



## Wallenius Wilhelmsen ASA Q4 Report 2023

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# Highlights – Q4 2023 and FY 2023

## Wallenius Wilhelmsen:

- Delivers a strong Q4 EBITDA of USD 454m, of which Shipping contributes USD 392m, Logistics USD 43m, and Government USD 32m
- Concludes several multi-year contracts with key customers at market rates
- Delivers a record EBITDA of USD 1,807m and a Net Profit of USD 967m for FY 2023
- Proposes to pay a dividend of USD 1.14 per share, representing a FY 2023 payout of 50% and a total dividend amount of USD 482m
- Proposes to introduce a semi-annual pay-as-you-go dividend policy, under which a potential dividend for H1-2024 will be paid with the second tranche of the 2023 dividend
- Maintains expectation that 2024 is likely to be a somewhat better year than 2023, but see recent geopolitical events, specifically in the Red Sea, adding some more uncertainty



“2023 was a record year for Wallenius Wilhelmsen and all three business segments delivered strong results. Our EBITDA ended at USD 1,807m for the year, further building our financial strength as well as allowing for a significant dividend payment to our shareholders.

In 2023, a series of contracts were concluded with key customers, reflecting both a partnership on decarbonization, and terms and rates in line with the prevailing market. We take this as a testament to our ability to deliver industry leading products and services.

Despite the increased uncertainty in the Red Sea area and the drought in the Panama Canal, we maintain our outlook for 2024, expecting it to be better than 2023.”

**Lasse Kristoffersen**  
**CEO**

# Consolidated results and key figures – Q4 2023

Q4-23 is among the strongest in the company's history and reflects continued high activity and profitability across all segments,

USDm*	Q4 2023	Q3 2023	% change QoQ**	Q4 2022	% change YoY**
Total revenue	1,281	1,311	-2%	1,350	-5%
EBITDA	454	478	-5%	488	-7%
EBIT	216	385	-44%	261	-17%
Profit for the period	134	328	-59%	246	-45%
Earnings per share <sup>1</sup>	0.25	0.70	-64%	0.48	-47%
Net interest-bearing debt	2,007	2,171	-8%	2,872	-30%
ROCE adjusted	16.2 %	16.8 %	-0.6%	13.7 %	2.5%
Equity ratio	46.9 %	45.5 %	1.4%	41.8 %	5.1%
EBITDA adjusted <sup>2</sup>	454	478	-5.0%	488	-7%
EBITDA adjusted margin	35.4 %	36.5 %	-1.0%	36.2 %	-0.7%

\* Except per share and per cent

\*\* For ROCE adjusted, Equity ratio and EBITDA adjusted margin, % change represents absolute change in ratio

## Consolidated results

Total revenue in Q4 was USD 1,281m, down 2% from the previous quarter. Volumes and revenues decreased in the shipping and government services segments, while the logistics segment saw continued growth. Compared to Q4-22, total revenue for the group was down 5%, mainly caused by lower fuel surcharges in the shipping services segment, partly offset by growth in logistics segment.

EBITDA for the quarter ended at USD 454m, somewhat down compared to Q3. The decline is partly due to year-end accrual adjustment relating to a one-off bonus of approximately USD 10m, to be paid to employees in the group following the strong result in 2023.

Shipping services delivered an EBITDA of USD 392m in Q4, on par with Q3. Lower revenues due to lower volumes, offset by improved margins due to increase in average net freight rate and from more efficient operations. Logistics services EBITDA decreased USD 5m compared to the previous quarter on higher revenues with lower margins QoQ, partly due to year-end accruals related to one-off bonus to employees for 2023 of approximately USD 7m. Further, government services EBITDA decreased by USD 14m QoQ, mainly as a result of lower volumes and reduced activity, due to seasonality of cargo moves and lower capacity due to planned maintenance.

EBITDA decreased by 7% YoY driven by reductions in the logistics and government segments. Further, fuel surcharges in the shipping segment is down by around USD 101m compared to the same quarter last year.

Other effects in the quarter include a negative USD 89m change in fair value of the net derivative (symmetrical put/call option) relating to the non-controlling interest in EUKOR, impacting EBIT and net profit. The negative value change offset gains earlier in 2023, as a result of which the net effect for the year was a decrease in the value of the net derivative of USD 6m (see [Note 2](#) for more details). The item has no cash effect. This expected development, noted in previous

<sup>1</sup> After tax and non-controlling interests

<sup>2</sup> Q4 2023 EBITDA no adjustments (Same for Q3-2023 and Q4-2022)

quarters, is driven by annual update of the exercise price of the symmetrical options, which is based on the net taxable results of EUKOR for 2021 through 2023 and the updated estimated fair value of the 20% non-controlling interest. Furthermore, there was a USD 5m charge linked to impairment of intangible assets under development in the shipping segment.

The net financial expense was USD 45m in Q4, compared to a net financial expense of USD 50m in Q3, mainly due to increased interest income. The group had an unrealized loss on interest derivatives in the quarter. It has been offset by a net currency gain in the period.

Interest expenses including realized interest derivatives was USD 55m, in line with previous quarter. The unrealized loss on interest rate derivatives amounted to USD 23m in Q4.

The net currency gain ended at USD 13m, with USD 34m in net unrealized gain on currency derivatives (largely USDNOK cross currency swaps related to bond debt issued in NOK and swapped to USD), offset by currency translation losses and realized losses on currency derivatives.

The group recorded a tax expense of USD 38m for Q4, compared to USD 7m in the previous quarter. The increased tax expense for the quarter can be explained by a combination of factors, including higher earnings in the terminal segment and a one-off reversal of deferred tax assets primarily related to interest expenses that cannot be utilized.

The quarter ended with a net profit of USD 134m, down 59% from USD 328m in Q3 and down 45% from USD 246m in Q4-22. USD 106m of the net profit is attributable to shareholders of Wallenius Wilhelmsen ASA, while USD 28m of net profit is attributable to non-controlling interests (primarily minority shareholders in EUKOR).

## Financial targets and dividend policy

Wallenius Wilhelmsen continues to deliver well above its over the cycle long-term financial targets.

### Long-term financial targets:

- **Return on capital employed (ROCE) > 8%.** Calculated as last twelve months of adjusted EBIT divided by the last twelve months of average capital employed (total assets less total liabilities plus total interest-bearing debt)
- **Leverage ratio < 3.5x.** Calculated as net interest-bearing debt divided by last twelve months of adjusted EBITDA.
- **Equity ratio > 35%.** Calculated as book value of equity divided by book value of total assets.

Financial target	Q4 2023	Q3 2023	Delta QoQ	Q4 2022	Delta YoY
ROCE > 8%	16.2 %	16.8 %	-0.6 p.p.	13.7 %	2.5 %
Leverage ratio < 3.5x	1.1x	1.8x	-0.7x	1.9x	-0.8x
Equity ratio > 35%	46.9 %	45.5 %	1.4 p.p.	41.8 %	5.1 %

## Dividend policy:

In February 2024, the board of directors decided on a revised dividend policy to be approved at the upcoming AGM. Under the new policy, the level of dividends will still be based on a range of 30-50% of the company's net profit after tax on an annual basis. However, the lag between earnings and dividend payments will be reduced as it will be a semi-annual pay-as-you-go policy. Potential dividends will be declared in connection with the Q2 and Q4 reports and be based on H1 and H2 earnings, respectively.

The wording of the proposed dividend policy is as follows:

- Wallenius Wilhelmsen's objective is to provide shareholders with a competitive return over time through a combination of rising value for the Wallenius Wilhelmsen share and payment of regular dividend payments to the shareholders.
- The board targets a dividend which over time shall constitute 30-50% of the company's profit after tax on an annual basis. The dividend will be declared and paid on a semi-annual basis. The size of the dividend will be derived and paid based on the reported net profit for the first and second half of each fiscal year, respectively. Dividends will be declared in USD and paid in NOK.
- When determining the size of the dividend, the Board will consider its financial targets, near-term market outlook, the group's financial position, future capital requirements, as well as other relevant factors such as extraordinary effects.
- Furthermore, the Board may from time to time, taking into consideration the financial position of the company, consider extraordinary dividends and/or share buybacks to enhance shareholder returns.
- Any declaration of dividend will be at the full discretion of the board.

2024 will be a transitional year as the board proposes to pay a dividend based on the prior policy for 2023 and a potential dividend for H1 2024.

Accordingly, the Board will propose to the AGM to pay a dividend of USD 1.14 per share, representing a payout of 50% and a total dividend of USD 482m, based on the results for FY23. The dividend will be paid in NOK at an exchange rate to be communicated in connection with each payment. The FY23 dividend will be paid in two installments, with 60% of the amount to be paid in May and 40% in October 2024.

Furthermore, the board proposes to introduce a semi-annual pay-as-you-go dividend policy for approval by the AGM on April 30. The first potential payment under the revised dividend policy would relate to the result for H1 2024 and be payable together with the second tranche of the proposed 2023 dividend.

## Capital and liquidity

Cash and cash equivalents ended at USD 1,705m, up USD 128m QoQ. Cash increased during Q4 on solid operational performance, offset by investments in vessels and other tangible assets, debt service, and dividend payout.

Cash flow provided by operating activities ended at USD 518m for the quarter, down from USD 540m same quarter last year. This represents a cash conversion ratio<sup>1</sup> of around 114% driven by a strong operating result combined with positive cash effects from changes in other assets and liabilities.

In Q4, the group reported a net investment cash flow of USD 56m. The total investments for the period were USD 78, including USD 42m related to fleet renewal installments, USD 21m related to docking, and USD 12m in other tangible assets. Moreover, the group received USD 20m in interest on deposits during the same quarter.

Financial cash flows include interest paid and scheduled repayments on lease liabilities, loans, and bonds. In Q4, the group paid the second tranche of the FY22 dividend, amounting to USD 144m, to the shareholders of Wallenius Wilhelmsen.

Further, the shipping services segment exercised a purchase option for one vessel. The exercise price paid, which is well below the assessed charter-free valuation, is included in repayment of lease liabilities. For more details, please refer to [the shipping services section](#).

At the end of Q4, the group had posted USD 5m in cash collateral relating to cross-currency swaps for the three outstanding NOK bonds. This is a net decrease of USD 17m in total posted cash collateral compared to previous quarter.

Year over year, cash and cash equivalents increased by USD 490m.

During the quarter, WW Ocean refinanced an undrawn USD 100m revolving credit facility. The new refinanced facility amounts to USD 150m, has a tenor of 18 months, and is secured by accounts receivables. Further, WW ASA cancelled an undrawn RCF of USD 100m secured in 5 vessels. Following the cancellation of the RCF, Wallenius Wilhelmsen has 16 unencumbered vessels. In addition, EUKOR extended one RCF of USD 25m for one year and signed a new USD 25m RCF. Consequently, Wallenius Wilhelmsen ended the quarter with USD 397m in undrawn credit facilities, down USD 25m QoQ.

