



Wallenius Wilhelmsen ASA

Q1 Report 2021

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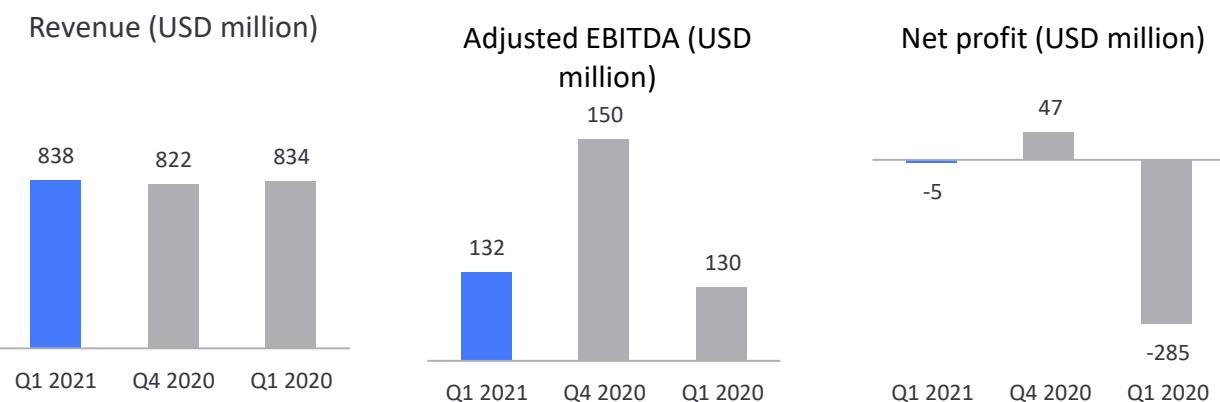
Highlights – Q1 2021

- Demand in the group's core markets continue to develop along a positive underlying trend
- EBITDA was USD 132m, flat year over year, impacted by higher fuel prices and ramp-up costs on rising volumes across global supply chains
- Established a Science-Based Target to reduce CO2 intensity by 27.5% by 2030 with 2019 as the base level
- Introduced Orcelle Wind, the world's first full-scale wind-powered RoRo ship
- Cash position of USD 599m, up from USD 451m in Q1-20, and USD 299m of undrawn credit facilities

Commenting on the first quarter results, Torbjørn Wist, Acting CEO of Wallenius Wilhelmsen, said:

"While demand for our services has continued to return, higher volumes across global supply-chains led to congestions, inefficiencies, tight capacity and ramp-up costs for us, our customers and our suppliers. In combination with increasing fuel costs, these factors have weighed on profitability in the first quarter.

We continue to expect the supply-demand balance to remain favourable over the mid-term due to overall global fleet reduction and a continued rebound in volumes. Potential risks include negative impacts of further disruptions to the global supply chains, fleet capacity constraints and increased virus intensity. Stabilizing market conditions will provide more financial flexibility going forward."



Consolidated results and key figures – Q1 2021

EBITDA was USD 132m, down 12% from Q4-20 despite minor revenue increase, impacted by higher fuel prices and ramp-up costs on rising volumes across global supply chains.

USDm	Q1 2021	Q4 2020	% change QoQ	Q1 2020	% change YoY
Total revenue	838	822	2%	834	1%
EBITDA	132	150	(12%)	130	1%
EBIT	13	53	(76%)	(132)	n/a
Profit/(loss) for the period	(5)	47	n/a	(285)	n/a
EPS ¹⁾	(0.01)	0.11	n/a	(0.65)	n/a
Net interest-bearing debt	3,501	3,427	2%	3,554	(1%)
ROCE	0.8%	3.1%	n/a	(7.7%)	n/a
Equity ratio	34.2%	34.3%	n/a	34.6%	n/a
EBITDA adjusted	132	150	(12%)	130	1%

1) After tax and non-controlling interests

Consolidated results

While the COVID19 pandemic and its impact on the world economy is not over, demand in the group's core markets have returned since Q1-20 and continue to develop along a positive underlying trend. The rising volumes across global supply-chains have, however, led to inefficiencies, tight capacity, parts shortage, and ramp-up costs for companies involved in manufacturing, logistics and trade. For the Wallenius Wilhelmsen group this has translated into higher costs for chartering fleet capacity, higher fuel consumption as the fleet speed has increased alongside a growing number of port calls, as well as costs relating to reactivation of vessels in cold layup.

Total revenue in Q1-21 was USD 838m, up 1% YoY, reflected with similar development in the Shipping and Logistics services segments, while the Government services segment saw an 8% reduction on lower US flag cargo activity. Compared to Q4-20, total revenue for the group was up 2%, with the 5% improvement in the Shipping segment reflecting the higher net freight rate being countered by a lower US flag and terminals services activity in the Government services segment.

EBITDA ended at USD 132m, a 12% reduction QoQ, as the higher consolidated revenue following the underlying demand trend and the flat EBITDA development in the Logistics segment was offset by the pressure from higher fuel prices and ramp-up costs.

EBITDA increased by 1% YoY on the significant improvement in the Logistics segment, as Q1-20 was marked by early direct COVID19 effects such as plant closures, while Government services EBITDA was flat, and Shipping services EBITDA declined slightly as operating costs increased more than revenue.

During Q1-21 the value of the net derivative arising from the put-call arrangement in the shareholder agreement for EUKOR decreased by USD 6m, recognised as a loss under Other gain/(loss) in the income statement. The financial derivative is recognised as an *Other non-current asset* and has a carrying value of USD 124m at the end of the quarter.

Net financial expenses were USD 15m in Q1-21, up USD 12m from Q4-20 driven by movements in FX and interest rates. Interest expense including realised interest derivatives was USD 46m, up by USD 5m versus Q4-20 and reduced by USD 2m from Q1-20. Net financial expenses were positively impacted by USD 39m unrealised gain on derivatives. Depreciating USD caused a USD 8m net currency loss. This was mostly from revaluation of accounts payable and accounts receivable.

The group recorded a tax expense of USD 3m for Q1-21, flat from Q4-20. The group continues the non-recognition of net deferred tax asset in the balance sheet related to tax losses in the Norwegian entities, due to uncertain future utilisation.

The quarter ended with a net loss of USD 5m, down from net profit of USD 47m in Q4-20 and up from a loss of USD 285m in Q1-20.

Segment reporting

Wallenius Wilhelmsen has from the beginning of 2021 introduced new reporting segments, namely Shipping services, Logistics services and Government services. Activity in the Government services segment was previously mainly recognised in the Ocean segment, but also partly in Landbased. Comparable figures have been restated accordingly.

Capital and financing

The equity ratio was 34.2% at the end of Q1-21, down from 34.3% at the end of Q4-20 as the group recorded a minor loss for the period. Cash and cash equivalents were USD 599m, down from USD 654m at the end of Q4-20. In addition, Wallenius Wilhelmsen had USD 299m in undrawn credit facilities and USD 50m committed for the delivery financing of the final newbuild for delivery in 2021. The reduction in undrawn credit facilities QoQ, is the result of a net USD 27m drawdown during the quarter, which partly explains proceeds from issuance of new debt together with the USD 52m refinancing of two vessels. Net interest-bearing debt was USD 3,501m at the end of Q1-21, up from USD 3,427m in Q4-20 due to a USD 50m non-cash net increase in lease liabilities following certain charter extensions and changes in charter terms, while cash decreased as a combination of weaker operational cash flows and net debt payments.

