in Q2 and up from USD 65m in Q3-21, due to improved operating results in all segments. USD 216m of the net profit is attributable to shareholders of Wallenius Wilhelmsen, while USD 30m of net profit is attributable to minority interests (primarily minority shareholder in EUKOR).

Capital and liquidity

Cash and cash equivalents were USD 1,063m, up USD 242m QoQ. Cash improved during Q3 on solid operational performance, net proceeds from refinancings and limited investments countered by increase in cash collateral related to currency swaps, increase in working capital and regular debt service for bank and lease debt.

In Q3, following settlement of the last customer claim, USD 38m of provisions were reclassified to current liabilities and the residual provision of USD 6m was reversed. The group paid USD 42m in customer settlements and jurisdictional fines during the quarter. At the end of Q3, USD 32m of current liabilities and zero provisions remain related to civil claims and customer settlements *(see Note 12 – Provisions).*

The net USD 14m of investment cash flow consisted of USD 11m of vessel maintenance capex, USD 10m relating to various logistics and intangible investments, USD 3m of proceeds from sale relating to a processing site move and USD 4m of interests received.

Financial cash flows include interest paid, scheduled debt and lease payments, as well as USD 101m of net proceeds from the new USD 800m facility and USD 15m of proceeds from a EUKOR vessel refinancing.

The company regularly issues NOK debt in the Norwegian bond market, with proceeds swapped into USD via cross-currency swaps at the time of each issue. If the USDNOK increases above certain thresholds from the rate at the time of issue, the company will need to post cash collateral with the counterparties based on the mark-to-market value above the threshold. The cash collateral is released back to the company if the USDNOK decreases. On September 30, the group had posted USD 42m in cash collateral relating to cross-currency swaps for the four outstanding NOK bonds. The cash collateral is registered as an Other current asset in the balance sheet.

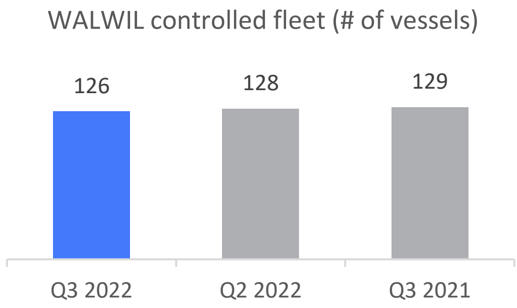
In addition to the cash position, Wallenius Wilhelmsen had USD 377m in undrawn credit facilities. This figure has increased by USD 130m QoQ due to the new USD 800m secured fleet facility in WWO, which is available for general corporate purposes including newbuild investments.

The equity ratio was 38.8% at the end of Q3, up from 37.5% in Q2 as the group recorded a solid profit for the period. Net interest-bearing debt was USD 3,041m at the end of Q3, down from USD 3,257m in Q2, decreasing QoQ as the above-mentioned cash increase countered a slight increase in debt and lease liabilities due to the refinancing activities in Q3.

At the end of Q2, approximately 65% 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

At the end of Q3, Wallenius Wilhelmsen controlled a fleet of 126 vessels, down from 128 vessels at the end of Q2. Short-term charters decreased, while long-term charters increased net by two vessels. One vessel on long-term charter was purchased in Q3, increasing owned vessels from 81 in Q2 to 82 in Q3. Two charter contracts remain up for renewal in 2022. The decision to extend or redeliver the charters will be dependent on the overall market situation, including price of charters, demand growth and the long-term fleet strategy.



Events after the balance sheet date

On October 12, the company repaid the NOK 201.5m outstanding under the WALWIL01 bond at maturity with a cash effect of USD 26m.

In October, Xavier Leroi was announced as the new EVP & COO of shipping services. He has more than 25 years of experience with Wallenius Wilhelmsen and comes from the role of Chief Customer Officer. Xavier will commence his new role on November 1. In other management news, Wenche Agerup was in September announced as the new Chief People Officer. She has broad international leadership, compliance, and HR experience, most recently with Telenor in Asia.

Shipping services

Shipping services delivered its best quarter ever as volumes remained high in a fully utilized fleet, while revenues and margins were boosted by fuel surcharges, as well as positive trade mix development.

USDm*	Q3 2022	Q2 2022	% change QoQ	Q3 2021	% change YoY
Total revenue	1,079	968	11 %	787	37 %
EBITDA	385	280	38 %	195	97 %
EBIT	286	191	50 %	114	150 %
Volume ('000 CBM) [1]	16,186	15,647	3 %	14,549	11 %
H&H Share [2]	31 %	32 %	-3 %	34 %	-9 %
EBITDA adjusted [3]	379	280	35 %	195	94 %
EBITDA adjusted margin	35.1 %	28.9 %	6.2 %	24.8 %	10.3 %

** Except per cent*

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. *Q3-22 EBITDA adjustment relates to reversal of antitrust provision*

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&heavy equipment, in addition to select industrial break-bulk cargo.

Shipping services have delivered strong results since the middle of 2021 following several years of weak markets and fleet oversupply. The reason for the improvement in the last year is mostly related to the very tight global RoRo fleet situation exacerbated by supply chain challenges, despite low global light vehicle sales numbers. Global congestion issues continue to create challenges for Wallenius Wilhelmsen and our customers. Renegotiation of customer contracts to more sustainable rate levels, a good trade route mix development with strong exports from Asia, very high utilization of the fleet and solid maintained high&heavy volumes contribute to the increase in revenue and margins. Q3 was the strongest quarter the segment has experienced historically. Looking ahead, as mentioned in the *Prospects* statement below, we continue to expect increasing light vehicle sales in 2023, despite a shift from supply driven constraints to a softening of demand. We further expect the fleet supply side to remain constrained during 2023.

Total revenues were USD 1,079m in Q3, up 11% QoQ on a positive development in total carried volumes and an increase in fuel surcharges. Shipping volumes increased by 3% QoQ due to network optimization and trade mix.

Net freight rate in Q3 was USD 52.8 per cbm, up from USD 51.4 per cbm in Q2, mainly on trade mix development. Cargo mix was 31% in Q3, down from 32% in Q2. Volumes out of Asia grew in Q3, particularly in Asia to Europe and Africa trades, while exports out of Europe and US saw a decline due to tonnage allocation, causing trade mix to shift and increasing average net freight rates. Contract renewals already had positive effects on the net freight rate and continued into Q3.

The semiconductor shortage continued to be a challenge for the industry but eased in Q3 compared to Q2. Further, operational disruptions and port congestion in several central ports around the world continued to be a challenge in Q3 due to labor shortages in ports and general bottlenecks in the logistics supply chain. Consequently, waiting times at 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 and wherever possible.

EBITDA was USD 385m, up 38% QoQ, while adjusted EBITDA was USD 379m, up 35% QoQ. The adjusted EBITDA margin was 35%, increased from 29% in Q2.