The equity ratio was 46.9% at the end of Q4, up from 45.5% in Q3 as the group recorded a solid profit for the period. Net interest-bearing debt was USD 2,007m at the end of Q4, down from USD 2,171m in Q3. Scheduled repayment of bank and lease debt contributed to total debt reduction. As a result, net interest-bearing debt was reduced QoQ due to substantial cash from operations and the decrease in total debt.

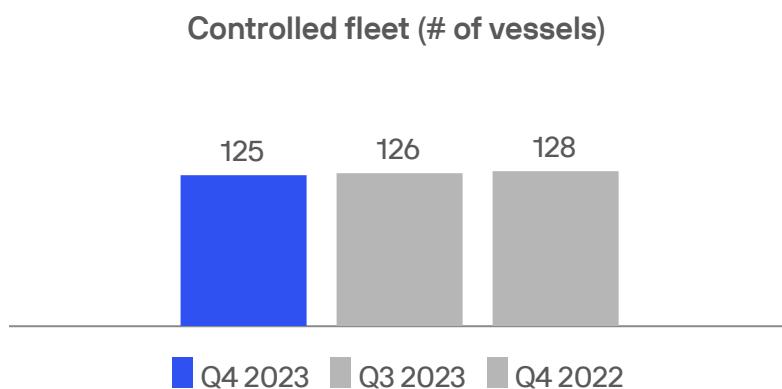
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<sup>1</sup> Cash conversion ratio = Operating cash flow / EBITDA

## Fleet

At the end of Q4, Wallenius Wilhelmsen controlled a fleet of 125 vessels, reducing the fleet size by one vessel from previous quarter. This was due to redelivery of a long-term charter. In addition, purchase option related to the vessel Morning Cecilie was exercised during the quarter, increasing owned vessel from 85 to 86.

The market remains fundamentally strong and charter rates for tonnage continue to be high and the company had no vessels on short-term charter in Q4. In general, the decision to add, extend or redeliver charters will depend on the overall market situation, including price of charters, demand growth and the long-term fleet strategy.



Based on the average of two independent broker estimates, the estimated market value of our 86 owned vessels is USD 6.6bn at the end of Q4

## Events after the balance sheet date

In January 2024, the 6,600 CEU, 2006 built vessel Morning Camilla was acquired by our 80% owned subsidiary EUKOR following the exercising of a purchase option at the end of its long-term lease agreement.

Following the end of the quarter, Wallenius Wilhelmsen has announced the signing of multiple customer contracts valid from 2024 and onwards. The new contracts reflect current market conditions and have durations between two and three years plus potential extension options.

In February 2024, ARC acquired M/V Tulane from Wallenius Wilhelmsen Ocean. The sale will lead to an estimated capital gain of USD 12m in the shipping segment in Q1 24. The gain will be eliminated on a Group level.

The board propose a dividend of USD 1.14 per share to be paid for full-year 2023 as well as a revised dividend policy to be voted upon at the company's AGM on April 30.

## Shipping services

Shipping delivered another solid quarter despite lower transported volumes, and unfavorable periodization in trade mix

USDm*	Q4 2023	Q3 2023	% change QoQ**	Q4 2022	% change YoY**
Total revenue	961	976	-2%	1,060	-9%
EBITDA	392	392	0%	427	-8%
EBIT	191	334	-43%	265	-28%
Volume ('000 CBM) <sup>1</sup>	14,629	15,042	-3%	14,879	-2%
H&H and BB share <sup>2</sup>	27 %	27 %	0%	28 %	-1%
EBITDA adjusted	392	392	0%	427	-8%
EBITDA adjusted margin	40.8 %	40.1 %	0.7%	40.2 %	0.6%

\* Except per cent

\*\* For High & Heavy (H&H) share and EBITDA adjusted margin, % change represents absolute change in ratio

### 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 original equipment manufacturers of autos and H&H equipment, in addition to select industrial break-bulk cargo.

The RoRo industry started to experience tightening and stronger market from 2021 due to the very tight global fleet situation. This quarter was no different, and Q4 earnings remained stable from Q3 on continued strong market fundamentals. We continue to face operational challenges due to port congestion in several regions, but the situation improved in Q4 on relentless efforts from our people as well as somewhat improved conditions in the overall market.

More importantly, in mid December 2023, we decided to re-route all our vessels planned for Red Sea transit via the Cape of Good Hope due to the security situation in the region. Our footprint in this trade corridor is relatively large, hence substantial amount of vessels were re-routed via the Cape of Good Hope and is still effective today. Safety of our crew and our people are of utmost importance and priority, and Wallenius Wilhelmsen was the first car carrier operator to suspend sailings through the Red Sea. The re-routing is impacting tonnage capacity negatively and about a week is added to each Europe-Asia and Asia-Europe sailings. Our team is working hard to optimize the tonnage situation and is in close dialog with affected customers.

Total revenues were USD 961m in Q4, down 2% QoQ on lower volumes transported resulting in lower net freight revenues.

EBITDA was USD 392m in Q4, stable 0% QoQ.

EBIT for Q4 ended at USD 191m down from USD 334m QoQ. The key differentiator is the change in the loss linked to the put/call option on our minority shareholding in EUKOR (with a negative impact of USD 89m in Q4), a decrease of USD 139m compared with Q3.

<sup>1</sup> Prorated cubic meters ("cbm"). Historical volume figures subject to change as figures are based on estimates and prorating

<sup>2</sup> Based on unprorated volumes

Net freight rate in Q4 was USD 56.5 per cbm, up from USD 56.1 per cbm in Q3, due to a positive development in most trade lanes, and increase in individual cargo segments. However, a negative development in trade mix impacted the overall average net freight rate in a less favorable direction. Note that the reported net freight rate has increased compared to previous reports as we from this quarter have adjusted the net freight rate for inter-company volumes not accounted for in earlier periods. The effect is an adjustment in volume used for calculation purposes and a corresponding increase in the net freight rate.

The H&H and BB share of the cargo mix was 27% in Q4, on par with 27% in Q3. Further, we have provided additional details and split the H&H share in BB and H&H machinery. The share of both were stable QoQ with a 3% BB share in Q4. The reduction in H&H share can in part be explained by a normalization of breakbulk volumes (included in the H&H volume) in 2023 as these have shifted back to the container market.

Shipping volumes decreased by 3% QoQ due to less ships in operation as well as increased voyage duration as a result of the rerouting via Cape in Q4. Viking Princess was redelivered to its owners during the quarter, and with longer average voyage durations, volumes are prorated on more days into Q1 2024. The market remains tight and there is still more volumes than tonnage capacity and all vessels are fully utilized.

The average time charter earnings per day<sup>3</sup> decreased from USD 50K in Q3 to USD 48K in Q4 as transported volume was down. Compared to Q4 2022, the average time charter earnings decreased by USD 4K (8%) per day on reduced impact from net fuel surcharges.

Volumes out of Asia decreased in Q4, particularly in the Asia to Europe and Asia to Americas trades. Volumes out of Europe and US increased somewhat, hence a negative development in trade mix. Contract renewals have had positive effects on the net freight rate over the last quarters, and this continued into Q4, but effect of recent renewals will have a lag effect.

Waiting times at key ports continued to create challenges but the situation improved in Q4 and is the lowest level we have seen in 2023. The situation improved in Q4 on relentless efforts from our people as well as somewhat improved conditions in the overall market. During the quarter, some 7% of the available trading days were caught up in congestion. We are doing our best to mitigate these challenges by having a continuous dialog with our customers and re-routing to other ports with less congestion whenever and wherever possible. See [the logistics services chapter](#) below for more details.

Net freight revenue was down by USD 16m QoQ, while fuel surcharge revenue under FAF<sup>4</sup> was down marginally USD 1m. Generally FAF revenues lag about 4-5 months after fuel price changes, Fuel expenses ended up USD 9m QoQ due to higher fuel prices in Q4. The company was impacted by a negative change in net fuel cost of USD 17m in Q3 vs USD 11m in Q4.

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<sup>3</sup> TC earnings per day (excluding SG&A) defined as net freight and surcharges minus cargo expenses, fuel, other voyage expenses and other operating costs (adjusted for one off items), divided by number of active days

<sup>4</sup>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.

Voyage expenses decreased from Q3 to Q4 due to lower volumes carried, as well as higher voyage efficiency as voyage expenses per cbm decreased on less port calls per laden voyage and more cbm per port call.

Charter expenses decreased slightly from Q3 to Q4 due to exercise of purchase options on one leased vessel, Morning Cecilie, which were purchased during the quarter at a price which is significantly below market values. The transaction was recognized as transfers from right-of use assets to owned vessels on the balance sheet.

Ship operating expenses decreased from Q3 to Q4 as larger one-offs was recognized in Q3 related to two purchase options exercised in Q3. SGA increased in Q4 on one-off charges related to stamp duty tax as well as year end accruals.

After a longer period during the year with a positive downward trend, emissions and carbon intensity increased in the fourth quarter on rerouting of vessels via Cape, causing less transported volumes and somewhat increased speed, which drives up consumption per nautical mile and has a negative effect on our emission KPIs. We continue to focus strongly on the long-term plan to achieve our overall emission reduction ambitions and decarbonization strategy. For more details please refer to [the sustainability section](#).

Revenues decreased by 9% YoY from Q4-22, only due to less FAF compensation. Adjusted EBITDA decreased by 8% YoY, as Q4-22 was heavily impacted by positive effects from net fuel cost.

Going forward, geopolitical developments may have an impact on the bunker price leading to higher fuel costs. Over time, such costs will be recovered under FAF agreements, but the time lag may lead to a temporary rise in bunker expenses in the coming quarters.

## Logistics services

Q4 EBITDA slightly lower with USD 7m one-off year-end adjustments, partially offset by strong Auto and Terminal performance.

USDm*	Q4 2023	Q3 2023	% change QoQ**	Q4 2022	% change YoY**
Total revenue	298	290	3%	261	14%
EBITDA	43	48	-11%	37	14%
EBIT	16	21	-27%	-18	-186%
EBITDA adjusted	43	48	-11%	37	14%
EBITDA adjusted margin	14.4%	16.4%	-2.1%	14.3%	0.0%
<b>EBITDA by product</b>					
Auto	21	19	11%	7	218%
H&H	8	9	-11%	9	-8%
Terminals	26	22	14%	19	38%
Inland	1	1	16%	6	-83%
Other	-13	-4	n/a	-3	n/a

\* Except per cent

\*\* For EBITDA adjusted margin, % change represents absolute change in ratio

### Logistics services - total revenue and EBITDA

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

Q4 revenues for the segment in total were USD 298m, up 3% QoQ. US Auto volumes have normalized post-pandemic/supply chain issues but declined somewhat in Q4. This was offset by an increase in high value accessory work. Terminal revenue growth was mainly a result of BMSB treatment seasonality.