For the shipping business, the company agreed with the banks of WW Ocean to defer instalments of about USD 70m, previously scheduled for the second half of 2020, to strengthen the cash position during the period of reduced activity. Scheduled repayments resumed in January 2021 and the deferred instalments are scheduled to be repaid during the remaining life of each facility. Given that the deferral agreement involves a dividend block, the company aims to prepay the deferred instalments to clear the way for the payment of dividends in accordance with our dividend policy. Any decision to prepay will be made once the company deems the market and liquidity situation

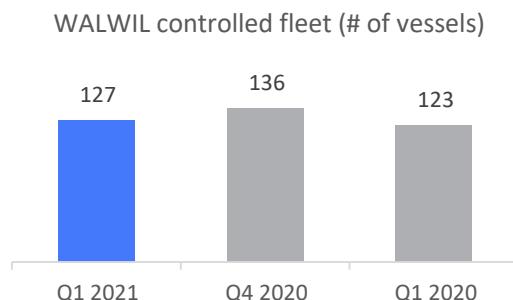
to have stabilised.

Wallenius Wilhelmsen fleet

Wallenius Wilhelmsen controlled a fleet of 127 vessels at the end of Q1-21, down from 136 at the end of Q4-20 due to a reduction in spot charters. One vessel has been recycled in January. One long-term charter vessel was extended in Q1-21.

Eight of the 16 vessels in cold layup at the end of 2020 were reactivated and re-entered service during Q1-21, while the remaining eight vessels are in the process of being reactivated during 2021. On average, it takes two to three months to reactivate a vessel from cold layup into our operations.

The final Post-Panamax vessel is scheduled for delivery in Q3 21 with remaining committed CAPEX of USD 40m for which secured bank financing is in place. Wallenius Wilhelmsen has no further newbuilds on order.



Changes in management

In March 2021, Craig Jasienski stepped down as the company's CEO following an agreement with the board. The board would like to thank him for his long service to the group and wish him the best of luck in his future endeavours. Torbjørn Wist, the CFO of the group, assumed the role of acting CEO while the board is searching for a permanent replacement. The board has engaged an executive search firm that will manage the process of identifying and securing the best CEO candidate for the group.

Events after the balance sheet date

Effective after the annual general meeting on 21 April 2021, Rune Bjerke was elected chair of the board of directors for Wallenius Wilhelmsen ASA.

Shipping services

In Q1-21, revenue increased on a positive underlying demand trend, while EBITDA margins came under pressure from higher fuel prices and ramp-up costs on rising volumes in global supply-chains.

USDm	Q1 2021	Q4 2020	% change QoQ	Q1 2020	% change YoY
Total revenue	623	593	5%	610	2%
EBITDA	100	112	(10%)	103	(3%)
EBIT	13	52	(75%)	(59)	n/a
Volume¹ ('000 CBM)	14,469	14,863	(3%)	12,648	14%
H&H share²	28.3%	26.1%	n/a	30.0%	n/a
EBITDA adjusted	100	112	(10%)	103	(3%)
EBITDA adj, margin	16.0%	18.8%	(2.8%)	16.9%	(0.9%)

1) Prorated cubic metres ("CBM")

2) Based on unprorated volumes

Shipping services - Total revenue and EBITDA

The Shipping services segment is engaged in ocean transport of cars and roll-on/roll-off (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 Shipping services segment largely reflects the earlier Ocean segment, excluding activity which is now recognized in the Government services segment. See Note 3 for more information.

Total revenue was USD 623m in Q1-21, up 2% compared to the same period last year. The 14% positive volume effect on market recovery from COVID19, especially seen in Asia and the Americas, was partially offset by a less favourable trade mix and H&H share as well as lower surcharges with fuel price significantly down YoY. Compared to Q4-20, revenue increased 5%, positively impacted by improved trade mix / H&H share and increased fuel surcharge revenue, though countered by 3% lower volumes especially from Europe to Asia.

The H&H share based on un-prorated volumes was 28.3% in Q1-21 and at a normal cargo mix level, above Q4-20 but below the level seen in Q1-20 when H&H held up better than auto volumes in the early stages of COVID19.

The 3% negative volume development QoQ was mainly driven by significant decreases in volumes in trades from Europe and in the Atlantic. Continued strong demand for transportation out of Asia and in other trades partly offsets the negative development, though trade pattern imbalances impact EBITDA margins. The Europe to Asia trade was negatively affected by volume decreases for both auto and H&H, partly due to seasonality and parts shortages for auto manufacturers. For the Atlantic trade, the decrease was mainly related to auto volumes. The strong demand from Asia was partially driven by the increased production and export of popular auto models from China and

Korea. Despite lower volumes from Europe, the positive underlying demand trend reflected in the trade and cargo mix led to a QoQ increase in the net freight rate per CBM of 6% to USD 40.5.

Volumes increased across almost all trades YoY, up 14% in total, reflecting the rebound in demand from the initial COVID19 impact in Q1-20 as well as the strong ex-Asia demand in Q1-21. Volume development in trades from Asia to North and South America were particularly strong, with H&H as a key contributor in addition to higher demand for popular auto models. The trade from Europe to Asia was the only trade with a negative development, while other ex-Europe trades also saw weaker positive development YoY due to similar pressures as seen QoQ. The overall net freight rate per CBM fell by 1.5% YoY on a normalized H&H share and slightly less favourable trade mix.

At the end of Q1-21, eight of the 16 vessels in cold layup at the end of 2020 were reactivated and had re-entered service, with related reactivation costs of USD 3m.

Q1-21 EBITDA was USD 100m, down 10% from Q4-20. The USD 30m improvement in revenue was offset by the USD 30m increase in fuel cost on higher fuel prices and consumption, and fuel surcharge revenue was lagging¹ as fuel price continued the increase during Q1-21. Margins were further pressured by ramp-up costs as rising volumes in global supply-chains led to pressure on the fleet operations and trade pattern imbalances. Due to the solid demand development and tight global fleet capacity, the group has continued to utilize space charter and charter-in vessels in the short-term charter market. The group has also decided to reactivate all remaining vessels in cold layup during 2021. Charter expense increased by USD 1m QoQ on higher charter rates. Cargo and other voyage expenses increased by USD 18m on a higher H&H share and on higher space charter costs.

Compared to Q1-20, total revenue was up 2%, while EBITDA fell by 3%. Costs relating to the continued tight fleet capacity situation including reactivation costs, charter expenses and space charter costs countered the positive revenue, volume and SG&A development. Net fuel cost ended USD 9m higher YoY, as fuel surcharge revenues fell more than fuel costs. SG&A declined by USD 3m on lower IT cost and less travel. Higher cargo and other voyage expenses combined with charter expenses totalling USD 50m stem from higher volume and the need for space charter from other vessel operators and a continued high use of the tight short-term charter market.

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

The Logistics segment saw a flat revenue and EBITDA development compared to Q4-20, with a cyclical high in Americas' H&H countering negative effects from the shortage in semiconductors and other parts.

USDm	Q1 2021	Q4 2020	% change QoQ	Q1 2020	% change YoY
Total revenue	203	205	(1%)	201	1%
EBITDA	29	28	2%	20	43%
EBIT	4	3	22%	(43)	n/a
EBITDA adjusted	29	28	2%	20	43%
EBITDA adj. margin	14.1%	13.7%	0.4%	10.0%	4.2%
EBITDA by subsegment					
Solutions Americas (Auto)	12	13	(5%)	10	25%
Solutions Americas (H&H)	4	0	n/a	3	4%
Solutions APAC/EMEA	3	4	(21%)	2	35%
Terminals	12	14	(9%)	9	45%
Other	(2)	(2)	-	(4)	n/a

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 centres, equipment processing centres, inland distribution networks and terminals. The Logistics services segment largely reflects the earlier Landbased segment, excluding activity which is now recognized in the Government services segment. See Note 3 for more information.