Total revenues increased QoQ due to higher carried volumes, and increased rates paid by customers. The rate increase was driven by both increased net freight rates and more importantly, increased fuel adjustment factor (FAF). Net freight was up by USD 51m and fuel surcharge revenue under FAFs grew with USD 75m QoQ countered by a USD 26m increase in fuel expenses. The surge in fuel surcharge revenues was driven by all-time high VLSFO prices in Q2, which then fell in Q3. As noted previously, in periods of falling fuel prices, fuel surcharge revenue will develop favorably compared to fuel costs. Conversely, in periods of rising fuel prices the opposite will be the case. Due to the lag effect on FAF calculation, fuel surcharge revenue is expected to drop in subsequent quarters as fuel prices decreased during Q3[1].

Voyage expenses were stable during the quarter due to increased operational efficiencies despite the increase in carried volumes. Charter expenses decreased during Q3 despite continued high charter rates in the market, due to a decline in short-term charter activity. The tonnage situation remains tight as port congestion continues to be challenging. As at the end of Q3, some 10% of capacity was tied up in congestion. Ship operating expenses and SG&A remained relatively stable QoQ. Adjusted EBITDA was USD 6m lower than EBITDA due to reversal of customer claims provision in Q3.

The market recovery is the key driver for the changes YoY. Revenues increased by 37% from Q3-21, due to strong development in net freight rates, growth in volumes and higher fuel surcharges. Adjusted EBITDA improved by 94% YoY, driven by a relatively higher increase in revenues versus 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

All Logistics services product areas saw revenue and EBITDA growth compared to the previous quarter, driven by higher volumes and increased accessorization.

USDm*	Q3 2022	Q2 2022	% change QoQ	Q3 2021	% change YoY
Total revenue	231	208	11 %	184	25 %
EBITDA	30	18	62 %	21	41 %
EBIT	5	(6)	n.a.	-4	n.a.
EBITDA adjusted	30	18	62 %	21	41 %
EBITDA adjusted margin	12.8 %	8.8 %	4 %	11.4 %	1 %
EBITDA by product					
Auto	5	1	301 %	6	-13 %
H&H	7	3	154 %	3	123 %
Terminals	16	13	21 %	11	36 %
Inland	5	4	17 %	4	27 %
Other	(3)	(3)	10 %	(3)	-4 %

** Except per cent*

Logistics services - Total revenue and EBITDA

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

In Q3, logistics services saw improving revenue and margins after a challenging 12-month period as parts' shortages were easing. The segment quickly rebounded in the end of 2020 after the initial pandemic lockdowns, but from Q3-21, semiconductor chip shortages, labor shortages and global supply-chain issues significantly impacted production volumes for the customers despite solid underlying demand for light vehicles. Historically the largest earner in the segment, the light vehicle processing services (Auto), has been the most impacted by these supply issues. Terminals continue to experience solid results as their activity generally reflects the same drivers as the shipping segment. Looking ahead, we expect continued easing of part shortages to improve the supply of light vehicles and normalizing Auto earnings going forward, while access to labor remains a challenge and demand for light vehicles might be impacted by the increasing economic headwinds.

Q3 revenues for the segment were USD 231m, up 11% QoQ. Volume development for all products was positive for the quarter but most significant in Auto and H&H products.

Q3 EBITDA was USD 30m, up 62% QoQ as all products performed well, mainly driven by significant improvement in Auto & H&H in the US, plus overall strong performance from Terminals, shifting the balance to higher margin business.

Autos is the largest product group in the logistics portfolio, providing light vehicle processing services to auto producers globally with the largest concentration in North America. QoQ, volume increased 14% in the US, overall revenue increased 21% and EBITDA increased 301% as a result of increased volume and accessorization from the main customers, specifically in the US.

H&H includes equipment processing centers on and off port sites globally with the largest concentration in the US. QoQ revenue increased 20%, mainly due to strong volume and fumigation seasonality in China, strong processing, accessorization and storage in the US and strong volume in Australia from existing and new business. EBITDA increased 154% QoQ directly related to increased revenue and efficiencies, improving margins.

Inland includes the global transportation of cargo by road or rail to a port or final point of sale. QoQ revenue slightly increased 1%, primarily due to stronger volume in the US and Asia, while Europe was overall negatively impacted by lower volumes from key customers. EBITDA increased 17% QoQ with improved fuel cost in the US and improved margins in select European sites.

Terminals offer our cargo processing, handling and storage at some of the world's largest RoRo ports. Revenue increased 2% QoQ, mainly due to increased vessel calls in Australia after the release of the China lockdown and increased volume in Asia, partially offset by lower volume in Europe. EBITDA increased 21% as a result of increased revenue in Australia and fumigation seasonality.

YoY, revenues increased by 25% with all products positively contributing, with the most significant increases coming from Auto with increased volume and accessorization. H&H saw increased volume and storage in US and strong volumes in China. YoY, EBITDA increased 40%, mainly due to H&H US and Australia as a result of strong revenue, Terminals saw increases in volumes and in value added services.

Government services

Government services revenue and EBITDA improved QoQ due to increased U.S. flag cargo volumes.

USDm*	Q3 2022	Q2 2022	% change QoQ	Q3 2021	% change YoY
Total revenue	91	65	41 %	61	50 %
EBITDA	28	15	86 %	11	145 %
EBIT	17	4	321 %	2	661 %
EBITDA adjusted [1]	28	9	204 %	11	145 %
EBITDA adjusted margin	30.8 %	14.3 %	17 %	18.8 %	12 %

** Except per cent*

1. In Q2 EBITDA was adjusted USD 6m 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.

Prior to this quarter, Government services had relatively stable revenues with margin pressure from inflation and Covid-19 related costs. As the United States and NATO respond to the Russian invasion of Ukraine, we have experienced increased U.S. flag cargo activity. The Ukraine situation combined with the summer peak period enabled the segment to deliver strong results in Q3. Looking ahead, the development of the war in Ukraine and other geopolitical tensions will impact the demand for government services.

Total revenues in Q3 were USD 91m, up 41% QoQ. Increased U.S. flag cargo in part due to the U.S. and NATO response to the Russian invasion of Ukraine was the key driver during the quarter along with the summer peak government moving season and higher levels of U.S. flag civilian agency project cargoes.

EBITDA ended at USD 28m, up 86% QoQ. Increased mix of higher margin U.S. flag military cargo noted above, and government charters helped improve profitability QoQ.

Revenue was up 50% YoY on increased U.S. flag cargo, and EBITDA was up 145% YoY, again due to increased U.S. flag cargo, partially offset by higher cargo and vessel related costs.