Q4 EBITDA was USD 43m, down 11% QoQ, mainly following a USD 7m year-end accrual related to a one-off bonus to employees for 2023 following a strong financial performance for the year. Further, there was a small negative effect from a shift in the US H&H mix of work to lower margin business even though volume remains flat QoQ.

Auto 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 decreased 4% in the Auto product area, which represents a reduction of approximately 63,000 units world wide. Revenue grew by 1% and EBITDA increased 11% as a result of strong accessory work performed in the US as part of our Port Installed Options (PIO) representing higher margins despite lower volumes in the quarter.

H&H includes equipment processing centers on and off port sites globally with the largest concentration in the US. Volumes remained flat to prior quarter. QoQ revenue decreased 4% and EBITDA decreased 11% mainly due to weaker mix of higher margin activity. US volume, which is the main contributor to H&H, has peaked in Q4 2022 and has been consistently lower throughout 2023, indicating a possible softening of market demand. As a result, our inventory has been steadily increasing quarter over quarter.

Terminals offer cargo processing, handling and storage at some of the world's largest RoRo ports. Volume remained mostly flat in the quarter while cargo mix shifted to Auto. QoQ revenues increased 9% and EBITDA increased 14% as a result of BMSB (Brown Marmorated Stink Bug) treatment seasonality, retroactive storage revenue in Europe, rate increases in Asia and improved cargo mix in the US.

Inland includes the global transportation of cargo by road or rail to a port or final point of sale. QoQ revenue increased 3% with strong break bulk cargo in Europe partially offset with weaker brokerage and transportation volume in the US in addition to the end of a customer contract. EBITDA increased 16% QoQ as a result of stronger volume in Europe.

Other includes overhead cost mainly driven by salary and benefits.

YoY, revenues increased by 14% with strong Auto volumes and strong biosecurity activities at our terminal in Australia. YoY, EBITDA increased 14%, directly related to higher Auto and Terminal revenue.

## Government services

While down from a very strong Q3, Government services continued to see high U.S. government demand and solid margins.

USDm*	Q4 2023	Q3 2023	% change QoQ**	Q4 2022	% change YoY**
Total revenue	81	91	-11%	88	-8%
EBITDA	32	46	-30%	36	-11%
EBIT	21	35	-41%	26	-19%
EBITDA adjusted <sup>1</sup>	32	46	-30%	36	-11%
EBITDA adjusted margin	39.6%	50.1%	-10.5%	41.0%	-1.4%

\* Except per cent

\*\* For EBITDA adjusted margin, % change represents absolute change in ratio

### 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.

The ongoing geopolitical situation in Ukraine and related NATO activity levels in Europe continue to drive demand for government services, resulting in strong U.S. flag cargo activity, including government charters and aid cargo.

Total revenues in Q4 were USD 81m, down 11% QoQ, while EBITDA of USD 32m was down 30% QoQ due to the shifting demand for government cargo moves. Adjusted EBITDA was down 13% YoY, due to seasonality of cargo moves, a scheduled vessel drydock in Q4 2023, and timing of logistics related services income. This was partly offset by increased U.S. government cargo to support U.S. and NATO activities. The moderate quarter over quarter decline in U.S. flag cargo reflects historical seasonality patterns, and demand is expected to continue to be strong in 2024.

<sup>1</sup> In Q2 2022 EBITDA was adjusted USD 6m for the gain on sale of a vessel.

# Consolidated results – full year 2023

Adjusted EBITDA for FY 2023 ended at USD 1,807m, up USD 278m compared to FY 2022 on continued strong demand across all segments.

USDm*	2023	2022	% change**
Total revenue	5,149	5,045	2 %
EBITDA	1,807	1,548	17 %
EBIT	1,218	931	31 %
Profit for the period	967	794	22 %
Earnings per share	2.00	1.60	25 %
Net interest-bearing debt	2,007	2,872	-30 %
ROCE adjusted	16.2 %	13.7 %	3 %
Equity ratio	46.9 %	41.8 %	5 %
EBITDA adjusted	1,807	1,528	18 %
EBITDA adjusted margin	35.1 %	30.3 %	5 %

\* Except per cent

\*\* For ROCE adjusted, EBITDA adjusted margin and Equity ratio, % change represents absolute change in ratio

Total revenue was USD 5,149m for FY 2023, an increase of 2% compared to FY 2022. Shipping revenues were down 4% YoY, from USD 4,038m in 2022 to USD 3,881m in 2023, mainly as fuel surcharges came down YoY. Volume and average net rate ended stable as rate increases were offset by a change in cargo and trade mix. Logistics revenues were up 26%, from USD 911m to 1,148m, with revenue and volume increases for all products. Government revenues increased 7% from USD 302m in FY 2022 to USD 324m in FY 2023, mainly due to higher U.S. flag cargo activity.

EBITDA ended at USD 1,807m for FY 2023, up 17% from USD 1,548m for FY 2022. Adjusted EBITDA ended at USD 1,807m, up 18% compared to 2022. Lower net fuel expenses and improved operational efficiency in Shipping resulting in an improved margin and an adjusted EBITDA of USD 1,527m (up 12% from FY 2022). For Logistics, adjusted EBITDA increased 62%, to USD 174m as higher volumes led to strong growth in revenues on improved margins. Government saw an adjusted EBITDA of USD 130m, an increase of 61% due to higher revenues and improved margins.

During FY 2023 there was a decrease in the value of the put-call derivative for EUKOR of USD 6m, recognized under Other gain/(loss) in the income statement. The impact in FY 2022 was a loss of USD 47m. See [Note 2 - Other gain/loss](#).

In 2023, Wallenius Wilhelmsen recognized a net impairment loss of USD 5m due to impairment of intangible assets under development.

Net financial expenses were USD 186m vs USD 104m in FY 2022. Net financial income increased from USD 17m last year to USD 74m in FY 2023 as a result of increase in interest income. Interest expense including realized interest derivatives was USD 218m, up by USD 29m versus FY 2022. Net currency loss including realized currency derivatives was USD 9m compared to a gain of USD 42m for FY 2022. Net financial expense was further negatively impacted by USD 18m in unrealized derivative losses, mainly driven by USD 17m in negative interest rate derivative movements and USD 1mm in unrealized loss on currency derivatives. In FY 2022, unrealized derivative gains were USD 44m.

Tax expense was USD 68m vs a tax expense of USD 35m in FY 2022. The tax expense in 2023 relates primarily to withholding taxes on dividends paid by subsidiaries, income tax payable in the logistics segment and a reversal of historic deferred tax assets related to non-deductible interest costs carried forward in the Norwegian entities

Net income for FY 2023 was USD 967m, up from USD 794m in FY 2022, whereof USD 846m attributable to owners of the parent and USD 121m to non-controlling interests (primarily related to the minority shareholder in EUKOR).

The Board will propose to the AGM to pay a dividend of USD 1.14 per share, representing a payout ratio of 50% and a total dividend of USD 482m based on the results for FY23. The dividend will be paid in NOK at an exchange rate to be communicated in connection with each payment. The FY23 dividend will be paid in two installments, with 60% of the amount to be paid in May and 40% in October 2024.

Furthermore, the board proposes to introduce a semi-annual pay-as-you-go dividend policy subject to approval of the AGM on April 30. The first potential payment under the revised dividend policy would relate to the result for H1 2024 and be payable together with the second tranche of the 2023 dividend.

## Market update

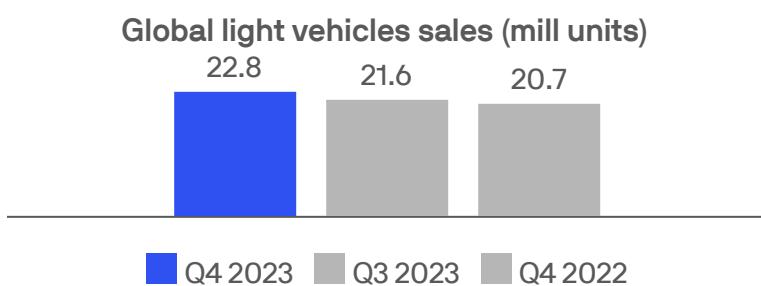
Deep-sea auto volumes ended up 12.5% YoY in 2023<sup>1</sup>. Growing export volumes from China, South Korea, and Japan were the main contributors. Further, global H&H exports remain at high levels, but diverging signals combined with a normalization in breakbulk volumes suggest a more modest volume development. On the back of volume expectations and continued capacity constraints on shipping, market outlook remains solid.

As per the latest IMF World Economic Outlook, GDP growth for 2023 is expected to end at 3.1% and the forecast for 2024 is for a similar growth. Growth levels for 2024 vary across regions with EU still being on the soft side. Emerging markets are expected to see the highest growth as per the report with 4.1%. China and India are expected to grow above this level. As per IMF, there are risks to the outlook both on the up- and downside. The geopolitical situation is one risk factor that could have a negative impact on growth. Reduced inflation and lowering of interest rates would positively impact growth.

We observe from various company reports that light vehicle exports have remained strong in Q4 as production has been ramped up. There is still a likelihood that some of these sales still relate to legacy contracts. The time needed to deliver order backlogs, consumer confidence levels, financing costs and pricing of the vehicles are likely some of the parameters that can impact sales going forward.

### Auto markets and shipping<sup>1</sup>

Global deep-sea auto export volumes recorded the best quarter for several years and were up 5.1% QoQ and up 11.8% YoY. Sales continued the solid development from previous quarter and ended at 22.8 million units in Q4.



Chinese exports continued to surge and (excluding Russian exports) are up 17.7% in Q4 on a YoY basis, in part driven by higher Battery Electric Vehicle (BEV) exports. The increase in exports from China is a contributor to higher CEU-mile demand supporting demand for RoRo tonnage.

Japanese exports in Q4 increased 9.9% YoY but was down 1.1% QoQ. Key drivers are volumes exported to North America and Europe. Korean export volumes saw a positive development YoY with a growth of 17.7%. QoQ Korean exports declined by -4.7%. Exports out of Europe in Q4 grew 9.7% YoY and were up 7.2% QoQ. Exports from North America in Q4 ended up 8.8% YoY and up 8.6% QoQ. This remains well below pre-Covid levels, particularly as consumer preferences in Europe have changed to low-emission vehicles.

<sup>1</sup>Source(s): S&P

Our shipping volumes developed more moderately than the market on a QoQ basis. There was some negative impact on volumes from re-routing vessels away from the Red Sea during Q4.