Total revenue in Q1-21 was USD 203m, flat compared to Q1-20. The continued automotive parts shortage and production shortfalls with key H&H clients led to volume pressure across all segments except Terminals. Revenue however holds up on seasonality in the H&H segment, increase in value-add services and a full quarter of operations compared to the Q1-20 plant closures. Compared to Q4-20 revenue was flat.

EBITDA was USD 29m, up 43% YoY, on improved results in all sub-segments as the end of Q1-20 was impacted by the onset of COVID19, including plant closures and lower volumes. Compared to Q4-20, EBITDA increased slightly on solid H&H activity in Americas in line with seasonality despite lower EBITDA on automotive and terminals.

Solutions Americas (Auto) revenue fell 7% compared to Q1-20 as well as compared to Q4-20, largely due to the current semiconductor chip and parts shortage. However, YoY EBITDA margins improved on lower T&E costs and as Q1-20 was impacted by early COVID19 effect including plant closures, despite the parts shortage. QoQ EBITDA development was also under pressure due to shortages of chips and parts, though margin pressure was somewhat offset by solid volumes from new business and in Canada.

Solutions Americas (H&H) revenue was down 10% YoY, due to some lower production volumes with key customers and pressure on access to qualified truck drivers. EBITDA YoY however developed slightly positively on reduced T&E cost. QoQ, EBITDA is significantly up, reflecting that Q1 is high season for the H&H business in the Americas despite lower volumes from key customers.

Solutions APAC/EMEA revenue was up 15% YoY on strong volumes in Australia, China and Belgium, also reflecting that the activity in APAC was impacted by COVID19 to a larger extent in Q1-20. EBITDA YoY is up 35% reflecting the revenue development. QoQ, revenue is up 15% on solid fumigation and H&H, however EBITDA fell with 21% due to end of COVID19 relief subsidies, costs related to closure of a site in India and lower volumes in certain higher margin activities.

Terminals saw revenues rise 15% YoY with increases in higher margin services such as storage and washing of units together with the continued return of volumes, up 3% YoY. EBITDA came in at a solid USD 12m, up 45% YoY, reflecting the improvement in revenue and higher margin services. Compared to Q4-20, revenue fell 6% in line with volume seasonality and seasonally high Brown marmorated stink bug (BMSB) fumigation activity on units exported to Oceania in Q4. EBITDA fell in line with the QoQ revenue reduction, though partly offset by increased value-added services and a positive currency impact.

Government services

In Q1-21, lower activity from US flag cargo and logistics support services contracts led to a reduction in revenue and EBITDA QoQ.

USDm	Q1 2021	Q4 2020	% change QoQ	Q1 2020	% change YoY
Total revenue	54	67	(19%)	59	(8%)
EBITDA	10	15	(32%)	10	(4%)
EBIT	3	3	21%	(26)	n/a
EBITDA adjusted	10	15	(32%)	10	(4%)
EBITDA adj. margin	18.6%	22.2%	(3.6%)	17.8%	0.8%

Government services - Total revenue and EBITDA

The Government services segment provides ocean transport of roll-on/roll-off (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 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.

Activity in the Government services segment was earlier mainly recognised in the Ocean segment and partly in the Landbased segment but has now been separated out to improve transparency in the reporting. See Note 3 for more information.

Total revenue in Q1-21 was USD 54m, down 8% compared to Q1-20, due to the reduced Q1-21 fleet size and the timing of U.S. flag cargo and related logistics support services though supported by intra-group charter revenues from Shipping services. Compared to Q4-20, revenue was down 19%, due to one fewer vessel in operation and the timing of U.S. flag cargo and related logistic support services.

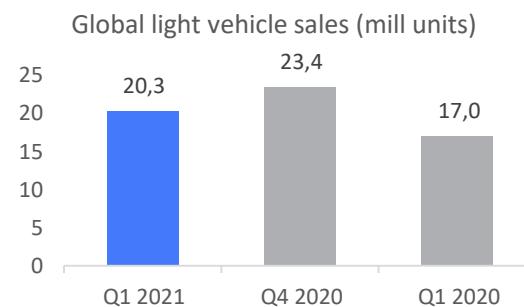
EBITDA of USD 10m was flat YoY, with a slight reduction in U.S. flag cargo activity offset by lower net fuel expense and the lower ship operating expenses as one vessel was sold for green recycling in January 2021. EBITDA for Q1-21 was 32% lower than Q4-20, due to timing of U.S. flag cargo and related logistics support services, while bolstered by lower SG&A and lower ship operating expenses.

Market update

Automotive sales in Q1-21 increased 19.5% YoY, though fell from Q4-20, as mixed speeds were seen in major markets. Sales were down 9.0% down compared to the same pre-COVID19 quarter in 2019 as European sales declined. The H&H segment continued the expansion from last quarter as export volumes increased 14.6% YoY.

Auto markets¹

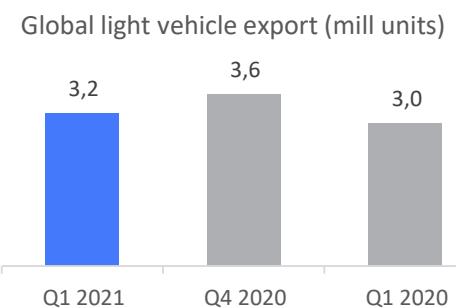
Global light vehicle (“LV”) sales include all passenger cars, SUVs, MPVs and light commercial vehicles. Sales in Q1-21 were down 13.3% from Q4-20 and up 19.5% compared to Q1-20. Compared to sales in same pre-COVID19 quarter in 2019 sales were down 9.0%. European sales were soft as some incentives were removed and some markets were partly locked down. Pent-up demand fuelled sales in North America and China. While recovery is clearly continuing, the risk of variations of COVID19 intensity remains present. New mutated variations of the virus do not support recovery. However, both the demand and supply sides have some experience in how to handle the situation. Shortage of semiconductor chips caused some disruption in selected regions during Q1-21 and is expected to stabilize during the year. Further recovery in auto markets may vary by market maturity. Incentives in the LV sector in Europe and China has led the sales mix to low emission vehicles.



North American sales increase 4.3% YoY (down 11.7% QoQ). Pent-up demand after COVID19 and better unemployment figures have supported LV sales. The US experienced weather issues the first two months of the year and rebound from this in March. LV production issues have led to shortage on some models and original equipment manufacturers (“OEMs”) prioritise the most profitable models. Retail sales performed better than fleet sales in the US.

Sales in Europe increased 2.4% YoY but were down 12.5% QoQ. Significant lockdown measures took place during Q1-21, however trended down at the end of the quarter. The end of some stimulus measures dampened some sales, but other measures continue, mostly focused on low-emission vehicles. Pent-up demand and government incentives support sales. Other factors not fuelling LV sales include the implementation of the EU WLTP emission test scheme, diesel woes and Brexit. In Russia, sales were down 2.7 % YoY.

Chinese LV sales were still solid in Q1-21 however not as strong as seen in 2H in 2020. In Q1-21, sales were up 76% YoY.



¹ Source: IHS Markit

Compared to Q4-20, sales were up 21.7%. Pent-up demand and governmental stimulus continued to drive sales. Sales rate for Q1-21 ended at 24.4m.

Global deep-sea exports in Q1-21 were down 7.4% compared to Q1-20, and down 9.3% from Q4-20. China is the region which is driving LV sales and the region has a higher share of domestic produced vehicles compared to NA and Europe; this means the global deep-sea development has been softer than global sales.