Market update

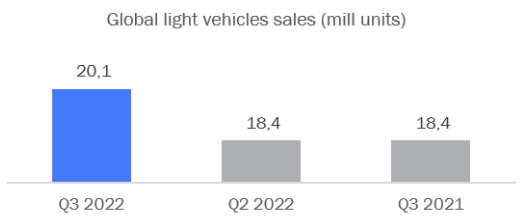
Automotive sales developed positively in Q3 and increased 9.8% QoQ and 9.6% YoY, driven by robust growth in China. The semiconductor shortage situation is gradually improving. Global High & heavy exports increased further from last year's high base to reach another all-time high.

From the start of the year and until the end of Q3 the global activity levels have come down. At present, S&P Global is projecting growth for the global economy of 2.8% YoY in 2022, compared with a forecasted 4.2% 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 18 months. Further, GDP growth prospects for 2023 have been adjusted down to 1.4% including several quarters of GDP decline in US and Western Europe in the base forecast. The current headwind in the global economy has increased the probability of a broader recession.

Accepting that high inflation will not go away quickly, the world's major central banks are toughening their policies. We observe major interest rate increases and a clearer resolve to restrain actual and expected inflation, despite the unfortunate economic consequences. The bolder rhetoric and policy actions have unsettled financial markets, driving up term yields and risk spreads. In turn, equity prices have fallen. Light vehicle sales are already at low levels but resilient as there is still pent-up demand and a need for rebuilding inventories. However, should the economy develop weaker than expected the industry will be affected.

Auto markets

Global light vehicle ("LV") sales include all passenger cars, SUVs, MPVs and light commercial vehicles. Sales[1] in Q3 were up 9.8% QoQ and 9.6% YoY as Chinese sales rebounded. LV sales and production continued to be held back by disruptions in the automotive supply chain, particularly in Europe and North America. The semiconductor shortage has led to low but slightly increasing vehicle inventories. Compared to sales in the same pre-Covid-19 quarter in 2019, sales were down 7.9%. The strong demand side is moderating as consumers see a downside in increased inflation, higher interest rates and lower disposable income. However, OEMs report inventories at low levels and continuing significant order backlogs. Easing of lockdowns and new incentives contributed to a robust rebound in the Chinese LV market. Shortages of semiconductor chips have gradually improved, and this positive momentum is expected to continue. Continued sales growth in auto markets is in addition to stabilization in the global economy dependent on higher production volumes as inventories run low. Incentives in the LV sector globally have resulted in a sales mix with an enhanced focus on low emission vehicles.



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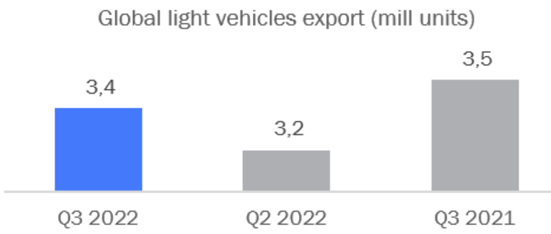
[1] S&P Global

North American sales edged up 0.6% YoY (-1.7% QoQ). Despite the uncertainty in the economy, pent-up demand and household savings contribute to solid underlying demand which is not fully reflected in high sales as production continues to a certain degree to be is hampered by semiconductor shortages. Original equipment manufacturers (“OEMs”) prioritize the most profitable models. Average transaction prices are high, inventories are relatively low and retail sales performed better than fleet sales in the US.

Sales in Europe declined 4.0% YoY and 0.5% QoQ as vehicle production was held back by issues in the supply chain (including the semiconductor shortage) and moderating consumer sentiments. Governmental subsidies continue, mostly focused on low-emission vehicles generally and Battery Electric Vehicles (BEVs) specifically. The war in Ukraine is leading to some inbound supply chain issues for the OEMs, including shortage of wiring looms and some OEMs suggest uncertainty on energy supply might lead to reduced production.

The rebound after the Covid-19 related lockdowns influenced both LV production and sales positively in China, and sales were up a robust 22.7% YoY and 30.2% QoQ. The government put in place various stimulus measures to improve LV sales including reduced purchasing tax. In addition, several cities and provinces introduced local incentives.



Global deep-sea exports recorded the best quarter since Q3 last year. Volumes were up 5.8% QoQ and down 3.9% YoY as semiconductor shortage held back LV production and export. The high retail prices also leave some potential buyers reluctant to order a new vehicle. Exports out of North America were down 8.1% YoY (up 17.7% QoQ). European exports were up 1.5% YoY, up 9.1% QoQ. Japanese exports declined 17.7% YoY, up 7.7% QoQ, with main volumes exported to North America and Europe. Exports out of South Korea declined 2.7% YoY, up 1.8% QoQ. Chinese exports were up 15.7% YoY, down 13.0% QoQ.

Our shipping volumes continued to develop more positively than market volumes as we were present in more favorable trades and as our customers perform better than the overall market.

High and heavy markets

High & Heavy exports continued to break records in Q3 – with volume growth accelerating to 13.5% compared to the same period last year[1].

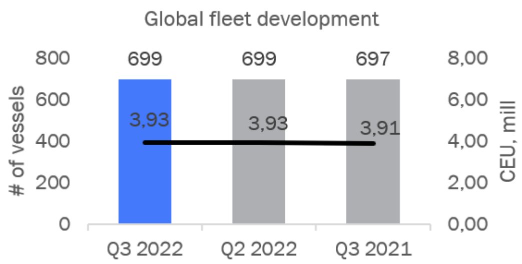
Exports of construction equipment increased 16.4% YoY to another all-time high as volumes increased to all market regions. Meanwhile, construction activity[2] in key markets slowed compared to last quarter. The downturn in Eurozone construction activity extended to five months in September, with a broad decline across construction sectors. U.S. construction spending posted the biggest drop since early 2021 as residential outlays declined sharply in both July and August. Australian construction activity declined across the sector for the fourth straight month in September, with residential activity contracting steeply.

Global mining equipment markets continued to grow in Q3, with equipment manufacturers reporting growing sales in key markets. Despite a steep pullback in metal and mineral prices, miners continue to generate some of their strongest profits on record. Miner investment plans remain unscathed by the market turmoil with capital budgets well above pre-pandemic levels.

Global exports of farm machinery increased 2.7% compared to the same period last year. Farmers continue to enjoy historically high revenue despite the decline in commodity prices, but farmer margins remain under pressure from rising input costs (e.g., fertilizers). Demand for tractors from end-users was mixed around the world in this quarter[3]. Growth in U.S. high-horsepower tractor sales accelerated to 10.6% YoY, and Australian large tractor sales are on track for another record year after increasing 13.0% YoY. German registrations held steady at 0.1% YoY, while the UK market recorded its third consecutive quarter of decline with registrations 4.3% lower than last year.