The table below show S&P data on selected global deep-sea trades:

Trades, # of LVs <sup>2</sup>	Q4 2023	Q3 2023	% change QoQ	Q4 2022	% change YoY
AS-EU (ex Russia)	521,261	528,549	(1)%	479,840	9 %
AS-NA	859,353	859,160	— %	708,590	21 %
EU-NA	283,086	267,240	6 %	249,601	13 %

In terms of demand, global light vehicle (“LV”) sales including all passenger cars, SUVs, MPVs and light commercial vehicles for Q4 were up 5.8% QoQ and up 11.2% YoY. As per S&P data, sales increased QoQ in all regions except North America and South America where sales were virtually flat. Disruptions in the automotive supply chain have eased and semiconductor production capacity are at sufficient levels.

Sales remain 0.6% below sales in Q4 2019 (pre-Covid-19). There is a risk that moderating consumer confidence may impact demand for vehicles, but so far sales remain positive in most regions. S&P forecast YoY global sales to increase 2.6% in 2024. We believe part of the growth can be fuelled by the introduction of more affordable vehicles as Original equipment manufacturers (OEMs) pivot from prioritizing the more expensive vehicles to counteract smaller wallets. We do note that some OEMs report gradually increasing inventory levels. Incentives in the LV sector globally have resulted in a sales mix with an enhanced focus on low emission vehicles. Changes in incentives may impact sales negatively in some regions.

North American sales in Q4 were up 9.7% YoY (down 1.4% QoQ). Despite the uncertainty in the economy, pent-up demand and household savings contributed to solid underlying demand. OEMs prioritize the most profitable models and average transaction prices are high. Even if used car prices have trended down, inventories indicate an upward trend. Production constraints due to semiconductors seem to fade-out in the back mirror. The UAW strike that ended in October did not have major effects on the LV sales.

Sales in Europe in Q4 were up 13.7% YoY and up 4.7% QoQ as vehicle production increased on the back of an improved supply chain situation. Issues with restocking of semiconductors seems to ease. A notable portion of sales are linked to order backlogs. A moderating consumer sentiment may lead car buyers to search for lower priced cars. Auto OEMs are also starting to produce more lower price point vehicles to address this demand. Governmental subsidies declined in Q4, and were mostly focused on low-emission vehicles generally and BEVs specifically. These subsidies, particularly for hybrid electric vehicles, are somewhat being phased out.

Sales in China in Q4 were up 17.6% YoY and up 14.2% QoQ. Sales in Q4 rebounded from a soft Q3 and we see a slowdown in exports of durable goods, and weak property sector and property developer debt overhang poses downside risk for economic growth. Also worth mentioning are the risks remaining for tensions around global trade & geopolitics, and potential barriers to entry for Chinese vehicles.

<sup>2</sup> Source(s): S&P Mobility, January 2024 data. AS-EU excludes Russia

## High and heavy markets

Global exports of H&H machinery moderated from historically very high levels and declined 3.0% in Q4 compared to the same period in 2022<sup>3</sup>. Given order backlogs and recent comments made by producers, near term outlook seems positive for H&H even though a normalization of volumes are expected. However, a normalization of breakbulk volumes have an impact on RoRo shipping volumes and net freight per cbm.

Exports of construction equipment increased 1.0% YoY, as shipments to North America performed better than shipments to Asia and Europe. Investments in infrastructure, energy and utilities continue to support demand for equipment, with residential construction lagging. In the US, total construction spending<sup>4</sup> was up 6.2% YoY and investments in manufacturing, office, commercial and highway sectors accounted for ~70% of the increase. Residential construction was muted. The HCOB Eurozone Construction PMI ended at 43.6 in December 2023 slightly up from 43.4 in the previous month, as firms continued to scale back on input purchases. Housing activity continued the slow development, while commercial works and infrastructure activity declined at softer rates<sup>5</sup>.

In China<sup>6</sup>, a prolonged downturn in the housing market has had a negative impact on domestic construction equipment sales – excavator sales were down 40.8% YoY during 2023FY. Weaker domestic demand has led Chinese OEMs to increase their focus on export markets, with total units of Chinese excavator equipment exports rising by around 60% for 2023FY YoY.

Global mining equipment exports grew by 6% YoY in Q4 on the back of higher exports to North America and Oceania with a mild uptick in metals and minerals prices. The World Bank Metals & Minerals monthly price index ended at 102.4 in December, compared to an average of 100.8 in Q3 and 115.0 during 2022 but remains comfortably above long-term average levels<sup>7</sup>.

Construction and mining equipment manufacturers continue to report high order backlogs for equipment to be delivered in 2023 and beyond<sup>8</sup>. Caterpillar, Terex and Manitowoc reported aggregated construction and mining machinery order backlogs worth \$32.4 billion end Q3 2023, representing decline of 8.7% on the preceding quarter, and down 7.4% compared to Q3 2022 levels.

Global exports of farm machinery declined 11% YoY in Q4, with soft development for tractors in key markets<sup>9</sup>. Total North American tractor sales were down 4.3% in December and down 3.8% for 2023FY with sales diverting by tractor size – sub-100 HP tractors declined, whereas sales of larger units (including 4WD tractors) expanded by 8.2% YoY over the same period. In Europe, the UK market recorded a 2.0% growth for 2023FY with sales up 10.4% in December.

<sup>3</sup> Source(s): S&P Global, national statistical agencies. All import/export data refer to latest available three-month rolling period

<sup>4</sup> Source(s): U.S. Census Bureau, refers to the three-month rolling period ending in September 2023

<sup>5</sup> Source(s): Eurostat

<sup>6</sup> Source(s): China Construction Machinery Association

<sup>7</sup> Source(s): World Bank Commodities Price Data (The Pink Sheet), January 2024

<sup>8</sup> Company financial reports

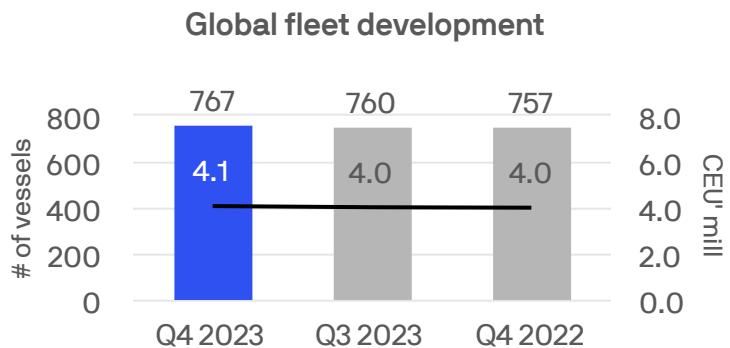
<sup>9</sup> Source(s): AEM, TMA, AEA, SAAMA and KBA.

## Global fleet

The global car carrier fleet (with size >1,000 car equivalent units, "CEU") totaled 767<sup>10</sup> vessels with a capacity of 4.05m CEU at the end of Q4. As per information from Clarkson, seven new large vessels were delivered during Q4.

According to the same source, 34 new orders were confirmed for the official orderbook in Q4 (vessels >1,000 CEU). The orderbook for deep-sea vehicle carriers is now around 192 vessels (>1,000 CEU), representing approximately 37% of the global fleet in capacity terms (CEU).

As per the current delivery schedule some 48 newbuildings are planned for delivery during the remainder of 2024, 65 vessels in 2025, 52 vessels in 2026, 24 vessels in 2027 and 3 vessels in 2028.



The RoRo market is expected to experience high utilization during 2024, in particular the first half of the year, due to deliveries being skewed towards the latter part of the year, continued congestion and expectations of solid cargo volumes.

<sup>10</sup> after reclassification of vessel size to >1000CEU

# Sustainability

After a longer period during the year with a positive downward trend, emissions and carbon intensity increased in Q4. In this period, we saw several abnormal disruptions beyond our control that contributed to the development.

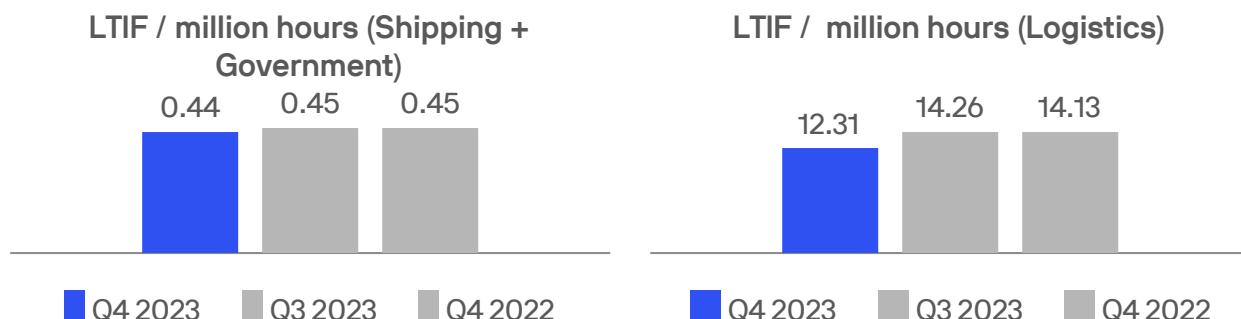
## People

Safety is priority number one. We work diligently to implement measures to ensure consistent and strong safety performance across our operations.

Shipping and governmental services had 2 Lost Time Incidents in Q4, resulting in a lost time injuries frequency (LTIF)<sup>1</sup> of 0.44, which is comparable to our safety performance in previous quarters. None of the LTIs in Q4 were classified as serious.

We experienced one fatality in January 2024 when a crew member of EUKOR's Morning Lisa tragically died while performing cargo operations onboard in the Port of Bremerhaven, Germany. The incident is currently under investigation.

In Logistics, LTIF<sup>2</sup> decreased from 14.26 in Q2 to 12.31 in Q4. Key factors driving LTIF in Logistic include congestion, weather and labor volatility related to holidays. No serious injuries were reported in Q4. We have initiated enhanced safety engagement on sites that underperform relative to overall results. In Americas, we completed the audits and are close to have all our vehicle and processing centers certified to Occupational Health and Safety (ISO 45001). Our transportation activities will be certified in 2024, and global certification will follow.