Exports out of North America were down 2.6% YoY (down 18.1% QoQ), as soft sales were seen in Europe and South America. European exports increased 16.4% YoY, down 8.4% QoQ. The main contributor to the drop was North America, the largest export region for Europe. Japanese exports in Q1-21 increased 1.7% YoY, down 10.7% QoQ, with volumes exported to main regions North America and Europe driving rebounding. Exports out of South Korea increased 6.4% YoY and declined 6.2% QoQ. Chinese exports were up 14.1% YoY (down 10.1% QoQ).

High and heavy markets

Demand in the H&H segment continued to improve considerably in Q1-21. Global exports of construction, mining and farm machinery increased 15% YoY in the three-month period that ended in February, as exports to all destination regions strengthened compared to last year¹.

Global construction and rolling mining equipment exports increased 16% YoY, as volumes increased double digits to all destination regions except Europe. Meanwhile, the recovery in construction activity² continued to be unsynchronized around the world. The Australian construction sector expanded at the fastest pace on record towards the end of the quarter – led by very strong residential activity. In the US, construction spending continued the upward trajectory, as growing residential outlays again offset softening non-residential spending. The recovery in the European construction industry remained sluggish, despite March marking the first rise in activity since February of last year.

Global mining equipment markets also continued the turnaround in Q1-21³, as prices of key mined commodities strengthened further around decade-high levels. The number of machines shipped was 13% higher than last year and essentially level with Q4-20. The gains were driven by strong growth to Asia, Europe, and Latin America, in part offset by declining volumes to North America and Oceania. Strong growth was recorded for iron ore and copper mines compared to last year, while shipments to gold mines declined following last year's strong run.

Global exports of farm machinery extended the trend that started in Q3-20 and increased another 10% YoY in the three-month period ending in February. Supported by the highest food prices in almost seven years, machinery trade strengthened to all destination regions except Latin America. Strong momentum was also recorded in end

¹ Source: IHS Markit - All import/export data refer to the three-month rolling period ending in February 2021 unless otherwise specified, and are limited to countries (62% of total) that have reported customs data per 03.05.2021

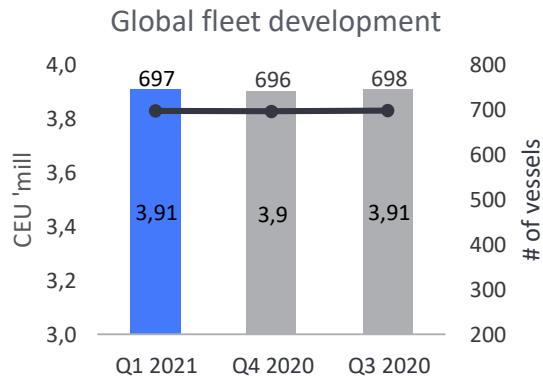
² Sources: IHS Markit, U.S. Bureau of Census, Ai Group, Eurostat

³ Source: The Parker Bay Company

user demand in the quarter¹. U.S. high-horsepower tractor sales lifted 21% YoY, the strongest market expansion in two-and-a-half years. The big European markets also recorded strong quarter, as UK and German tractor registrations increased 13% and 5% YoY, respectively. The Australian market continued the exceptionally strong run from last year with sales growing another 66% YoY in Q1-21.

Global fleet

The global car carrier fleet (with size >1,000 car equivalent units, "CEU") totalled 697 vessels with a capacity of 3.90m CEU at the end of Q1-21. During Q1-21 two new vessel were delivered, while one vessel was recycled. Two new order was confirmed in the period (for vessels >4,000 CEU). The orderbook for deep-sea vehicle carriers (>4,000 CEU) counts 10 vessels, which amounts to about 2% of the global fleet capacity.



Source: Clarksons

¹ Sources: AEM, TMA, AEA, VDMA | US Large Tractors (2WD 100+HP & 4WD), Australia Large tractor (100+HP), UK (50+HP), Germany (+70kW)

Health, safety and environment

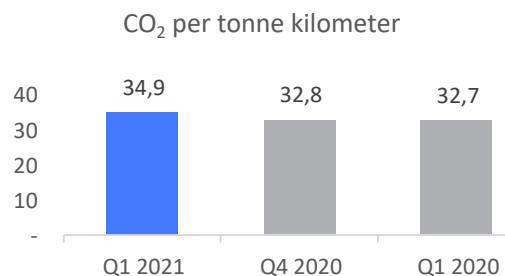
In March 2021, we established a [Science-Based Targets](#) to reduce CO2 intensity by 27.5% by 2030 (from 2019) to guide our zero-emissions journey in line with current climate science and the Paris Climate Agreement.

Environment

Our track record in emission reduction since 2008 has been solid and we are currently well ahead of the IMO targets, but more must be done with both existing and new technologies to reach our Science-Based Target in 2030. As outlined in our [2020 Annual Report](#), our initiatives include:

- New sustainability objectives adopted in 2020, requiring:
 - o All new equipment at terminals and yards to be zero-emission by end of 2022
 - o All owned global fleet vessels equipped for zero-emissions at berth by 2025
 - o 100% of our energy from sustainable sources by 2050
- Introduction of Orcelle Wind, the world's first full-scale wind-powered RoRo ship. Evaluation of technical, operational, commercial, financial viability proceeding as planned. Based on the outcome of these processes the ambition is to be yard-order ready in 2022.
- Continued digitalization of all vessels (55 to date), using data to optimize energy efficiency and reduce emissions from the existing fleet and fuel types.
- Lean:Green Works initiatives across the organization to reduce electricity consumption in offices, switch to renewable energy sources to power terminals and processing centres and ass the CO2 footprint of each customer through the Carbon compass 2.0.

The total CO2 emitted for Q1-21 was about 10% higher than the same quarter of 2020, while the corresponding total cargo work done increased by about 3% measured in tonne kilometres. In total, this resulted in an increase of about 7% in the grams of CO2 emitted per tonne kilometre compared to same period last year. This increase can be explained by a normalization of operations and an increased average speed of the fleet. As operations revert to their normal state with the higher demand, both speed and utilisation revert to historical average levels.



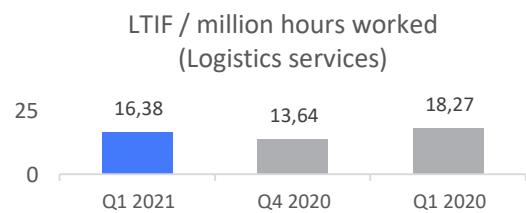
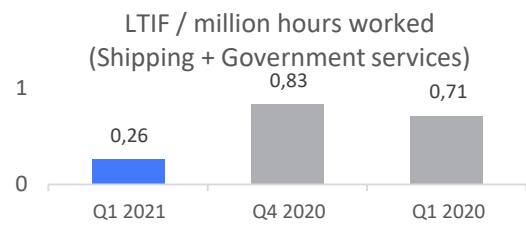
Health & safety

From the onset of the COVID19 pandemic, Wallenius Wilhelmsen has adopted a precautionary approach, putting in place policies, processes, and tools to protect employees, customers and business partners and help limit any spread in the community. Logistics operations operated near capacity during Q1-21 and adhered to all local and relevant regulations in respect of social distancing, hygiene and workplace safety for essential workers. During Q1-21, the group experienced a COVID19 outbreak on one vessel where several crew members tested positively, and

two crew members were treated onshore before being sent home to avoid any post infection complications. In the Logistics segment, we have avoided any workplace infections impacting operations.

The combined Shipping and Government services LTIF rate has fluctuated continuously over the last years, with no clear trend the last quarters. In absolute terms, Q1-21 was at a lower level than QoQ and YoY. While no systematic cause has been observed, this rate remains under our close attention, particularly when considering the added stress on the crew during the pandemic.