Global fleet

The global car carrier fleet[4] (with size >1,000 car equivalent units, “CEU”) totaled 699 vessels with a capacity of 3.93m CEU at the end of Q3. No new vessels were delivered and no vessels were recycled during Q3. 9 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) stands at 84 vessels, representing some 14% of the global fleet capacity. 11 newbuildings is expected to be delivered in 2023, and the rest in 2024 or beyond. The RoRo market is expected to be at a high utilization rate next year due to the significant recycling of 23 vessels in 2020, limited new capacity in 2023, in addition to supply chain issues such as congestion.



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[1] Source(s): S&P Global. All import/export data refer to the three-month rolling period ending in August 2022 unless otherwise specified and are limited to countries that have reported data per October 25th, 2022

[2] Source(s): S&P Global, U.S. Bureau of Census, Ai Group, Eurostat

[3] Source(s): AEM, TMA, AEA and VDMA. High-Horsepower tractor sales/registrations

[4] S&P Global / Clarksons

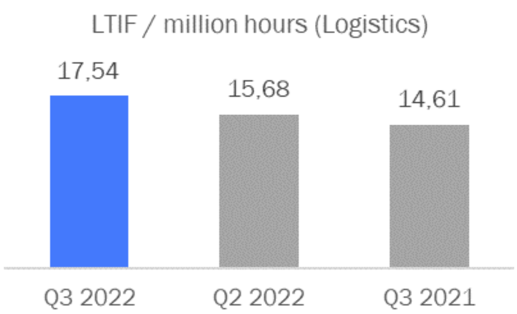
Sustainability

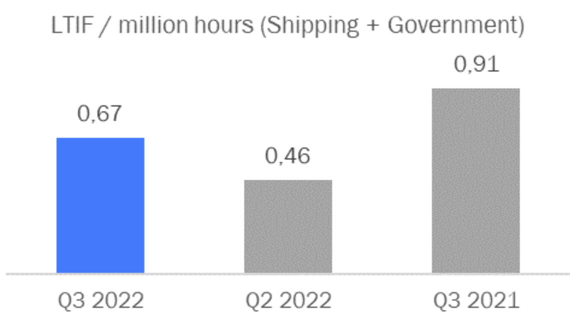
In Q3 we became the first global shipping company to adopt a fully AI-based approach to voyage optimization, with a fuel and emissions savings potential of up to 10%.

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. All seafarers have been offered a 3rd booster shot.

The lost time injuries frequency (LTIF)[1] for shipping and government services remain low and below our target of <1 at 0.67 in Q3. Although we have achieved improvements over the years, the LTIF[2] in logistics remains higher than our 2022 target of <14.5. The increase in LTIF from 15.68 in Q2-22 to 17.54 in Q3 reflects a 14.6% increase in the number of LTIs compared to the last quarter. This increase is in large parts due to an influx of new personnel to several facilities. No serious injuries were reported in Q3, and most LTIs were related to ergonomics, such as muscle strains.





There is a negative trend on safety performance YoY in Logistics, and it remains a priority for the company to reverse this development.

In September, the operations in Zeebrugge successfully completed their first RoRo Rodeo, a regular knowledge-sharing event arranged by Wallenius Wilhelmsen at several US sites since 1996. The focus of the two-day event at Zeebrugge was to upskill the European operations teams in cargo securing techniques, ergonomic safety, and damage prevention. Experts from our customers brought their vehicles and machinery and demonstrated how to operate them in the safest and most efficient manner. In total, more than 300 people received training over the two days.

Planet

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.

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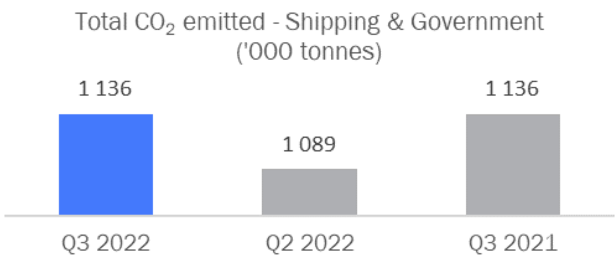
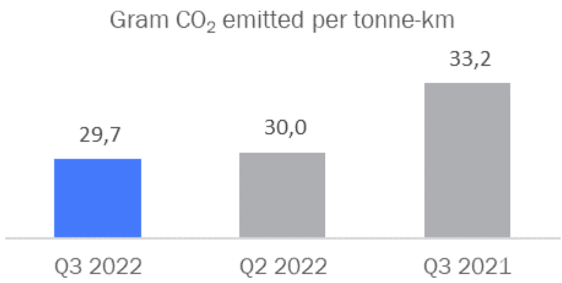
[1] Per million exposure hours, which for our crew means 24 hours a day while at sea, including free time

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

Carbon intensity decreased 1%, measured in grams of CO_2 emitted per tonne kilometer, compared to Q2-22. Total CO_2 emitted for Q3-22 increased by about 4% compared to the previous quarter, while the corresponding cargo work done increased by about 5% measured in tonne-kilometers. The high activity in the shipping segment, in addition to port congestion over the last year led to higher speed and thus increased fuel consumption. This has caused an overall increase in CO_2 emissions and intensity throughout 2021 and 2022 and will make it more challenging to reach the interim CO2-intensity target for 2022.

Wallenius Wilhelmsen is the first global shipping company to adopt a fully AI-based approach to voyage optimization. Having implemented livestreaming of vital data onboard 65 vessels, this new approach will help reduce fuel consumption by up to 10 percent. By sourcing the data through the cloud and running it through a complex mathematical model and the DeepSea AI system we can ultimately provide the vessel captain with detailed instructions regarding optimal route and vessel speed. This will in turn reduce fuel consumption, corresponding CO_2 emissions, and increase safety.





In Q3 Wallenius Wilhelmsen, in partnership with our ship managers, included a new fixed routing for all our vessels to avoid disturbing blue whales at know feeding grounds on the southern tip of Sri Lanka. In addition, we have for some time cooperated with Wilhelmsen Ship Management on a pilot to collect, reuse or repurpose expired mooring ropes. Such ropes are made from virgin plastics, and thus far retired ropes are sent to incineration, or end up at landfills. The goal is to build a functional and circular value chain for mooring ropes, and as such reduce use of virgin raw materials and minimize the amount of waste.

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. We have identified our main contributions to Prosperity to be a focus on innovation, quality of service, promote sustainable consumption of our own services, rigorous supply chain management and responsible tax practices.

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.

Prospects

We continue to expect the supply-demand balance in shipping to remain favorable during 2023 due to the overall global fleet situation.

We continue to expect increasing light vehicle sales in 2023, despite a shift from supply driven constraints to a softening of demand. Production, inventory, and sales levels of light vehicles are already constrained, providing support for continued volume growth despite reduced demand.

We see some weakening in the sentiment for H&H equipment due to the macro environment. However, volumes remain at all-time high levels.