## Planet

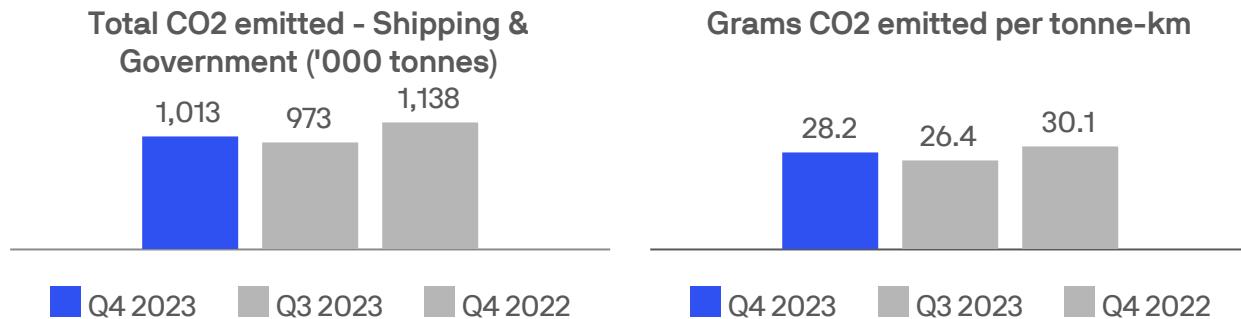
Wallenius Wilhelmsen has for several years been working to reduce our carbon emissions, both on land and at sea. This work will only accelerate as we aspire to lead the way in transforming shipping and logistics.

In 2021, we set a target to reduce our carbon emission intensity by 27.5% by 2030 compared to 2019. Our total CO<sub>2</sub> emissions for Q4 was 1,013 thousand metric tonnes. Our CO<sub>2</sub> intensity in Q4 was 28.2 gCO<sub>2</sub> per tonne-km<sup>3</sup>, significantly below our 2023 intensity target of 31.16 g CO<sub>2</sub> per Tonne-km.

<sup>1</sup> Per million exposure hours, which for our crew means 24 hours a day while at sea, including free time

<sup>2</sup> Per million man-hours, reflects actual hours worked

<sup>3</sup> Energy Efficiency Operational Indicator (EEOI)



After a longer period during the year with a positive downward trend, emissions and carbon intensity increased in the fourth quarter. The month of December recorded the highest fuel consumption in the fleet since March 2023, and transport work throughout the period has also been lower than the average for the year.

In this period, we have seen several abnormal disruptions beyond our control that contributed to the development: transit restrictions in the Panama Canal, high congestion in many Australian ports, and not least our decision to re-route our vessels from the Red Sea around Africa to ensure the safety of the crew. This has led to more positioning voyages, more waiting time, and higher average speed for affected vessels, which drive up consumption per nautical mile and have a negative effect on our emission KPIs. Moreover, towards year-end, the increasing demand for cargo that needed to be shipped and delivered within the year 2023, also led to an overall increase in speed.

The organization works to reduce the effects of these operational factors in the short term, as well as with continuous focus on the long-term initiatives and plans to achieve our overall climate ambitions.

## Prosperity

Our focus is to create long-term value for our stakeholders by solving some of our industry's greatest challenges.

In support of our strategic ambition to offer a net-zero emissions end-to-end service by 2027, the company developed and implemented a Reduced Carbon Service (RCS). It enables our customers to lower their Scope 3 emissions by purchasing shipping services with less carbon emissions. The RCS allocates the emission reductions of utilizing biofuels versus conventional fuels. In 2023, we signed contracts with 14 customers for our RCS service, all of whom began paying for reduced carbon freight as of January 1, 2024. In total we bunkered close to 10,000 mt of B30 fuel on three separate vessels in 2023, and issued our first CO2e reduction declarations to customers in December 2023. The emission bank and the declarations are audited and verified by an independent third party.

## Principles of governance

Wallenius Wilhelmsen adheres to good corporate governance standards to realize our strategy to lead the journey to zero emissions and communicate transparently to our shareholders and other stakeholders.

## Risk update

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

The Group's overall risks are analyzed and reported at business area and corporate levels. The Wallenius Wilhelmsen 2022 Annual Report provides further details about our key risks. For 2024, we foresee a continuation of the tight tonnage situation despite indications of softening world demand for Auto and H&H. Geopolitical unrest, most recently the situation in the Red Sea, and volatile international markets also impact our short-to-medium term risk assessment. See further discussion in our Prospects section.

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

## Related parties

For detailed information on related party transactions, please refer to note 22 Related party transactions in the group's [annual report 2022](#).

# Prospects

We maintain our view that we expect 2024 to be a somewhat stronger year than 2023.

Given expectations of continued customer demand for space on our vessels, we foresee that the tonnage situation for RoRo carriers will remain tight in 2024 and lead to high utilization of our assets. Further, we see continued strong demand for our Logistics and Government services and expect high utilization in these segments as well. In addition, recently renewed commercial contracts are likely to support improved earnings from the renewed volumes in 2024 and beyond.

However, we do see an increased risk linked to geopolitical uncertainty and navigational disruptions across the globe. The most relevant being the security situation in the Red Sea, an area which we are currently avoiding, and the significantly reduced capacity in the Panama Canal. More so, the order book in the car carrier segment has grown further and may have an impact on the market in the medium term. We are also monitoring the macro situation closely.

Lysaker, February 13, 2024

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	Note	Q4 2023	Q4 2022	2023	2022
Total revenue	3	1,281	1,350	5,149	5,045
Operating expenses	3	(827)	(862)	(3,342)	(3,497)
<b>Operating profit before depreciation, amortization and impairment (EBITDA)</b>		<b>454</b>	<b>488</b>	<b>1,807</b>	<b>1,548</b>
Other gain/(loss)	2	(89)	(54)	(6)	(47)
Depreciation and amortization	4, 5, 6	(145)	(144)	(577)	(541)
Impairment	4, 5, 6	(5)	(29)	(5)	(29)
<b>Operating profit (EBIT)</b>		<b>216</b>	<b>261</b>	<b>1,218</b>	<b>931</b>
Share of profit from joint ventures and associates		1	-	3	2
Interest income and other financial items		65	84	122	184
Interest expense and other financial expenses		(110)	(81)	(309)	(288)
<b>Financial items - net</b>	7	<b>(45)</b>	<b>3</b>	<b>(186)</b>	<b>(104)</b>
<b>Profit before tax</b>		<b>172</b>	<b>264</b>	<b>1,035</b>	<b>829</b>
Tax expense	9	(38)	(19)	(68)	(35)
<b>Profit for the period</b>		<b>134</b>	<b>246</b>	<b>967</b>	<b>794</b>
<b>Profit for the period attributable to:</b>					
Owners of the parent		106	203	846	679
Non-controlling interests		28	43	121	116
Basic and diluted earnings per share (USD)		0.25	0.48	2.00	1.60

## Consolidated statement of comprehensive income

USD million	Q4 2023	Q4 2022	2023	2022
Profit for the period	134	246	967	794
<b>Other comprehensive income/(loss):</b>				
<i>Items that may subsequently be reclassified to the income statement:</i>				
Currency translation adjustment	8	11	4	(7)
<i>Items that will not be reclassified to the income statement:</i>				
Changes in the fair value of equity investments designated at fair value through other comprehensive income	(3)	(8)	(3)	(5)
Remeasurement pension liabilities, net of tax	(3)	11	(3)	11
<b>Other comprehensive income/(loss), net of tax</b>	<b>2</b>	<b>14</b>	<b>(1)</b>	<b>(1)</b>
<b>Total comprehensive income for the period</b>	<b>137</b>	<b>260</b>	<b>966</b>	<b>794</b>
 <b>Total comprehensive income attributable to:</b>				
Owners of the parent	109	216	845	679
Non-controlling interests	28	44	121	115
<b>Total comprehensive income for the period</b>	<b>137</b>	<b>260</b>	<b>966</b>	<b>794</b>

## Consolidated balance sheet

USD million	Note	Dec 31, 2023	Dec 31, 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Deferred tax assets	9	53	59
Goodwill and other intangible assets	4	360	395
Vessels and other tangible assets	5	3,871	3,943
Right-of-use assets	6	1,443	1,599
Other non-current assets	2	224	247
<b>Total non-current assets</b>		<b>5,951</b>	<b>6,242</b>
<b>Current assets</b>			
Fuel/lube oil		138	139
Trade receivables		616	605
Other current assets		231	191
Cash and cash equivalents		1,705	1,216
<b>Total current assets</b>		<b>2,690</b>	<b>2,151</b>
<b>Total assets</b>		<b>8,642</b>	<b>8,394</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	8	28	28
Retained earnings and other reserves		3,616	3,125
<b>Total equity attributable to owners of the parent</b>		<b>3,644</b>	<b>3,153</b>
Non-controlling interests		413	355
<b>Total equity</b>		<b>4,056</b>	<b>3,508</b>
<b>Non-current liabilities</b>			
Pension liabilities		39	40
Deferred tax liabilities	9	67	71
Non-current interest-bearing debt	10	1,897	2,200
Non-current lease liabilities	10	1,097	1,254
Other non-current liabilities		63	95
<b>Total non-current liabilities</b>		<b>3,163</b>	<b>3,659</b>
<b>Current liabilities</b>			
Trade payables		103	112
Current interest-bearing debt	10	406	316
Current lease liabilities	10	313	317
Current income tax liabilities	9	37	2
Other current liabilities		564	479
<b>Total current liabilities</b>		<b>1,423</b>	<b>1,226</b>
<b>Total equity and liabilities</b>		<b>8,642</b>	<b>8,394</b>

## Consolidated cash flow statement

USD million	Notes	Q4 2023	Q4 2022	2023	2022
<b>Cash flow from operating activities</b>					
Profit before tax		172	264	1,035	829
Financial (income)/expenses		45	(3)	186	104
Share of net income from joint ventures and associates		(1)	-	(3)	(2)
Depreciation and amortization	4,5,6	145	144	577	541
Impairment		5	29	5	29
(Gain)/loss on sale of tangible assets		(1)	-	(2)	(14)
Change in net pension assets/liabilities		1	(3)	(2)	(12)
Change in derivative financial assets	2	89	54	6	47
Net change in other assets/liabilities		83	76	7	(190)
Tax paid		(18)	(22)	(39)	(35)
<b>Net cash flow provided by operating activities<sup>1</sup></b>		<b>518</b>	<b>540</b>	<b>1,771</b>	<b>1,297</b>
<b>Cash flow from investing activities</b>					
Dividend received from joint ventures and associates		1	-	1	-
Proceeds from sale of tangible assets		2	-	2	45
Investments in vessels, other tangible and intangible assets		(78)	(46)	(163)	(112)
Investment in subsidiaries, net of cash acquired		-	(1)	(13)	(11)
Interest received		20	9	69	15
<b>Net cash flow used in investing activities</b>		<b>(56)</b>	<b>(38)</b>	<b>(104)</b>	<b>(62)</b>
<b>Cash flow from financing activities</b>					
Proceeds from loans and bonds		-	(3)	473	1,002
Repayment of loans and bonds	10	(64)	(131)	(655)	(1,095)
Repayment of lease liabilities <sup>1</sup>	10	(81)	(163)	(319)	(352)
Interest paid including interest derivatives		(55)	(53)	(218)	(189)
Realized other derivatives		(5)	(10)	(30)	(14)
Dividend to non-controlling interests		(2)	(4)	(57)	(16)
Repurchase of own shares	8	-	-	(4)	-
Dividend to shareholders		(144)	(25)	(362)	(63)
Net change in cash collateral	7	17	40	(4)	(2)
<b>Net cash flow used in financing activities</b>		<b>(334)</b>	<b>(349)</b>	<b>(1,177)</b>	<b>(729)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>128</b>	<b>153</b>	<b>490</b>	<b>505</b>
Cash and cash equivalents at beginning of period		1,578	1,063	1,216	710
<b>Cash and cash equivalents at end of period<sup>2</sup></b>		<b>1,705</b>	<b>1,216</b>	<b>1,705</b>	<b>1,216</b>

<sup>1</sup> A reclassification of USD 17 million, between Repayment of lease liabilities and Net change in other assets/liabilities related to Q1 has been reflected in the 2023 YTD figures.