The Logistics services LTIF continues to show a positive development compared to the last year, though slightly up QoQ, due to seasonality effect and wintery conditions in northern hemisphere. Management measures being taken to address key safety hazards are observed to lead to direct results in the LTIF results.



Prospects

The markets in which the group operate have recovered significantly since last year. We continue to expect the supply-demand balance to remain favourable over the mid-term due to overall global fleet reduction and a continued rebound in volumes. Potential risks include negative impacts of further disruptions to the global supply chains, fleet capacity constraints and increased virus intensity. Stabilizing market conditions will provide more financial flexibility going forward.

Lysaker, 11 May 2021
The board of directors of Wallenius Wilhelmsen ASA

Rune Bjerke – Chair

Margareta Alestig

Anna Felländer

Jonas Kleberg

Marianne Lie

Thomas Wilhelmsen

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 statement of profit or loss

USD million	Notes	Q1 2021	Q1 2020	2020
Total revenue	3	838	834	2,958
Operating expenses	3	(707)	(703)	(2,484)
Operating profit before depreciation, amortisation and impairment (EBITDA)		132	130	473
Other gain/(loss)	2	(6)	(61)	(16)
Depreciation and amortisation	4, 5, 6	(113)	(117)	(451)
Impairment	4, 5, 6	(0)	(84)	(90)
Operating profit/(loss) (EBIT)		13	(132)	(84)
Share of profit/(loss) from joint ventures and associates		0	0	1
Interest income and other financial items		41	24	34
Interest expenses and other financial expenses		(56)	(177)	(257)
Financial items - net	7	(15)	(153)	(223)
Loss before tax		(2)	(285)	(306)
Tax income/(expenses)	9	(3)	0	4
Loss for the period		(5)	(285)	(302)
Profit/(loss) for the period attributable to:				
Owners of the parent		(6)	(276)	(286)
Non-controlling interests		1	(9)	(16)
Basic and diluted earnings per share (USD)	8	(0.01)	(0.65)	(0.68)

Consolidated statement of comprehensive income

USD million	Q1 2021	Q1 2020	2020
Loss for the period	(5)	(285)	(302)
Other comprehensive loss:			
Items that may subsequently be reclassified to the income statement			
Currency translation adjustment	(4)	(9)	6
Items that will not be reclassified to the income statement			
Remeasurement pension liabilities, net of tax	-	-	(8)
Other comprehensive loss for the period	(4)	(9)	(1)
Total comprehensive loss for the period	(8)	(294)	(303)
Total comprehensive income/(loss) attributable to:			
Owners of the parent	(9)	(285)	(288)
Non-controlling interests	1	(9)	(15)
Total comprehensive loss for the period	(8)	(294)	(303)

Balance sheet

USD million	Notes	31 Mar 2021	31 Mar 2020	31 Dec 2020
ASSETS				
Non-current assets				
Deferred tax assets		87	77	87
Goodwill and other intangible assets	4	561	602	571
Vessels and other tangible assets	5	4,119	4,258	4,175
Right-of-use assets	6	1,422	1,398	1,365
Other non-current assets	2	188	142	194
Total non-current assets		6,378	6,476	6,391
Current assets				
Fuel/luboil		84	109	79
Trade receivables		390	368	363
Other current assets		159	171	135
Cash and cash equivalents		599	451	654
Assets held for sale		2	11	5
Total current assets		1,234	1,110	1,237
Total assets		7,612	7,586	7,628
EQUITY and LIABILITIES				
Equity				
Share capital	8	28	28	28
Retained earnings and other reserves		2,354	2,366	2,363
Total equity attributable to owners of the parent		2,382	2,394	2,391
Non-controlling interests		223	233	224
Total equity		2,605	2,627	2,615
Non-current liabilities				
Pension liabilities		72	57	68
Deferred tax liabilities		82	92	84
Non-current interest-bearing loans and bonds	10	2,376	2,284	2,353
Non-current lease liabilities	10	1,225	1,226	1,176
Non-current provisions		44	119	59
Other non-current liabilities		130	184	179
Total non-current liabilities		3,928	3,962	3,919
Current liabilities				
Trade payables		134	129	142
Current interest-bearing loans and bonds	10	324	318	378
Current lease liabilities	10	176	176	174
Current income tax liabilities		7	16	6
Current provisions		42	74	51
Other current liabilities		396	283	343
Total current liabilities		1,078	998	1,094
Total equity and liabilities		7,612	7,586	7,628

Cash flow statement

USD million	Notes	Q1 2021	Q1 2020	2020
Cash flow from operating activities				
Profit/(loss) before tax		(2)	(285)	(306)
Financial (income)/expenses		15	153	223
Share of net income/(loss) from joint ventures and associates		(0)	(0)	(1)
Depreciation, amortisation and impairments	4, 5, 6	113	201	541
(Gain)/loss on sale of tangible assets		(2)	2	7
Change in net pension assets/liabilities		4	(4)	2
Change in derivative financial assets	2	6	61	16
Other change in working capital		(48)	(25)	141
Tax (paid)/received		(6)	(0)	(9)
Net cash flow provided by operating activities¹⁾		79	103	615
Cash flow from investing activities				
Proceeds from sale of tangible assets		9	0	8
Investments in vessels, other tangible and intangible assets		(10)	(18)	(135)
Investments in joint ventures		(8)	(6)	(8)
Interest received		0	2	4
Net cash flow used in investing activities		(9)	(23)	(130)
Cash flow from financing activities				
Proceeds from issue of debt		92	141	557
Repayment of bank loans and bonds	10	(124)	(71)	(417)
Repayment of lease liabilities	10	(47)	(42)	(181)
Interest paid including interest derivatives		(46)	(48)	(166)
Realised other derivatives		1	(7)	(19)
Dividend to non-controlling interests		(2)	(0)	(3)
Net cash flow used in financing activities		(126)	(27)	(229)
Net increase/(decrease) in cash and cash equivalents		(55)	53	256
Cash and cash equivalents at beginning of period		654	398	398
Cash and cash equivalents at end of period¹⁾		599	451	654

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



Statement of changes in equity

	Share capital	Own shares	Total paid-in capital	Retained earnings and other reserves	Total	Non-controlling interests	Total equity
2021							
Balance at 31 December 2020	28	(0)	28	2,363	2,391	224	2,615
Profit/(loss) for the period	-	-	-	(6)	(6)	1	(5)
Other comprehensive loss	-	-	-	(3)	(3)	(0)	(4)
Total comprehensive income/(loss)	-	-	-	(9)	(9)	1	(8)
Sale of own shares	-	-	-	-	-	-	-
Dividend to non-controlling interests	-	-	-	-	-	(2)	(2)
Balance at 31 March 2021	28	(0)	28	2,354	2,382	223	2,605

	Share Capital	Own shares	Total paid-in capital	Retained earnings and other reserves	Total	Non-controlling interests	Total equity
2020							
Balance at 31 December 2019	28	(0)	28	2,650	2,678	243	2,921
Loss for the period	-	-	-	(276)	(276)	(9)	(285)
Other comprehensive loss	-	-	-	(9)	(9)	(0)	(9)
Total comprehensive loss	-	-	-	(285)	(285)	(9)	(294)
Sale of own shares	-	-	-	-	-	-	-
Dividend to non-controlling interests	-	-	-	-	-	(0)	(0)
Balance 31 March 2020	28	(0)	28	2,366	2,394	233	2,627

	Share capital	Own shares	Total paid-in capital	Retained earnings and other reserves	Total	Non-controlling interests	Total equity
2020							
Balance at 31 December 2019	28	(0)	28	2,650	2,678	243	2,921
Loss for the period	-	-	-	(286)	(286)	(16)	(302)
Other comprehensive income/(loss)	-	-	-	(2)	(2)	0	(1)
Total comprehensive loss	-	-	-	(288)	(288)	(15)	(303)
Sale of own shares	-	0	0	0	0	-	0
Dividend to non-controlling interests	-	-	-	-	-	(3)	(3)
Balance at 31 December 2020	28	(0)	28	2,363	2,391	224	2,615

Note 1 - Accounting Principles

This consolidated interim financial report has been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting. The consolidated interim financial reporting should be read in conjunction with the annual financial statements for the year end 31 December 2020 for Wallenius Wilhelmsen ASA group (the group), which has been prepared in accordance with IFRS's endorsed by the EU.