The expected sales development of light vehicles and H&H equipment is supportive to both the shipping and logistics segments.

Potential risks include demand destruction from a deeper than expected economic recession, further disruptions to the global supply chains, labor cost and availability, and further escalation of geopolitical tensions.

Overall, we expect to further strengthen our financial position and drive shareholder value creation.

Lysaker, November 2, 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	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Total revenue	3	**1,356**	**990**	**3,695**	**2,806**	**3,884**
Operating expenses	3, 7	(916)	(767)	(2,635)	(2,282)	(3,054)
Operating profit before depreciation, amortization and impairment (EBITDA)		**440**	**223**	**1,060**	**524**	**830**
Other gain/(loss)	2	2	4	7	(2)	21
Depreciation and amortization	4, 5, 6	(137)	(119)	(397)	(350)	(483)
(Impairment)/reversal of impairment	4, 5, 6	-	0	-	14	(62)
Operating profit/(loss) (EBIT)		**305**	**108**	**669**	**185**	**306**
Share of profit/(loss) from joint ventures and associates		**0**	**0**	**2**	**1**	**1**
Interest income and other financial items		58	7	179	51	95
Interest expenses and other financial expenses		(110)	(49)	(285)	(152)	(203)
Financial items - net	8	**(51)**	**(42)**	**(106)**	**(101)**	**(108)**
Profit/(loss) before tax		**254**	**66**	**564**	**85**	**199**
Tax income/(expense)	10	(8)	(1)	(16)	(7)	(23)
Profit/(loss) for the period		**246**	**65**	**549**	**78**	**177**
Profit/(loss) for the period attributable to:						
Owners of the parent		216	51	476	57	133
Non-controlling interests		30	14	72	22	43
Basic and diluted earnings per share (USD)	9	0.51	0.12	1.13	0.13	0.32

Consolidated statement of comprehensive income

USD million	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Profit/(loss) for the period	246	65	549	78	177
Other comprehensive income/(loss):					
Items that may subsequently be reclassified to the income statement					
Currency translation adjustment	(10)	(3)	(18)	(5)	(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)**	**(3)**	**(15)**	**(5)**	**19**
Total comprehensive income/(loss) for the period	**236**	**62**	**534**	**74**	**196**
Total comprehensive income/(loss) attributable to:					
Owners of the parent	207	48	463	52	149
Non-controlling interests	29	14	70	21	47
Total comprehensive income/(loss) for the period	**236**	**62**	**534**	**74**	**196**

Consolidated balance sheet

USD million	Notes	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Assets				
Non-current assets				
Deferred tax assets	10	62	86	71
Goodwill and other intangible assets	4	429	542	455
Vessels and other tangible assets	5	3,917	4,051	4,033
Right-of-use assets	6	1,545	1,417	1,507
Other non-current assets	2	308	190	249
Total non-current assets		**6,262**	**6,285**	**6,315**
Current assets				
Fuel/lube oil		167	103	147
Trade receivables		626	385	457
Other current assets		276	147	144
Cash and cash equivalents		1,063	587	710
Assets held for sale	7	-	-	21
Total current assets		**2,131**	**1,222**	**1,479**
Total assets		**8,393**	**7,507**	**7,794**
Equity and liabilities				
Equity				
Share capital	9	28	28	28
Retained earnings and other reserves		2,909	2,415	2,511
Total equity attributable to owners of the parent		**2,937**	**2,443**	**2,539**
Non-controlling interests		316	240	266
Total equity		**3,252**	**2,683**	**2,804**
Non-current liabilities				
Pension liabilities		46	66	55
Deferred tax liabilities	10	71	76	82
Non-current interest-bearing debt	11	1,957	2,265	2,158
Non-current lease liabilities	11	1,228	1,170	1,218
Non-current provisions	12	-	4	16
Other non-current liabilities		140	101	68
Total non-current liabilities		**3,443**	**3,683**	**3,596**
Current liabilities				
Trade payables		121	112	154
Current interest-bearing debt	11	638	349	515
Current lease liabilities	11	281	205	238
Current income tax liabilities	10	10	5	4
Current provisions	12	-	117	28
Other current liabilities		647	352	455
Total current liabilities		**1,698**	**1,141**	**1,395**
Total equity and liabilities		**8,393**	**7,507**	**7,794**

Consolidated cash flow statement

USD million	Notes	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Cash flow from operating activities						
Profit before tax		254	66	564	85	199
Financial (income)/expenses		51	42	106	101	108
Share of net (income)/loss from joint ventures and associates		(0)	(0)	(2)	(1)	(1)
Depreciation and amortization	4, 5, 6	137	119	397	350	483
Impairment/(reversal of impairment)		-	(0)	-	(14)	62
(Gain)/loss on sale of tangible assets		0	(2)	(14)	(2)	(0)
Change in net pension assets/liabilities		(3)	(6)	(9)	(2)	(8)
Change in derivative financial assets	2	(2)	(4)	(7)	2	(21)
Net change in other assets/liabilities		(100)	(47)	(266)	(114)	(173)
Tax (paid)/received		(6)	(2)	(13)	(12)	(24)
Net cash flow provided by operating activities[1]		**332**	**166**	**757**	**395**	**623**
Cash flow from investing activities						
Dividend received from joint ventures and associates		0	-	0	0	0
Proceeds from sale of tangible assets		3	1	45	5	5
Investments in vessels, other tangible and intangible assets		(21)	(29)	(65)	(68)	(141)
Investments in subsidiaries, net of cash acquired		-	-	(10)	-	
Investments in joint ventures		-	-	-	(8)	-
Investments in financial investments		-	-	-	-	(7)
Interest received		4	0	6	1	2
Net cash flow provided by/(used in) investing activities		**(14)**	**(28)**	**(24)**	**(70)**	**(140)**
Cash flow from financing activities						
Proceeds from loans and bonds		685	174	1,005	287	474
Repayment of loans and bonds	11	(599)	(194)	(963)	(400)	(531)
Repayment of lease liabilities	11	(69)	(54)	(189)	(148)	(204)
Interest paid including interest derivatives		(49)	(40)	(136)	(128)	(165)
Realized other derivatives		(2)	(1)	(5)	2	7
Changes in cash collateral	8	(42)	-	(42)	-	-
Dividend to non-controlling interests		(1)	(2)	(13)	(6)	(8)
Dividend to shareholders	9	-	-	(38)	-	
Net cash flow used in financing activities		**(77)**	**(117)**	**(380)**	**(393)**	**(427)**
Net increase/(decrease) in cash and cash equivalents		**241**	**21**	**353**	**(68)**	**56**
Cash and cash equivalents at beginning of period		821	566	710	654	654
Cash and cash equivalents at end of period[1]		**1,063**	**587**	**1,063**	**587**	**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		-	-	-	476	476	72	549
Other comprehensive income		-	-	-	(13)	(13)	(2)	(15)
Total comprehensive income		**-**	**-**	**-**	**463**	**463**	**70**	**534**
Sale of own shares		-	0	0	1	1	-	1
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		-	-	-	-	-	(13)	(13)
Balance at September 30, 2022		**28**	**(0)**	**28**	**2,909**	**2,937**	**316**	**3,252**

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	-	-	-	57	57	22	78
Other comprehensive income	-	-	-	(4)	(4)	(0)	(5)
Total comprehensive income	**-**	**-**	**-**	**52**	**52**	**21**	**74**
Sale of own shares	-	-	-	-	-	-	-
Dividend to non-controlling interests	-	-	-	-	-	(6)	(6)
Balance September 30, 2021	**28**	**(0)**	**28**	**2,415**	**2,443**	**240**	**2,683**

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 in EUKOR hold a put option for their 20% interest, pursuant to the shareholder agreement entered into in 2002. The shareholder agreement also contains a symmetrical call option held by the group.