<sup>2</sup> 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 share capital	Retained earnings and other reserves	Total	Non-controlling interests	Total equity
<b>2023</b>								
Balance at December 31, 2022		28	-	28	3,125	3,153	355	3,508
Profit for the period		-	-	-	846	846	121	967
Other comprehensive loss		-	-	-	(1)	(1)	-	(1)
<b>Total comprehensive income</b>		-	-	-	<b>845</b>	<b>845</b>	<b>121</b>	<b>966</b>
Disposal of own shares	8	-	-	-	3	3	-	3
Repurchase of own shares		-	-	-	(4)	(4)	-	(4)
Change in non-controlling interests		-	-	-	5	5	(6)	-
Dividend to owners of the parent		-	-	-	(359)	(359)	-	(359)
Dividend to non-controlling interests		-	-	-	-	-	(57)	(57)
<b>Balance at December 31, 2023</b>		<b>28</b>	-	<b>28</b>	<b>3,616</b>	<b>3,644</b>	<b>413</b>	<b>4,056</b>

USD million	Note	Share Capital	Own shares	Total paid-in capital	Retained earnings and other reserves	Total	Non-controlling interests	Total equity
<b>2022</b>								
Balance at December 31, 2021		28	-	28	2,511	2,539	266	2,804
Profit for the period		-	-	-	679	679	116	794
Other comprehensive loss		-	-	-	-	-	(1)	(1)
<b>Total comprehensive income</b>		-	-	-	<b>679</b>	<b>679</b>	<b>115</b>	<b>794</b>
Disposal of own shares		-	-	-	1	1	-	1
Change in non-controlling interests		-	-	-	(3)	(3)	(8)	(11)
Dividend to owners of the parent		-	-	-	(63)	(63)	-	(63)
Dividend to non-controlling interests		-	-	-	-	-	(16)	(16)
<b>Balance at December 31, 2022</b>		<b>28</b>	-	<b>28</b>	<b>3,125</b>	<b>3,153</b>	<b>355</b>	<b>3,508</b>

## 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 ended December 31, 2022 for Wallenius Wilhelmsen ASA group (the group), which have been prepared in accordance with IFRS® Accounting Standards as adopted 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, 2022.

### 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 most recent 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 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.

The net derivative asset is calculated as the difference between the estimated fair value of the 20% non-controlling interest related to EUKOR and the exercise price of the symmetrical options. The estimated fair value of the 20% non-controlling interest is based on a discounted cash flow model. The exercise price is based on a stipulated methodology based on local legislation in Korea where an important input variable is the taxable results in EUKOR for the three previous calendar years, i.e., 2020, 2021 and 2022, updated only at each year-end, meaning that the exercise price for Q4 2022 through Q3 2023 was calculated based on these results while Q4 2023 is calculated based on EUKOR's taxable results for 2021, 2022, and 2023. More weight is given to more recent years. Further, the calculation is based on KRW figures, which makes the amount subject to USD/KRW currency fluctuations.

During the fourth quarter of 2023, the change in the value of the net derivative was USD 89 million recognized as a loss within Other gain/(loss) in the income statement, compared to a loss

of 54million in the fourth quarter of 2022. The loss for the year ended December 31, 2023 was USD 6 million. Comparatively, the change in value during 2022 resulted in a loss of USD 47 million.

The financial derivative is recognized in Other non-current assets in the balance sheet and has a carrying value of USD 98 million at December 31, 2023, compared to USD 105 million at the end of 2022 and USD 187 million at September 30, 2023.

### 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. The organization of activities and reporting segments are continuously assessed and remain 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 and 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	
	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022
Net freight revenue	827	823	-	-	45	43	-	-	872	866
Fuel surcharges	129	230	-	-	-	2	-	-	130	231
Operating revenue	3	5	261	228	15	20	-	-	279	253
Internal operating revenue	1	3	37	33	21	23	(59)	(59)	-	-
<b>Total revenue</b>	<b>961</b>	<b>1,060</b>	<b>298</b>	<b>261</b>	<b>81</b>	<b>88</b>	<b>(59)</b>	<b>(59)</b>	<b>1,281</b>	<b>1,350</b>
Cargo expenses	(141)	(153)	-	-	(6)	(8)	44	45	(103)	(117)
Fuel	(193)	(241)	-	-	(8)	(9)	-	-	(202)	(249)
Other voyage expenses	(93)	(88)	-	-	(2)	(3)	-	-	(95)	(91)
Ship operating expenses	(61)	(67)	-	-	(22)	(23)	-	-	(83)	(90)
Charter expenses	(33)	(45)	-	-	(2)	(1)	12	12	(22)	(34)
Manufacturing cost	-	-	(97)	(85)	(3)	(2)	1	1	(99)	(86)
Other operating expenses	-	3	(116)	(102)	(1)	(1)	-	-	(117)	(100)
Selling, general and admin expenses	(48)	(42)	(41)	(36)	(5)	(6)	(12)	(12)	(106)	(95)
<b>Total operating expenses</b>	<b>(569)</b>	<b>(634)</b>	<b>(255)</b>	<b>(223)</b>	<b>(49)</b>	<b>(52)</b>	<b>46</b>	<b>47</b>	<b>(827)</b>	<b>(862)</b>
<b>Operating profit/(loss) before depreciation, amortization and impairment (EBITDA)</b>	<b>392</b>	<b>427</b>	<b>43</b>	<b>37</b>	<b>32</b>	<b>36</b>	<b>(13)</b>	<b>(12)</b>	<b>454</b>	<b>488</b>
<b>EBITDA margin (%)</b>	<b>40.8 %</b>	<b>40.2 %</b>	<b>14.4 %</b>	<b>14.3 %</b>	<b>39.6 %</b>	<b>41.0 %</b>	<b>21.6 %</b>	<b>20.0 %</b>	<b>35.4 %</b>	<b>36.2 %</b>
Other gain/(loss)	(89)	(54)	-	-	-	-	-	-	(89)	(54)
Depreciation	(106)	(106)	(20)	(18)	(10)	(9)	1	1	(135)	(132)
Amortization	(1)	(2)	(7)	(8)	(2)	(2)	-	-	(10)	(12)
Impairment	(5)	-	-	(29)	-	-	-	-	(5)	(29)
<b>Operating profit/(loss) (EBIT)</b>	<b>191</b>	<b>265</b>	<b>16</b>	<b>(18)</b>	<b>21</b>	<b>26</b>	<b>(12)</b>	<b>(11)</b>	<b>216</b>	<b>261</b>
Share of profit/(loss) from joint ventures and associates	-	-	1	-	-	-	-	-	1	-
Financial income/(expense)	(25)	6	(14)	(8)	(1)	(2)	(5)	6	(45)	3
<b>Profit/(loss) before tax</b>	<b>166</b>	<b>271</b>	<b>2</b>	<b>(25)</b>	<b>20</b>	<b>24</b>	<b>(17)</b>	<b>(5)</b>	<b>172</b>	<b>264</b>
Tax income/(expense)	(30)	(23)	(16)	(11)	(2)	(1)	10	16	(38)	(19)
<b>Profit/(loss) for the period</b>	<b>136</b>	<b>248</b>	<b>(14)</b>	<b>(36)</b>	<b>18</b>	<b>23</b>	<b>(6)</b>	<b>11</b>	<b>134</b>	<b>246</b>
<b>Profit for the period attributable to:</b>										
Owners of the parent	109	205	(14)	(37)	18	23	(6)	11	106	203
Non-controlling interests	28	43	-	-	-	-	-	-	28	43

### Note 3. Segment reporting - YTD

USD million	Shipping services		Logistics services		Government services		Holding & eliminations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net freight revenue	3,277	3,289	-	-	182	136	-	-	3,459	3,425
Fuel surcharges	588	724	-	-	4	7	-	-	592	732
Operating revenue	7	14	1,024	799	67	77	-	-	1,098	889
Internal operating revenue	8	11	124	112	72	82	(204)	(205)	-	-
<b>Total revenue</b>	<b>3,881</b>	<b>4,038</b>	<b>1,148</b>	<b>911</b>	<b>324</b>	<b>302</b>	<b>(204)</b>	<b>(205)</b>	<b>5,149</b>	<b>5,045</b>
Cargo expenses	(601)	(652)	-	-	(31)	(37)	150	157	(482)	(532)
Fuel	(790)	(1,065)	-	-	(30)	(38)	-	-	(820)	(1,103)
Other voyage expenses	(409)	(399)	-	-	(12)	(13)	-	-	(420)	(412)
Ship operating expenses	(251)	(236)	-	-	(79)	(82)	-	-	(330)	(317)
Charter expenses	(132)	(175)	-	-	(6)	(16)	40	40	(98)	(150)
Manufacturing cost	-	-	(374)	(314)	(8)	(9)	9	7	(373)	(316)
Other operating expenses <sup>1</sup>	(1)	(2)	(442)	(348)	(7)	9	-	10	(450)	(331)
Selling, general and admin expenses	(170)	(150)	(158)	(142)	(21)	(21)	(20)	(23)	(369)	(335)
<b>Total operating expenses</b>	<b>(2,354)</b>	<b>(2,679)</b>	<b>(974)</b>	<b>(803)</b>	<b>(193)</b>	<b>(207)</b>	<b>179</b>	<b>192</b>	<b>(3,342)</b>	<b>(3,497)</b>
<b>Operating profit/(loss) before depreciation, amortization and impairment (EBITDA)</b>	<b>1,527</b>	<b>1,359</b>	<b>174</b>	<b>107</b>	<b>130</b>	<b>95</b>	<b>(25)</b>	<b>(14)</b>	<b>1,807</b>	<b>1,548</b>
<b>EBITDA margin (%)</b>	<b>39.3 %</b>	<b>33.7 %</b>	<b>15.2 %</b>	<b>11.8 %</b>	<b>40.3 %</b>	<b>31.4 %</b>	<b>12.2 %</b>	<b>6.6 %</b>	<b>35.1 %</b>	<b>30.7 %</b>
Other gain/(loss)	(6)	(47)	-	-	-	-	-	-	(6)	(47)
Depreciation	(427)	(395)	(76)	(67)	(36)	(36)	4	1	(536)	(497)
Amortization	(5)	(4)	(30)	(34)	(6)	(6)	-	-	(41)	(45)
Impairment	(5)	-	-	(29)	-	-	-	-	(5)	(29)
<b>Operating profit/(loss) (EBIT)</b>	<b>1,083</b>	<b>913</b>	<b>68</b>	<b>(22)</b>	<b>88</b>	<b>53</b>	<b>(21)</b>	<b>(13)</b>	<b>1,218</b>	<b>931</b>
Share of profit/(loss) from joint ventures and associates	-	-	3	2	-	-	-	-	3	2
Financial income/(expense)	(114)	(63)	(28)	(11)	(2)	-	(42)	(31)	(186)	(104)
<b>Profit/(loss) before tax</b>	<b>969</b>	<b>851</b>	<b>43</b>	<b>(31)</b>	<b>86</b>	<b>53</b>	<b>(62)</b>	<b>(43)</b>	<b>1,035</b>	<b>829</b>
Tax income/(expense)	(53)	(44)	(22)	(5)	(3)	(2)	10	16	(68)	(35)
<b>Profit/(loss) for the period</b>	<b>916</b>	<b>806</b>	<b>21</b>	<b>(35)</b>	<b>82</b>	<b>51</b>	<b>(52)</b>	<b>(27)</b>	<b>967</b>	<b>794</b>
<b>Profit for the period attributable to:</b>										
Owners of the parent	796	691	20	(36)	82	51	(52)	(27)	846	679
Non-controlling interests	120	115	1	-	-	-	-	-	121	116