The accounting policies implemented are consistent with those of the annual financial statements for the group for the year end 31 December 2020.

Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and

liabilities, income and expense. Actual results may differ from these estimates. The effect of a change in an accounting estimate is recognised in profit or loss in the period where the estimate is revised or in the period of the revision and future periods if the change affects both.

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

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

Note 2 - 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 recognised as one integrated derivative financial instrument. The derivative financial instrument is recognised as a non-current asset when the options are exercisable and the fair value of the non-controlling interest exceed the value of the exercise price for symmetrical put and call option.

During first quarter 2021, the change in the value of the derivative was USD 6 million recognised as a loss under Other gain/(loss) in the income statement. One of the most important elements to calculate the gain/loss is the estimated value of the

20% non-controlling interest related to EUKOR. The loss in first quarter is mainly related to lower estimated cash flow used in calculating the value of the EUKOR shares compared to year end 2020.

The change in value during first quarter 2020 was USD 61 million recognised as a loss under Other gain/(loss) in the income statement. The loss was recognized mainly due to a decrease in the estimated value of the EUKOR shares driven by lower estimated cash flows as a result of the COVID19 pandemic.

The financial derivative is recognised as an Other non-current asset and has a carrying value of USD 124 million at the end of first quarter 2021, compared to USD 86 million in first quarter last year.

Note 3 - Segment description

Wallenius Wilhelmsen changed the reporting segments on 1 January 2021, and they now comprise:

- Shipping services
- Logistics services
- Government services

The 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 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

The activity in the Government services was mainly recognised in the Ocean segment earlier, but also partly in Landbased. This activity has now been separated out primarily due to separate monitoring by the CEO in addition to its nature in being a service provider to the governmental sector. Comparable figures have been restated accordingly.

Shipping services

The Shipping services segment is engaged in ocean transport of cars and roll-on/roll-off (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 main 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 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. In the shipping services segment, contract duration is usually within one to five years with annual renewal of approximately 20-30%. 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 segment has mainly the same customer groups as shipping services. Customers operating globally are offered sophisticated logistics services, such as vehicle processing centres, equipment processing centres, inland distribution networks and terminals. The segment's primary assets are human capital (expertise and systems) and customer contacts reflected in long-term relationships. In the logistics services segment, contract duration is usually within one to five years, with annual renewal of approximately 20- 30%. Pricing is usually fixed, and volumes may vary depending on customer output.

Government services

The government services segment provides ocean transport of roll-on roll-off (ro-ro) 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 or quarter over quarter trends.

Holding/Eliminations

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

Note 3 - Segment reporting - YTD

USD million	Shipping services			Logistics services			Government services			Holding & Eliminations			Total		
	Q1 2021	Q1 2020	2020	Q1 2021	Q1 2020	2020	Q1 2021	Q1 2020	2020	Q1 2021	Q1 2020	2020	Q1 2021	Q1 2020	2020
Net freight revenue	586	520	1,931	-	-	-	24	28	122	-	-	-	610	548	2,053
Fuel surcharges	28	70	174	-	-	-	1	1	4	-	-	-	29	71	178
Operating revenue	7	16	32	177	179	620	15	19	75	-	-	-	199	214	727
Internal operating revenue	2	3	8	25	22	85	14	11	47	(42)	(36)	(139)	-	-	-
Total revenue	623	610	2,145	203	201	704	54	59	247	(42)	(36)	(139)	838	834	2,958
Cargo expenses	(156)	(131)	(476)	-	(1)	-	(12)	(8)	(39)	38	34	126	(129)	(106)	(390)
Fuel	(138)	(171)	(452)	-	-	-	(5)	(8)	(21)	-	-	-	(142)	(179)	(474)
Other voyage expenses	(106)	(93)	(345)	-	0	-	(3)	(4)	(14)	-	0	-	(109)	(97)	(360)
Ship operating expenses	(47)	(44)	(185)	-	-	-	(13)	(14)	(60)	-	-	-	(60)	(58)	(246)
Charter expenses	(45)	(32)	(131)	-	0	-	(7)	(7)	(29)	3	2	10	(50)	(38)	(150)
Manufacturing cost	-	-	-	(64)	(62)	(219)	(1)	(3)	(13)	1	1	3	(64)	(64)	(228)
Other operating expenses	(1)	(1)	(68)	(79)	(87)	(284)	0	(0)	(0)	-	0	-	(80)	(88)	(352)
Selling, general and admin expenses	(31)	(34)	(130)	(31)	(31)	(124)	(4)	(3)	(15)	(7)	(4)	(15)	(73)	(73)	(285)
Total operating expenses	(523)	(507)	(1,788)	(174)	(181)	(626)	(44)	(48)	(192)	35	33	123	(707)	(703)	(2,484)
Operating profit/(loss) before depreciation, amortisation and impairment (EBITDA)	100	103	357	29	20	78	10	10	55	(7)	(4)	(16)	132	130	473
Other gain/(loss)	(6)	(61)	(16)	-	-	-	-	-	-	-	-	-	(6)	(61)	(16)
Depreciation	(80)	(83)	(319)	(17)	(14)	(61)	(5)	(8)	(25)	-	-	-	(102)	(105)	(404)
Amortisation	(1)	(0)	(2)	(9)	(10)	(38)	(2)	(2)	(6)	-	-	-	(11)	(11)	(47)
Impairment	-	(18)	(18)	(0)	(40)	(40)	-	(27)	(32)	-	-	-	(0)	(84)	(90)
Operating profit/(loss) (EBIT)¹⁾	13	(59)	2	4	(43)	(61)	3	(26)	(8)	(7)	(4)	(16)	13	(132)	(84)
Share of profit/(loss) from joint ventures and associates	-	-	-	0	0	1	-	-	-	-	-	-	0	0	1
Financial income/(expenses)	(12)	(102)	(165)	(1)	(34)	(43)	0	(2)	(5)	(2)	(15)	(11)	(15)	(153)	(223)
Profit/(loss) before tax	1	(161)	(163)	3	(77)	(103)	3	(28)	(13)	(10)	(19)	(27)	(2)	(285)	(306)
Tax income/(expense)	(4)	(2)	(17)	1	2	16	0	0	8	(0)	(1)	(3)	(3)	0	4
Profit/(loss) for the period	(2)	(162)	(180)	4	(75)	(87)	3	(28)	(5)	(10)	(20)	(31)	(5)	(285)	(302)
Profit/(loss) for the period attributable to:															
Owners of the parent	(3)	(154)	(164)	4	(75)	(87)	3	(28)	(5)	(10)	(20)	(31)	(6)	(276)	(286)
Non-controlling interests	1	(9)	(16)	0	0	0	-	-	-	-	-	-	1	(9)	(16)