The symmetrical put and call option options are 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 third quarter of 2022, the change in the value of the derivative was USD 2 million recognized as a gain within Other gain/(loss) in the income statement. The gain for the nine months ended September 30, 2022 is USD 7 million. Comparatively, the change in value during the first three quarters of 2021 resulted in a loss of USD 2 million.

Key elements in calculating the gain/loss is the estimated value of the 20% non-controlling interest related to EUKOR and the input factors used in calculating the strike price of the symmetrical options.

The financial derivative is recognized in Other non-current assets in the balance sheet and has a carrying value of USD 159 million at September 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	
	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
Net freight revenue	855	706	-	-	48	27	-	-	903	733
Fuel surcharges	228	72	-	-	3	1	-	-	231	73
Operating revenue	(8)	6	205	161	24	16	-	-	221	184
Internal operating revenue	4	3	26	23	16	16	(46)	(42)	-	-
Total revenue	**1,079**	**787**	**231**	**184**	**91**	**61**	**(46)**	**(42)**	**1,356**	**990**
Cargo expenses	(159)	(164)	-	-	(10)	(12)	33	33	(137)	(143)
Fuel	(307)	(190)	-	-	(13)	(7)	-	-	(320)	(197)
Other voyage expenses	(104)	(104)	-	-	(3)	(3)	-	-	(107)	(107)
Ship operating expenses	(57)	(52)	-	-	(20)	(14)	-	-	(77)	(66)
Charter expenses	(36)	(47)	-	-	(3)	(7)	10	7	(29)	(47)
Manufacturing cost	-	-	(81)	(62)	(6)	(1)	3	2	(84)	(61)
Other operating expenses	7	(2)	(87)	(68)	(3)	(1)	-	-	(83)	(70)
Selling, general and admin expenses	(37)	(33)	(34)	(34)	(6)	(4)	(3)	(4)	(79)	(76)
Total operating expenses	**(694)**	**(592)**	**(201)**	**(163)**	**(63)**	**(49)**	**43**	**38**	**(916)**	**(767)**
Operating profit/(loss) before depreciation, amortization and impairment (EBITDA)	**385**	**195**	**30**	**21**	**28**	**11**	**(3)**	**(5)**	**440**	**223**
Other gain/(loss)	2	4	-	-	-	-	-	-	2	4
Depreciation	(101)	(84)	(16)	(17)	(9)	(8)	-	-	(126)	(108)
Amortization	(1)	(1)	(9)	(9)	(2)	(2)	-	-	(11)	(11)
(Impairment)/reversal of impairment	-	-	-	0	-	-	-	-	-	0
Operating profit/(loss) (EBIT)[1]	**286**	**114**	**5**	**(4)**	**17**	**2**	**(3)**	**(5)**	**305**	**108**
Share of profit/(loss) from joint ventures and associates	-	-	0	0	-	-	-	-	0	0
Financial income/(expense)	(38)	(25)	(2)	(8)	3	(1)	(13)	(8)	(51)	(42)
Profit/(loss) before tax	**247**	**89**	**3**	**(12)**	**20**	**2**	**(16)**	**(12)**	**254**	**66**
Tax income/(expense)	(9)	(4)	0	3	1	(0)	-	-	(8)	(1)
Profit/(loss) for the period	**238**	**86**	**3**	**(9)**	**21**	**1**	**(16)**	**(12)**	**246**	**65**
Profit for the period attributable to:										
Owners of the parent	208	72	3	(10)	21	1	(16)	(12)	216	51
Non-controlling interests	30	14	0	0	-	-	-	-	30	14