<sup>1</sup> Sale of a vessel from shipping to government services in Q1 2022 resulted in a USD 10 million loss in the shipping segment included in Other operating expenses. The amount is eliminated at group level

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

USD million	Goodwill	Customer relations/ contracts	Other intangible assets <sup>1</sup>	Total goodwill and other intangible assets
<b>2023</b>				
<b>Cost at January 1</b>	<b>346</b>	<b>421</b>	<b>68</b>	<b>834</b>
Additions	-	-	12	12
Disposal	-	-	(1)	(1)
Reclassification	-	-	-	-
Currency translation adjustment	-	-	-	-
<b>Cost at December 31</b>	<b>346</b>	<b>421</b>	<b>79</b>	<b>846</b>

Accumulated amortization and impairment losses at January 1	(145)	(261)	(33)	(439)
Amortization	-	(34)	(7)	(41)
Impairment	-	-	(5)	(5)
Disposal	-	-	-	-
Reclassification	-	-	-	-
Currency translation adjustment	-	-	-	-
<b>Accumulated amortization and impairment losses at December 31</b>	<b>(145)</b>	<b>(295)</b>	<b>(45)</b>	<b>(485)</b>
<b>Carrying amount at December 31</b>	<b>201</b>	<b>125</b>	<b>34</b>	<b>360</b>

USD million	Goodwill	Customer relations/ contracts	Other intangible assets <sup>1</sup>	Total goodwill and other intangible assets
<b>2022</b>				
<b>Cost at January 1</b>	<b>346</b>	<b>421</b>	<b>58</b>	<b>824</b>
Additions	-	-	8	8
Disposal	-	-	-	-
Reclassification	-	-	2	2
Currency translation adjustment	-	-	-	-
<b>Cost at December 31</b>	<b>346</b>	<b>421</b>	<b>68</b>	<b>834</b>
Accumulated amortization and impairment losses at January 1	(116)	(225)	(28)	(369)
Amortization	-	(36)	(8)	(45)
Impairment <sup>2</sup>	(29)	-	-	(29)
Disposal	-	-	-	-
Reclassification	-	-	4	4
Currency translation adjustment	-	-	-	-
<b>Accumulated amortization and impairment losses at December 31</b>	<b>(145)</b>	<b>(261)</b>	<b>(33)</b>	<b>(439)</b>
<b>Carrying amount at December 31</b>	<b>201</b>	<b>159</b>	<b>35</b>	<b>395</b>

<sup>1</sup> "Other intangible assets" primarily include port use rights and software.

<sup>2</sup> In the fourth quarter of 2023 an impairment loss of USD 5 million was recognized related to intangible assets under development in the Shipping services segment. During the fourth quarter of 2022, a goodwill impairment loss of USD 29 million was recognized in Logistics services.

## Note 5. Vessels and other tangible assets

USD million	Property & land	Other tangible assets	Vessels & docking	Vessel related projects <sup>1</sup>	Total tangible assets
<b>2023</b>					
Cost at January 1	121	117	5,584	8	5,829
Additions	9	17	66	59	151
Disposal	(1)	(6)	(28)	-	(34)
Reclassification	12	(13)	98	(12)	85
Currency translation adjustment	1	2	-	-	3
<b>Cost at December 31</b>	<b>142</b>	<b>118</b>	<b>5,720</b>	<b>54</b>	<b>6,034</b>
Accumulated depreciation and impairment losses at January 1					
	(29)	(52)	(1,806)	-	(1,887)
Depreciation	(9)	(12)	(261)	-	(282)
Disposal	1	5	28	-	33
Reclassification	-	-	(26)	-	(25)
Currency translation adjustment	(1)	(1)	-	-	(2)
<b>Accumulated depreciation and impairment losses at December 31</b>	<b>(38)</b>	<b>(60)</b>	<b>(2,065)</b>	<b>-</b>	<b>(2,163)</b>
<b>Carrying amount at December 31</b>	<b>104</b>	<b>58</b>	<b>3,655</b>	<b>54</b>	<b>3,871</b>
<b>2022</b>					
Cost at January 1	125	92	5,439	1	5,656
Additions	3	33	52	16	103
Disposal	(2)	(6)	(30)	(1)	(39)
Reclassification	-	-	123	(7)	116
Currency translation adjustment	(5)	(1)	-	-	(7)
<b>Cost at December 31</b>	<b>121</b>	<b>117</b>	<b>5,584</b>	<b>8</b>	<b>5,829</b>
Accumulated depreciation and impairment losses at January 1					
	(23)	(43)	(1,557)	-	(1,623)
Depreciation	(9)	(11)	(249)	-	(269)
Disposal	2	1	25	-	28
Reclassification	-	-	(26)	-	(26)
Currency translation adjustment	2	1	-	-	3
<b>Accumulated depreciation and impairment losses at December 31</b>	<b>(29)</b>	<b>(52)</b>	<b>(1,806)</b>	<b>-</b>	<b>(1,887)</b>
<b>Carrying amount at December 31</b>	<b>92</b>	<b>65</b>	<b>3,778</b>	<b>8</b>	<b>3,943</b>

<sup>1</sup> Vessel related projects include installments on newbuilds and scrubber installations

## Note 6. Right-of-use assets

USD million	Property & land	Vessels	Other assets	Total leased assets
<b>2023</b>				
Cost at January 1	553	1,641	44	2,237
Additions	29	-	8	37
Change in lease payments	68	51	1	121
Disposal	(28)	(27)	(4)	(59)
Reclassification	-	(88)	-	(88)
Currency translation adjustment	6	1	-	7
<b>Cost at December 31</b>	<b>628</b>	<b>1,577</b>	<b>49</b>	<b>2,255</b>
Accumulated depreciation and impairment losses at January 1	(158)	(462)	(17)	(637)
Depreciation	(64)	(178)	(11)	(253)
Disposal	25	27	4	56
Reclassification	-	26	-	26
Currency translation adjustment	(2)	-	-	(2)
<b>Accumulated depreciation and impairment losses at December 31</b>	<b>(199)</b>	<b>(588)</b>	<b>(25)</b>	<b>(812)</b>
<b>Carrying amount at December 31</b>	<b>429</b>	<b>990</b>	<b>25</b>	<b>1,443</b>
<b>USD million</b>	<b>Property &amp; land</b>	<b>Vessels</b>	<b>Other assets</b>	<b>Total leased assets</b>
<b>2022</b>				
Cost at January 1	484	1,464	31	1,979
Additions	57	223	4	283
Change in lease payments	39	94	12	145
Disposal	(5)	(21)	(3)	(29)
Reclassification	-	(117)	-	(117)
Currency translation adjustment	(22)	(2)	-	(25)
<b>Cost at December 31</b>	<b>553</b>	<b>1,641</b>	<b>44</b>	<b>2,237</b>
Accumulated depreciation and impairment losses at January 1	(114)	(348)	(10)	(472)
Depreciation	(55)	(161)	(10)	(227)
Disposal	5	21	3	29
Reclassification	-	26	-	26
Currency translation adjustment	6	-	-	6
<b>Accumulated depreciation and impairment losses at December 31</b>	<b>(158)</b>	<b>(462)</b>	<b>(17)</b>	<b>(637)</b>
<b>Carrying amounts at December 31</b>	<b>395</b>	<b>1,178</b>	<b>26</b>	<b>1,599</b>

## Note 7. Financial items - net

USD million	Q4 2023	Q4 2022	2023	2022
Financial income				
Interest income	20	9	69	15
Other financial income	3	2	6	3
<b>Net financial income</b>	<b>23</b>	<b>11</b>	<b>74</b>	<b>17</b>
Financial expenses				
Interest expenses	(63)	(56)	(244)	(179)
Interest rate derivatives - realized	8	3	27	(10)
Interest rate derivatives - unrealized	(23)	2	(17)	111
Other financial expenses	(3)	(8)	(16)	(17)
Loss on sale investments	-	-	-	-
<b>Net financial expenses</b>	<b>(81)</b>	<b>(60)</b>	<b>(251)</b>	<b>(96)</b>
Net currency gain/(loss)	(17)	(7)	21	56
Foreign currency derivatives - realized	(5)	(10)	(30)	(14)
Foreign currency derivatives - unrealized <sup>1</sup>	34	68	(1)	(67)
<b>Net currency</b>	<b>13</b>	<b>51</b>	<b>(10)</b>	<b>(25)</b>
<b>Financial income/(expenses)</b>	<b>(45)</b>	<b>3</b>	<b>(186)</b>	<b>(104)</b>

<sup>1</sup> On December 31, 2023, the group had posted USD 5 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. 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 USD/NOK exchange rate 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 USD/NOK exchange rate decreases.

## Note 8. 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 fourth quarter of 2023 was USD 0.25 compared with USD 0.48 in the same quarter last year. Basic earnings per share for the year ended December 31, 2023 was USD 2.00 compared with USD 1.60 for the year ended December 31, 2022.