¹⁾ Cash settled portion of bunker 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
2021				
Cost at 1 January	346	421	54	820
Additions	-	-	1	1
Disposal	-	-	(0)	(0)
Currency translation adjustment	-	-	(0)	(0)
Cost at 31 March	346	421	54	821
Accumulated amortisation and impairment losses at 1 January	(40)	(188)	(21)	(249)
Amortisation	-	(9)	(2)	(11)
Impairment	-	-	(0)	(0)
Disposal	-	-	1	1
Accumulated amortisation and impairment losses at 31 March	(40)	(198)	(22)	(260)
Carrying amounts at 31 March	306	223	32	561

USD million	Goodwill	Customer relations/contracts	Other intangible assets	Total intangible assets
2020				
Cost at 1 January	346	421	50	817
Additions	-	-	11	11
Disposal	-	-	(7)	(7)
Currency translation adjustment	-	-	0	0
Cost at 31 December	346	421	54	820
Accumulated amortisation and impairment losses at 1 January	-	(148)	(17)	(165)
Amortisation	-	(41)	(6)	(47)
Impairment ¹⁾	(40)	-	(5)	(45)
Disposal	-	-	7	7
Accumulated amortisation and impairment losses at 31 December	(40)	(188)	(21)	(249)
Carrying amounts at 31 December	306	232	33	571

¹⁾As of 31 March 2020, a portion of the goodwill in the Landbased segment was impaired.



Note 5 - Vessels and other tangible assets

USD million	Property & land	Other tangible assets	Vessels & docking	Newbuilding contracts*	Total tangible assets
2020					
Cost at 1 January	127	89	5,307	45	5,567
Additions	1	2	3	4	9
Disposal	(0)	(1)	-	-	(1)
Reclassification	-	(1)	4	(4)	(1)
Currency translation adjustment	(2)	(1)	-	-	(3)
Cost at 31 March	126	88	5,314	44	5,571
Accumulated depreciation and impairment losses at 1 January					
Depreciation	(16)	(33)	(1,343)	-	(1,392)
Impairment	(2)	(3)	(56)	-	(62)
Disposal	-	-	-	-	-
Reclassification	0	0	-	-	1
Currency translation adjustment	(0)	0	-	-	0
Accumulated depreciation and impairment losses at 31 March	(18)	(35)	(1,399)	-	(1,452)
Carrying amounts at 31 March	108	53	3,915	44	4,119

*Newbuilding contracts include instalments on scrubber installations.

USD million	Property & land	Other tangible assets	Vessels & docking ¹⁾	Newbuilding contracts*	Total tangible assets
2020					
Cost at 1 January	118	76	5,268	66	5,527
Additions	3	15	43	76	137
Disposal	(0)	(5)	(13)	(8)	(26)
Reclassification	(1)	1	8	(89)	(80)
Currency translation adjustment	7	1	-	-	8
Cost at 31 December	127	89	5,307	45	5,567
Accumulated depreciation and impairment losses at 1 January					
Depreciation	(5)	(21)	(1,158)	-	(1,184)
Impairment	(10)	(13)	(228)	-	(251)
Disposal	-	-	(44)	-	(44)
Reclassification	0	3	12	-	15
Currency translation adjustment	(0)	(1)	75	-	74
Accumulated depreciation and impairment losses at 31 December	(2)	(1)	-	-	(2)
Carrying amounts at 31 December	111	56	3,964	45	4,175

*Newbuilding contracts include instalments on scrubber installations.

¹⁾The group has reclassified 20 vessels from right-of-use assets to tangible assets effective from 1 January 2020 due to contracts being

considered financing arrangements rather than lease contracts. The corresponding lease liabilities have been reclassified to bank loans.

Note 6 - Right-of-use assets

USD million	Property & land	Vessels	Other assets	Total leased assets
2021				
Total right-of-use assets at 1 January 2021	478	1,226	4	1,708
Additions	14	11	0	26
Change in lease payments	(2)	77	0	75
Disposal	(1)	-	(0)	(1)
Currency translation adjustment	(5)	-	(0)	(5)
Cost at 31 March	485	1,314	3	1,803
Accumulated depreciation and impairment losses at 1 January 2021	(91)	(250)	(2)	(344)
Depreciation	(14)	(26)	(0)	(39)
Disposal	1	-	0	1
Reclassification to tangible assets	0	-	-	0
Currency translation adjustment	1	-	0	1
Accumulated depreciation and impairment losses at 31 March	(103)	(276)	(2)	(381)
Carrying amounts at 31 March	382	1,038	2	1,422

USD million	Property & land	Vessels ¹⁾	Other assets	Total leased assets
2020				
Total right-of-use assets at 1 January 2020	439	1,258	3	1,700
Additions	14	20	1	36
Change in lease payments	8	1	0	9
Disposal	(8)	(53)	(0)	(61)
Reclassification to tangible assets	(0)	(0)	(0)	(0)
Currency translation adjustment	24	-	0	25
Cost at 31 December	478	1,226	4	1,708
Accumulated depreciation and impairment losses at 1 January 2020	(42)	(194)	(1)	(237)
Depreciation	(49)	(104)	(1)	(154)
Disposal	3	48	0	52
Reclassification to tangible assets	(0)	(0)	(0)	(0)
Currency translation adjustment	(4)	-	(0)	(4)
Accumulated depreciation and impairment losses at 31 December	(91)	(250)	(2)	(344)
Carrying amounts at 31 December	387	976	2	1,365

¹⁾ The group has reclassified 20 vessels from right-of-use assets to tangible assets effective from 1 January 2020 due to contracts being

considered financing arrangements rather than lease contracts. The corresponding lease liabilities have been reclassified to bank loans.

Note 7 - Financial income and expenses

USD million	Q1 2021	Q1 2020	2020
Financial income			
Interest income	0	2	4
Other financial items	0	(0)	4
Net financial income	0	2	8
Financial expenses			
Interest expenses	(36)	(44)	(147)
Interest rate derivatives - realised	(11)	(4)	(19)
Interest rate derivatives - unrealised	35	(70)	(57)
Other financial items	(2)	(2)	(9)
Loss on sale investments	0	0	(0)
Net financial expenses	(13)	(119)	(233)
Currency			
Net currency gain/(loss)	(8)	23	(6)
Derivatives for hedging of foreign currency risk - realised	0	(1)	(6)
Derivatives for hedging of foreign currency risk - unrealised	1	(42)	25
Net currency	(6)	(21)	13
Financial derivatives bunker			
Unrealised bunker derivatives	3	(9)	1
Realised bunker derivatives	1	(6)	(13)
Net bunker derivatives	4	(15)	(12)
Financial income/(expenses)	(15)	(153)	(223)

Note 8 - Shares

Earnings per share takes into consideration the number of outstanding shares in the period. However, the company had no outstanding shares in the period.

Basic earnings per share is calculated by dividing profit for the period after non-controlling interests, by average number of

total outstanding shares (adjusted for average number of own shares). Basic earnings per share for the first quarter was negative USD 0.01 compared with negative USD 0.65 in the same quarter last year.

The company's share capital is as follows:

Share capital 31 March 2021
Own shares 31 March 2021

	Number of shares	NOK million	USD million
Share capital 31 March 2021	423,104,938	220	28
Own shares 31 March 2021	706,856		

Note 9 - Tax

The effective tax rate for the group will, from period to period, change dependent on the group's gains and losses from investments inside the exemption method and tax-exempt revenues from tonnage tax regimes. Tonnage tax is considered as operating expense in the accounts.

The group recorded a tax expense of USD 3 million for the first quarter 2021, compared with an tax income of USD 0 million the same quarter last year.