[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	2,466	1,982	2,742	-	-	-	93	80	110	-	-	-	2,558	2,062	2,851
Fuel surcharges	495	155	246	-	-	-	5	4	4	-	-	-	500	159	250
Operating revenue	9	23	33	571	514	687	57	48	62	-	-	-	636	585	782
Internal operating revenue	8	7	8	79	75	102	60	44	60	(147)	(127)	(170)	-	-	-
Total revenue	**2,978**	**2,168**	**3,029**	**650**	**590**	**789**	**214**	**176**	**236**	**(147)**	**(127)**	**(170)**	**3,695**	**2,806**	**3,884**
Cargo expenses	(499)	(497)	(660)	-	-	-	(29)	(37)	(48)	113	110	147	(415)	(424)	(561)
Fuel	(824)	(506)	(701)	-	-	-	(30)	(17)	(25)	-	-	-	(854)	(523)	(726)
Other voyage expenses	(311)	(316)	(402)	-	-	-	(10)	(9)	(13)	-	-	-	(321)	(325)	(415)
Ship operating expenses	(168)	(154)	(219)	-	-	-	(59)	(42)	(56)	-	-	-	(228)	(196)	(275)
Charter expenses	(129)	(134)	(173)	-	-	-	(15)	(22)	(31)	28	13	19	(116)	(143)	(185)
Manufacturing cost	-	-	-	(229)	(190)	(254)	(7)	(3)	(4)	5	4	4	(230)	(189)	(254)
Other operating expenses[1]	(5)	(39)	(72)	(246)	(225)	(300)	10	(1)	(2)	10	-	32	(231)	(264)	(342)
Selling, general and admin expenses	(109)	(99)	(133)	(105)	(91)	(126)	(15)	(12)	(17)	(11)	(16)	(20)	(240)	(218)	(296)
Total operating expenses	**(2,045)**	**(1,745)**	**(2,359)**	**(580)**	**(505)**	**(681)**	**(155)**	**(143)**	**(196)**	**145**	**111**	**182**	**(2,635)**	**(2,282)**	**(3,054)**
Operating profit/(loss) before depreciation, amortization and impairment (EBITDA)	**933**	**423**	**670**	**70**	**85**	**108**	**59**	**33**	**40**	**(2)**	**(16)**	**11**	**1,060**	**524**	**830**
Other gain/(loss)	7	(2)	21	-	-	-	-	-	-	-	-	-	7	(2)	21
Depreciation	(289)	(244)	(340)	(49)	(50)	(66)	(27)	(25)	(33)	-	-	-	(365)	(318)	(439)
Amortization	(3)	(2)	(4)	(26)	(26)	(34)	(5)	(5)	(6)	-	-	-	(33)	(32)	(44)
(Impairment)/reversal of impairment	-	-	(76)	-	(0)	(0)	-	14	14	-	-	-	-	14	(62)
Operating profit/(loss) (EBIT)[2]	**648**	**174**	**271**	**(4)**	**9**	**8**	**27**	**18**	**15**	**(2)**	**(16)**	**11**	**669**	**185**	**306**
Share of profit/(loss) from joint ventures and associates	-	-	-	2	1	1	-	-	-	-	-	-	2	1	1
Financial income/(expense)	(69)	(65)	(66)	(3)	(22)	(26)	2	(1)	1	(36)	(13)	(17)	(106)	(101)	(108)
Profit/(loss) before tax	**579**	**109**	**205**	**(5)**	**(12)**	**(16)**	**29**	**17**	**17**	**(38)**	**(30)**	**(6)**	**564**	**85**	**199**
Tax income/(expense)	(21)	(10)	(27)	6	4	4	(1)	(0)	1	-	(0)	(0)	(16)	(7)	(23)
Profit/(loss) for the period	**558**	**99**	**177**	**1**	**(8)**	**(12)**	**28**	**16**	**17**	**(38)**	**(30)**	**(6)**	**549**	**78**	**177**
Profit for the period attributable to:															
Owners of the parent	486	79	136	1	(9)	(14)	28	16	17	(38)	(30)	(6)	476	57	133
Non-controlling interests	72	20	42	0	1	2	-	-	-	-	-	-	72	22	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	-	-	6	6
Disposal	-	-	(0)	(0)
Currency translation adjustment	-	-	(0)	(0)
Cost at September 30	**346**	**421**	**64**	**830**
Accumulated amortization and impairment losses at January 1	(116)	(225)	(28)	(369)
Amortization	-	(27)	(5)	(33)
Impairment	-	-	-	-
Disposal	-	-	0	0
Currency translation adjustment	-	-	0	0
Accumulated amortization and impairment losses at September 30	**(116)**	**(252)**	**(33)**	**(402)**
Carrying amount at September 30	**230**	**168**	**30**	**429**

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	24	27	7	59
Disposal	(0)	(4)	(15)	(1)	(21)
Reclassification	-	-	61	(3)	58
Currency translation adjustment	(10)	(4)	-	-	(15)
Cost at September 30	**115**	**107**	**5,512**	**3**	**5,737**
Accumulated depreciation and impairment losses at January 1	(23)	(43)	(1,557)	-	(1,623)
Depreciation	(7)	(8)	(186)	-	(201)
(Impairment)/reversal of impairment	-	-	-	-	-
Disposal	0	(1)	10	-	10
Reclassification	-	-	(12)	-	(12)
Currency translation adjustment	4	2	-	-	6
Accumulated depreciation and impairment losses at September 30	**(26)**	**(50)**	**(1,744)**	**-**	**(1,820)**
Carrying amount at September 30	**89**	**57**	**3,767**	**3**	**3,917**

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	57	154	6	217
Change in lease payments	(1)	62	8	70
Disposal	(5)	(3)	(1)	(9)
Reclassification to tangible assets	-	(58)	-	(58)
Currency translation adjustment	(39)	(14)	(1)	(54)
Cost at September 30	**495**	**1,606**	**44**	**2,145**
Accumulated depreciation and impairment losses at January 1	(114)	(348)	(10)	(472)
Depreciation	(40)	(115)	(8)	(163)
Disposal	7	3	1	11
Reclassification to tangible assets	-	12	-	12
Currency translation adjustment	11	2	0	13
Accumulated depreciation and impairment losses at September 30	**(136)**	**(447)**	**(17)**	**(599)**
Carrying amount at September 30	**359**	**1,159**	**27**	**1,545**

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 have been no transactions during the third quarter of 2022 and there are no assets held for sale as at September 30, 2022.

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

Note 8. Financial income and expenses

USD million	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Financial income					
Interest income	4	0	6	1	2
DNK distribution[1]	-	-	-	2	19
Other financial items	0	1	0	-	6
Net financial income	**5**	**2**	**6**	**3**	**27**
Financial expenses					
Interest expenses	(48)	(34)	(123)	(105)	(140)
Interest rate derivatives - realized	(1)	(6)	(13)	(23)	(25)
Interest rate derivatives - unrealized	33	9	109	41	58
Other financial items	(3)	(2)	(10)	(7)	(9)
Loss on sale investments	(0)	-	(0)	0	0
Net financial expenses	**(19)**	**(33)**	**(36)**	**(93)**	**(117)**
Currency					
Net currency gain/(loss)	20	(4)	64	(11)	(9)
Foreign currency derivatives - realized	(2)	(5)	(5)	(4)	(3)
Foreign currency derivatives - unrealized[2]	(55)	(1)	(135)	(2)	(12)
Net currency	**(37)**	**(11)**	**(76)**	**(17)**	**(24)**
Financial derivatives bunker					
Fuel oil derivatives - realized	-	4	-	(0)	10
Fuel oil derivatives - unrealized	-	(4)	-	6	(5)
Net bunker derivatives	**-**	**0**	**-**	**6**	**6**
Financial income/(expenses)	**(51)**	**(42)**	**(106)**	**(101)**	**(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.

2 On September 30, 2022, the group had posted USD 42 million in cash collateral relating to cross-currency swaps for the four outstanding NOK bonds to the counterparty. The cash collateral is recognized in Other current assets in the balance sheet. The transaction has no effect on profit or loss.

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 third quarter of 2022 was USD 0.51 compared with USD 0.12 in the same quarter last year. Earnings per share for the first nine months ended September 30, 2022 was USD 1.13 compared with USD 0.13 in the same period in 2021.