In Q2 and Q3 2023, a total of 517,781 own shares were allocated to current and former executives under the group's long-term incentive program.

In September 2023, the board of Wallenius Wilhelmsen ASA initiated a share repurchase program to cover obligations under its long-term incentive scheme. In Q3, the company bought back a total of 500,000 shares with a transaction value of approximately USD 4 million (NOK 44 million) under the repurchase program.

The company's number of shares:	Dec 31, 2023	Dec 31, 2022
Total number of shares (nominal value NOK 0.52)	423,104,938	423,104,938
Own shares	568,338	586,119
	NOK million	USD million
The company's share capital is as follows, translated to USD at the historical exchange rate:	220	28

## Note 9. 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 38 million for the fourth quarter 2023, compared with a tax expense of USD 19 million for the same quarter in 2022. The tax expense for the year ended December 31, 2023 was USD 68 million, compared with USD 35 million in the same period last year. The tax expense in 2023 relates primarily to withholding taxes on dividends paid by subsidiaries, income tax payable in the logistics segment and a reversal of historic deferred tax assets related to non-deductible interest costs carried forward in the Norwegian entities.

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.

The group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Norway, the jurisdiction in which Wallenius Wilhelmsen ASA is incorporated, and will come into effect from 1 January 2024. Since the Pillar Two legislation was not effective at the reporting date, the group has no related current tax exposure. The group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. The group is in

the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. Due to the complexities in applying the legislation, the quantitative impact of the legislation is not yet reasonably estimable.

## Note 10. Interest-bearing debt

USD million	Dec 31, 2023	Dec 31, 2022
Non-current interest-bearing debt	1,897	2,200
Non-current lease liabilities	1,097	1,254
Current interest-bearing debt	406	316
Current lease liabilities	313	317
<b>Total interest-bearing debt</b>	<b>3,713</b>	<b>4,087</b>
Cash and cash equivalents	1,705	1,216
<b>Net Interest-bearing debt</b>	<b>2,007</b>	<b>2,872</b>

### Repayment schedule for interest-bearing debt

USD million	Bank loans	Bonds	Leasing commitments	Other interest bearing debt	Dec 31, 2023
Due in 2024	260	145	313	-	719
Due in 2025	364	-	253	-	617
Due in 2026	267	197	193	-	657
Due in 2027	197	123	138	-	459
Due in 2028 and later	665	99	514	-	1,277
<b>Total repayable interest-bearing debt</b>	<b>1,753</b>	<b>565</b>	<b>1,410</b>	<b>-</b>	<b>3,728</b>
Amortized financing costs	(11)	(5)	-	-	(16)
<b>Total</b>	<b>1,742</b>	<b>560</b>	<b>1,410</b>	<b>-</b>	<b>3,713</b>

### 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, 2022	2,200	316	1,254	317	4,087
Proceeds from loans and bonds	473	-	-	-	473
Repayments of loans, bonds and leases	(50)	(605)	-	(319)	(975)
New lease contracts and amendments, net	-	-	26	128	154
Foreign exchange movements	12	(25)	4	-	(10)
Other non-cash movements	-	(18)	-	-	(17)
Reclassification	(738)	738	(187)	187	-
<b>Total interest-bearing debt December 31, 2023</b>	<b>1,897</b>	<b>406</b>	<b>1,097</b>	<b>313</b>	<b>3,713</b>

USD million	Non-current interest- bearing debt	Current interest- bearing debt	Non-current lease liabilities	Current lease liabilities	Total financing activities
<b>Total debt December 31, 2021</b>	<b>2,158</b>	<b>515</b>	<b>1,218</b>	<b>238</b>	<b>4,128</b>
Proceeds from loans and bonds	916	87	-	-	1,002
Repayments of loans, bonds and leases	-	(1,095)	-	(352)	(1,447)
New lease contracts and amendments, net	-	-	221	265	486
Foreign exchange movements	(63)	(4)	(20)	(1)	(88)
Other non-cash movements	(2)	5	-	-	3
Reclassification	(808)	808	(165)	167	3
<b>Total interest-bearing debt December 31, 2022</b>	<b>2,200</b>	<b>316</b>	<b>1,254</b>	<b>317</b>	<b>4,087</b>

In Q1 2023, EUKOR extended a USD 15 million revolving credit facility in shipping services by 1 year. Wallenius Wilhelmsen ASA established a new 1 year USD 100 million revolving credit facility for general corporate purposes, secured by five previously unencumbered vessels.

In Q2 2023, EUKOR closed a financing of USD 75 million. This was related to refinancing of two vessels and the purchase of a third vessel, which was previously held under a lease agreement.

In Q3 2023, Wallenius Wilhelmsen ASA issued a new 5 year sustainability-linked bond for NOK 1 billion (USD 94 million), while at the same time buying back bond debt of NOK 528 million (USD 50 million) which was to mature in September 2024. Also in Q3 2023, a new 5 year revolving credit facility of USD 345 million was signed in the logistics segment. This refinanced an existing revolving credit facility of USD 320 million.

In Q4 2023 EUKOR extended a revolving credit facility of USD 25m for one year while also signing a new revolving credit facility of USD 25m. WW Ocean signed a new 18 months revolving credit facility of USD 150m, secured in accounts receivable. This refinanced an undrawn revolving credit facility of USD 100m. Wallenius Wilhelmsen ASA cancelled the undrawn revolving credit facility of USD 100 million releasing the encumbrance of 5 vessels.

Undrawn credit facilities were USD 397 million at December 31, 2023 (USD 247 million at December 31, 2022).

At December 31, 2023, the group had 16 unencumbered vessels with a total net carrying value of USD 271 million.

## Note 11. Provisions and contingent liabilities

### Contingent liabilities

The group is sometimes party to lawsuits related to laws and regulations in various jurisdictions arising from the conduct of its business, including on-going class action processes. 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 12. Acquisition of non-controlling interest

In March 2023, the group acquired a further 29.5% of the shares in Syngin Technology, LLC. The remaining 0.5% was acquired in two tranches (September and December 2023), bringing the group ownership to 100% percent as at December 31, 2023. Total consideration (cash) was USD 13 million.

With an existing 70% ownership, the group already controlled Syngin and consolidated the investment as a subsidiary. The acquisition of the non-controlling interest was thus recognized as an equity transaction. Additionally, the non-controlling shareholders had an existing right (put option) to sell some or all of their interest to the group. The reversal of the liability arising from the put option, USD 19 million, resulted in a net gain (finance income) from the transaction of USD 6 million in the first quarter of 2023.

## Note 13. Events after the balance sheet date

In January 2024, the 6,600 CEU, 2006 built vessel Morning Camilla was acquired by the 80% owned subsidiary EUKOR following the exercising of a purchase option at the end of its long-term lease agreement.

In February 2024, ARC acquired M/V Tulane from Wallenius Wilhelmsen Ocean. The sale will lead to an estimated capital gain of USD 12m in the shipping segment in the first quarter of 2024. The gain will be eliminated on a Group level.

Following the end of the quarter, Wallenius Wilhelmsen has announced the signing of multiple contracts valid from 2024 and onwards. The new contracts reflect current market conditions and have durations between two and three years plus potential extension options.

The board propose a dividend of USD 1.14 per share to be paid for full-year 2023 as well as a revised dividend policy to be voted upon at the company's AGM on April 30, 2024.

## 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, 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, 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.

Capital employed (CE) is calculated based on the average of Total assets less Total liabilities plus total interest-bearing debt for the last twelve months. 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.

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 (leverage ratio) is calculated based on the end of period Net interest-bearing debt divided by the rolling 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.

## Net interest-bearing debt

USD million	Dec 31, 2023	Dec 31, 2022
Non-current interest-bearing loans and bonds	1,897	2,200
Non-current lease liabilities	1,097	1,254
Current interest-bearing loans and bonds	406	316
Current lease liabilities	313	317
Total interest-bearing debt	3,713	4,087
Less cash and cash equivalents	1,705	1,216
Net Interest-bearing debt	2,007	2,872

## Net interest-bearing debt divided by last twelve months adjusted EBITDA (leverage ratio)

USD million	2023	2022
Net Interest-bearing debt	2,007	2,872
Last twelve months adjusted EBITDA	1,807	1,528
Net interest-bearing debt/adjusted EBITDA ratio	1.1x	1.9x

## Equity ratio

USD million	Dec 31, 2023	Dec 31, 2022
Total equity	4,056	3,508
Total assets	8,642	8,394
Equity ratio	46.9 %	41.8 %

### Reconciliation of Total revenue to EBITDA and EBITDA adjusted

USD million	Q4 2023	Q4 2022	2023	2022
Total revenue	1,281	1,350	5,149	5,045
Operating expenses	(827)	(862)	(3,342)	(3,497)
EBITDA	454	488	1,807	1,548
EBITDA shipping services	392	427	1,527	1,359
Loss on sale of vessel	—	—	—	10
Anti-trust expense/ (reversal of expenses)	—	—	—	(6)
EBITDA adjusted shipping services	392	427	1,527	1,363
EBITDA logistics services	43	37	174	107
EBITDA adjusted logistics services	43	37	174	107
EBITDA government services	32	36	130	95
Gain on sale of vessel	—	—	—	(14)
EBITDA adjusted government services	32	36	130	81
EBITDA holding/eliminations	(13)	(12)	(25)	(14)
Loss on sale of vessel	—	—	—	(10)
EBITDA adjusted holding/eliminations	(13)	(12)	(25)	(23)
EBITDA adjusted	454	488	1,807	1,528

### Reconciliation of Total revenue to EBIT and EBIT adjusted

USD million	Q4 2023	Q4 2022	2023	2022
EBITDA	454	488	1,807	1,548
Other gain/(loss)	(89)	(54)	(6)	(47)
Depreciation and amortization	(145)	(144)	(577)	(541)
Impairment	(5)	(29)	(5)	(29)
EBIT	216	261	1,218	931
Anti-trust expense/(reversal of expense)	-	-	-	(6)
Gain on sale of vessel	-	-	-	(14)
Change in fair value of derivative financial asset	89	54	6	47
Impairment goodwill and intangible assets	5	29	5	29
Total adjustments	93	83	11	55
EBIT adjusted	309	344	1,229	986
Profit for the period	134	246	967	794
Total adjustments	93	83	11	55
Profit for the period adjusted	228	329	978	850

### Reconciliation of total assets to capital employed and ROCE calculation

USD million	LTM average	
	Q4 2023	Q4 2022
Total assets	8,534	8,116
Less Total liabilities	4,817	5,008
Total equity	3,717	3,108
Total interest-bearing debt	3,850	4,081
Capital employed	7,567	7,189
EBIT last twelve months	1,218	931
EBIT last twelve months adj	1,229	986
ROCE	16.1 %	12.9 %
ROCE adjusted	16.2 %	13.7 %