The group continue the non-recognition of net deferred tax asset in the balance sheet related to tax losses in the Norwegian entities, due to uncertain future utilisation. The deferred tax assets not recognised at the end of first quarter 2021, amounts to USD 73 million

Note 10 - Interest-bearing liabilities

USD million	31 Mar 2021	31 Mar 2020	31 Dec 2020
Non-current interest-bearing loans and bonds	2,376	2,284	2,353
Non-current lease liabilities	1,225	1,226	1,176
Current interest-bearing loans and bonds	324	318	378
Current lease liabilities	176	176	174
Total interest-bearing debt	4,100	4,004	4,081
Cash and cash equivalents	599	451	654
Net interest-bearing debt	3,501	3,553	3,427

Repayment schedule for interest-bearing debt	Bank loans	Leasing commitments	Bonds	Other interest bearing debt	31 Mar 2021
Due in 2021	202	135	56	0	393
Due in 2022	378	174	190	0	741
Due in 2023	764	184	0	16	965
Due in 2024	424	133	234	0	791
Due in 2025 and later	445	774	-	0	1,219
Total repayable interest-bearing debt	2,212	1,401	479	16	4,108
Amortised financing costs	(6)	-	(3)	-	(9)
Book value interest-bearing debt	2,206	1,401	477	16	4,100

Reconciliation of liabilities arising from financing activities	31 Dec 2020	Cash flow	Non cash changes					31 Mar 2021
			Net change leasing commitments	Foreign exchange movement	Amortisation	Other	Reclassification	
2021								
Bank loans	1,917	84	-	(1)	1	-	(53)	1,947
Leasing commitments	1,176	(0)	93	(4)	-	-	(40)	1,225
Bonds	420	-	-	1	0	-	(10)	412
Bank overdraft / other interest-bearing debt	16	0	-	(0)	-	-	(0)	16
Total non-current interest-bearing debt	3,529	84	93	(4)	1	-	(103)	3,600
Bank loans	322	(116)	-	(0)	0	-	53	259
Leasing commitments	174	(47)	8	(0)	-	-	41	176
Bonds	56	-	-	(1)	-	-	10	65
Bank overdraft / other interest-bearing debt	0	(0)	-	(0)	-	-	0	0
Total current interest-bearing debt	552	(163)	8	(1)	0	-	104	500
Total liabilities from financing activities	4,081	(79)	101	(5)	1	-	0	4,100

Cont. Note 10 - Interest-bearing debt

USD million

Reconciliation of liabilities arising from financing activities	31 Dec 2019	Cash flows	Non cash changes					31 Dec 2020
			Net change lease commitments	Foreign exchange movement	Amortisat ion	Other	Re- classification	
2020								
Bank loans	1,959	199	-	-	1	-	(242)	1,917
Leasing commitments	1,269	(1)	34	21	-	-	(148)	1,176
Bonds	304	152	-	19	1	6	(60)	420
Bank overdraft / other interest-bearing debt	17	(1)	-	0	-	-	(0)	16
Total non-current interest-bearing debt	3,549	349	34	40	1	6	(450)	3,529
Bank loans	281	(202)	-	-	(0)	-	242	322
Leasing commitments	203	(180)	2	1	-	-	148	174
Bonds	9	(7)	-	(6)	-	-	60	56
Bank overdraft / other interest-bearing debt	1	(1)	-	(0)	-	-	0	0
Total current interest-bearing debt	495	(390)	2	(5)	(0)	-	450	552
Total liabilities from financing activities	4,044	(41)	36	35	1	6	0	4,081

¹⁾ The group has reclassified 20 vessels from right-of-use assets to tangible assets effective from 1 January 2020 due to contracts being considered financing

arrangements rather than lease contracts. The corresponding lease liabilities have been reclassified to bank loans.

Note 11 - Events after the balance sheet

Effective after the annual general meeting on 21 April 2021, Rune Bjerke is elected chair of the board of directors for Wallenius Wilhelmsen ASA.

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 the 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 the management to measure performance on a regular basis. The APMs should not be considered as a substitute for measures of performance in accordance with IFRS.

EBITDA is defined as Total 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 amortisation.

EBITDA adjusted is defined as EBITDA 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 and other income and expenses which are not primarily related to the period in which they are recognised.

EBIT is defined as Total income (Operating revenue and gain/(loss) on sale of assets) less Operating expenses excluding other gain/(loss), Other gain/loss and depreciation and

amortisation. 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 recognised.

For the quarters Capital Employed (CE) is calculated based on quarterly average of Total assets less Total liabilities pluss total interest-bearing debt. For the full year CE is calculated based on yearly average of Total assets less Total liabilities pluss 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.

In the quarterly reporting Return on Capital Employed (ROCE) is based on annualised EBIT/EBIT adjusted divided by capital employed. For the annual reporting the EBIT in the ROCE calculation is the actual EBIT for the full year/EBIT adjusted for the full year. 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.

USD million

Net interest-bearing liabilities

	31 Mar 2021	31 Mar 2020	31 Dec 2020
Non-current interest-bearing loans and bonds	2,376	2,284	2,353
Non-current lease liabilities	1,225	1,226	1,176
Current interest-bearing loans and bonds	324	318	378
Current lease liabilities	176	176	174
Less Cash and cash equivalents	599	451	654
Net interest-bearing debt	3,501	3,553	3,427



Reconciliation of alternative performance measures

USD million

	Q1 2021	Q1 2020	2020
Reconciliation of Total revenue to EBITDA and EBITDA adjusted			
Total revenue	838	834	2,958
Operating expenses excluding other gain/(loss)	(707)	(703)	(2,484)
EBITDA	132	130	473
EBITDA Shipping services	100	103	357
EBITDA adjusted Shipping services	100	103	357
EBITDA Logistics services	29	20	78
EBITDA adjusted Logistics services	29	20	78
EBITDA Government services	10	10	55
EBITDA adjusted Holding/Eliminations	10	10	55
EBITDA Holding/Eliminations	(7)	(4)	(16)
EBITDA adjusted Holding/Eliminations	(7)	(4)	(16)
EBITDA adjusted	132	130	473
Reconciliation of Total revenue to EBIT and EBIT adjusted			
EBITDA	132	130	473
Other gain/loss	(6)	(61)	(16)
Depreciation and amortisation	(113)	(117)	(451)
Impairment	(0)	(84)	(90)
EBIT	13	(132)	(84)
Anti-trust expense	-	-	55
Scraping of scrubber installations	-	-	7
Change in fair value of derivative financial asset	6	61	16
Impairment recycling vessels and Logistics goodwill	-	84	84
Impairment other intangible assets	-	-	5
Total adjustments	6	145	168
EBIT adjusted	19	13	85
Loss for the period	(5)	(285)	(302)
Total adjustments	6	145	168
Profit/(loss) for the period adjusted	2	(140)	(133)
		Quarter average	Yearly average
		Q1 2021	Q1 2020
Reconciliation of total assets to capital employed and ROCE calculation and return on equity calculation			
Total assets	7,608	7,697	7,575
Total liabilities	4,996	4,908	4,935
Total equity	2,612	2,789	2,640
Total interest-bearing debt	4,136	4,006	4,036
Capital employed	6,748	6,795	6,676
EBIT annualised	51	(527)	(84)
EBIT annualised adjusted	76	54	85
ROCE	0.8%	-7.7%	-1.3%
ROCE adjusted	1.1%	0.8%	1.3%
Loss for the period annualised	(18)	(1,138)	(302)
Profit/(loss) for the period annualised and adjusted	6	(558)	(133)
Return on equity	-0.7%	-40.8%	-11.4%
Return on equity adjusted	0.2%	-20.0%	-5.0%