The company's number of shares	Sep 30, 2022	Sep 30, 2021	31 Dec 2021
Total number of shares	423,104,938	423,104,938	423,104,938
Own shares	588,983	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 8 million for the third quarter 2022, compared with a tax expense of USD 1 million for the same quarter in 2021. The tax expense year-to-date 2022 was USD 16 million, compared with USD 7 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	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Non-current interest-bearing loans and bonds	1,957	2,265	2,158
Non-current lease liabilities	1,228	1,170	1,218
Current interest-bearing loans and bonds	638	349	515
Current lease liabilities	281	205	238
Total interest-bearing debt	**4,104**	**3,990**	**4,128**
Cash and cash equivalents	1,063	587	710
Net interest-bearing debt	**3,041**	**3,403**	**3,418**

Repayment schedule for interest-bearing debt

USD million	Bank loans	Bonds	Leasing commitments	Other interest-bearing debt	Sep 30, 2022
Due in 2022	61	69	82	0	**211**
Due in 2023	598	-	279	19	**897**
Due in 2024	254	186	223	0	**663**
Due in 2025	347	-	209	0	**556**
Due in 2026 and later	777	302	716	0	**1,796**
Total repayable interest-bearing debt	**2,037**	**557**	**1,509**	**19**	**4,122**
Amortized financing costs	(13)	(5)	-	-	**(18)**
Carrying value interest-bearing debt	**2,024**	**552**	**1,509**	**19**	**4,104**

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)	920	85	-	-	**1,005**
Cash flow from loans and bonds (repayments)	(91)	(872)	(7)	(183)	**(1,152)**
Net change lease commitments	-	-	248	28	**276**
Foreign exchange movement	(110)	(4)	(30)	(3)	**(148)**
Other non-cash movements	(6)	1	0	0	**(5)**
Re-classification	(914)	914	(201)	201	**(0)**
Total interest-bearing debt September 30, 2022	**1,957**	**638**	**1,228**	**281**	**4,104**

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 the second quarter of 2022 the group signed USD 1.15 billion 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, and USD 100 million of vessel and corporate debt. During the third quarter, there were net proceeds of USD 101 million from the new USD 800 million facility and USD 15m of proceeds from a vessel refinancing. At September 30, 2022, the group had USD 377 million in undrawn credit facilities.

At September 30, 2022, the group had 13 unencumbered vessels with a total net carrying value of USD 211 million.

Note 12. Provisions

USD million	Sep 30, 2022	Sep 30, 2021	31 Dec 2021
Current provisions	-	117	28
Non-current provisions	-	4	16
Total provisions	**-**	**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.

In the third quarter, the last known customer settlement was concluded, as a result of which an amount of USD 38 million was reclassified from current provisions to other current liabilities and the remaining provision of USD 6 million was reversed. The gain from the reversal is presented within Other operating expenses. As at September 30, 2022, the group has recognized 32 million of other current liabilities related to civil claims and customer settlements. During the third quarter of 2022, the group paid USD 42 million in customer settlements and fines to jurisdictions (year-to-date USD 83 million), reducing other current liabilities accordingly.

Contingencies

The group is sometimes party to lawsuits related to laws and regulations in various jurisdictions arising from the conduct of its business. Based on information currently available, the probability of any such cases resulting in a material outflow of resources is low, and a provision has not been recognized.

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 October 12, 2022, the group repaid the NOK 201.5 million outstanding under the WALWIL01 bond at maturity with a cash effect of USD 26 million.

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.

Reconciliation of alternative performance measures, cont.

Net interest-bearing debt

USD million	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Non-current interest-bearing loans and bonds	1,957	2,265	2,158
Non-current lease liabilities	1,228	1,170	1,218
Current interest-bearing loans and bonds	638	349	515
Current lease liabilities	281	205	238
Less Cash and cash equivalents	1,063	587	710
Net interest-bearing debt	**3,041**	**3,403**	**3,418**

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

USD million	YTD 2022	YTD 2021	2021
Net interest-bearing debt	3,041	3,403	3,418
Last twelve months adjusted EBITDA	1,346	710	865
Net interest-bearing debt/adjusted EBITDA ratio	**2.3x**	**4.8x**	**4.0x**

Equity ratio

USD million	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Total equity	3,252	2,683	2,804
Total assets	8,393	7,507	7,794
Equity ratio	**38.8%**	**35.7%**	**36.0%**

Reconciliation of Total revenue to EBITDA and EBITDA adjusted

USD million	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Total revenue	1,356	990	3,695	2,806	3,884
Operating expenses excluding other gain/(loss)	(916)	(767)	(2,635)	(2,282)	(3,054)
EBITDA	**440**	**223**	**1,060**	**524**	**830**
EBITDA shipping services	385	195	933	423	670
Loss on sale of vessel	-	-	10	-	32
Anti-trust expense/ (reversal of expense)	(6)	-	(6)	35	35
EBITDA adjusted shipping services	**379**	**195**	**937**	**458**	**736**
EBITDA logistics services	30	21	70	85	108
EBITDA adjusted logistics services	**30**	**21**	**70**	**85**	**108**
EBITDA government services	28	11	59	33	40
Gain on sale of vessel	-	-	(14)	-	-
EBITDA adjusted government services	**28**	**11**	**44**	**33**	**40**
EBITDA holding/eliminations	(3)	(5)	(2)	(16)	11
Loss on sale of vessel	-	-	(10)	-	(32)
EBITDA adjusted holding/eliminations	**(3)**	**(5)**	**(12)**	**(16)**	**(20)**
EBITDA adjusted	**434**	**223**	**1,039**	**559**	**865**

Reconciliation of alternative performance measures, cont.

Reconciliation of Total revenue to EBIT and EBIT adjusted

USD million	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
EBITDA	440	223	1,060	524	830
Other gain/loss	2	4	7	(2)	21
Depreciation and amortization	(137)	(119)	(397)	(350)	(483)
(Impairment)/reversal of impairment	-	0	-	14	(62)
EBIT	**305**	**108**	**669**	**185**	**306**
Anti-trust expense/ (reversal of expense)	(6)	-	(6)	35	35
Gain on sale of vessel	-	-	(14)	-	-
Change in fair value of derivative financial asset	(2)	(4)	(7)	2	(21)
Reversal of/impairment asset held-for-sale	-	-	-	(8)	(8)
Impairment goodwill and intangible assets	-	-	-	-	76
Total adjustments	**(8)**	**(4)**	**(27)**	**30**	**82**
EBIT adjusted	**297**	**104**	**642**	**215**	**388**
Profit/(loss) for the period	**246**	**65**	**549**	**78**	**177**
Total adjustments	(8)	(4)	(27)	30	82
Profit/(loss) for the period adjusted	**238**	**61**	**521**	**108**	**259**

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

	Quarter average		YTD average		Year average
USD million	Q3 2022	Q3 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	790	238	790	238	306
EBIT last twelve months adjusted	816	253	816	253	388
ROCE	**11.3%**	**3.5%**	**11.3%**	**3.5%**	**4.5%**
ROCE adjusted	**11.6%**	**3.8%**	**11.7%**	**3.7%**	**5.7%**
Profit/(loss) last twelve months	646	124	646	124	177
Profit/(loss) last twelve months adjusted	673	141	673	141	259
Return on equity	**21.7%**	**4.7%**	**22.1%**	**4.7%**	**6.6%**
Return on equity adjusted	**22.6%**	**5.4%**	**23.0%**	**5.4%**	**9.7%**