



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 977 040 329
Organisasjonsform: Aksjeselskap
Foretaksnavn: WÄRTSILÄ VALMARINE AS
Forretningsadresse: Ingeniør Rybergs gate 99
3027 DRAMMEN

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Ulrikke Iversen Hetland
Dato for fastsettelse av årsregnskapet: 03.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 27.06.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3	188 361 000	217 704 000
Sum inntekter		188 361 000	217 704 000
Kostnader			
Varekostnad	18	94 143 000	125 499 000
Lønnskostnad	6	60 121 000	62 923 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	7,8,9	5 608 000	5 095 000
Annen driftskostnad	2,6	35 994 000	36 030 000
Sum kostnader		195 866 000	229 547 000
Driftsresultat		-7 505 000	-11 843 000
Finansinntekter og finanskostnader			
Annen finansinntekt	2	1 319 000	2 538 000
Sum finansinntekter		1 319 000	2 538 000
Annen finanskostnad	2	564 000	882 000
Sum finanskostnader		564 000	882 000
Netto finans		755 000	1 656 000
Ordinært resultat før skattekostnad		-6 750 000	-10 187 000
Skattekostnad på ordinært resultat	10	-1 292 000	-1 311 000
Ordinært resultat etter skattekostnad		-5 458 000	-8 876 000
Årsresultat		-5 458 000	-8 876 000
Andre resultatkomponenter for IFRS-foretak	13,17, 10	3 317 000	-1 406 000
Sum resultatkomponenter for IFRS-foretak		3 317 000	-1 406 000
Totalresultat		-2 141 000	-10 282 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	13	-2 141 000	-10 282 000



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Sum overføringer og disponeringer		-2 141 000	-10 282 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	9	3 000	49 000
Sum immaterielle eiendeler		3 000	49 000
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	7	826 000	0
Right of use assets	7,8	21 513 000	23 732 000
Sum varige driftsmidler		22 339 000	23 732 000
Finansielle anleggsmidler			
Andre fordringer	12	0	26 266 000
Sum finansielle anleggsmidler		0	26 266 000
Sum anleggsmidler		22 342 000	50 047 000
Omløpsmidler			
Varer			
Varer	4	24 726 000	33 505 000
Sum varer		24 726 000	33 505 000
Fordringer			
Kundefordringer	5,16	96 957 000	93 344 000
Andre fordringer	16	11 016 000	45 405 000
Sum fordringer		107 973 000	138 749 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	14	29 084 000	9 171 000
Sum bankinnskudd, kontanter og lignende		29 084 000	9 171 000
Sum omløpsmidler		161 783 000	181 425 000
SUM EIENDELER		184 125 000	231 472 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	13	7 000 000	7 000 000
Annen innskutt egenkapital	13	30 224 000	30 224 000
Sum innskutt egenkapital		37 224 000	37 224 000
Opptjent egenkapital			
Annen egenkapital	13	-4 853 000	15 854 000
Sum opptjent egenkapital		-4 853 000	15 854 000
Sum egenkapital		32 371 000	53 078 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	10	4 185 000	4 735 000
Andre avsetninger for forpliktelser		4 986 000	4 986 000
Sum avsetninger for forpliktelser		9 171 000	9 721 000
Annen langsiktig gjeld			
Lease liability (non-current)	8	16 047 000	21 689 000
Sum annen langsiktig gjeld		16 047 000	21 689 000
Sum langsiktig gjeld		25 218 000	31 410 000
Kortsiktig gjeld			
Leverandørgjeld	5	24 265 000	21 908 000
Betalbar skatt		0	1 093 000
Lease liabilities (current)	8	5 458 000	1 918 000
Other short term liabilities	15	58 078 000	63 126 000
Short term loan & borrowings	12	38 735 000	58 939 000
Sum kortsiktig gjeld		126 536 000	146 984 000
Sum gjeld		151 754 000	178 394 000
SUM EGENKAPITAL OG GJELD		184 125 000	231 472 000



Report from the Board of Directors 2021

Business Concept

Wärtsilä Valmarine AS's main office is located in Drammen. The Company also has a branch office in Bergen.

Wärtsilä Valmarine AS's (*The Company*) principal activities are delivery of navigation and automation systems for the marine, oil and gas industry. The service business covers lifecycle support and technical support to service agreements and condition-based maintenance.

The ultimate parent company is Wärtsilä Corporation which is listed on the Large Cap list of Nasdaq Helsinki.

In 2021, Wärtsilä Corporation's net sales totalled EUR 4.8 billion with approximately 17 800 employees. The Corporation has operations in over 250 locations in more than 70 countries around the world. The Group's Annual Report 2021 is available on web page www.wartsila.com

2021 In Short

During 2021 The Company reported net sales of 188 MNOK which is slightly lower than 2020. Result before tax for the same period was a deficit of 6,7 MNOK.

The Company had been heavily affected by the covid incentives and the service business was struggling to keep running. The measures taken to control the effects has been put in place during the year. In 2021 the business started to show improvements and the Company has been very busy handling the obligations.

In accordance with the Norwegian Accounting Act, the Board of Directors confirms that the going concern assumption, on which the financial statements have been prepared, is appropriate.

The equity and liquidity of The Company is considered to be sound. By the end of 2021, The Company had cash and cash equivalents equal to 29 MNOK.

The New build market is still challenging but with a positive development. There are limited demands for new-build vessels even though high oil prices is expected to drive the market forward. On other segments such as Specials, Cruise and Merchant we see a slightly positive increase in demand for new vessels. The Navy business is showing positive signs and The Company landed several contracts in 2021.



The Service market outlook continues the positive trend with growth opportunities in selected regions and customer segments. Offshore is still suffering from overcapacity, but other segments such as Specials, Cruise and Merchant show healthy improvements.

Financial risk

The Company is exposed to operational financial risk by the nature of the business. Freight rates, currency exchange rates and interest rates may impact the value of The Company's assets, liabilities and future cash flows. To reduce and manage these risk factors, management regularly reviews and reassesses the main market risks. Whenever a major risk factor is identified, actions to reduce the specific threat are considered. The Company is exposed to interest rate risk both through financing and contracts with clients. The Company's hedging strategy is to secure all cash flows with contract amount of more than 40 KEUR, but due to a considerable amount of minor contracts, The Company has decided also to hedge these as the total amount is significant.

The Company's liquidity is considered good. To secure sufficient liquidity towards our vendors, The Group is providing necessary funding in case cash is short for a period of time. In respect to sales to external customers, The Company use prepayment as a payment term, and also bank-guarantees. The sales-invoices are mainly in EURO, USD or NOK, which is hedged primarily with forward exchange contracts.

Directors and officers liability insurance

The Company has in connection with The Group signed a directors and officers liability insurance from XL insurance Company. The limit of the liability is up to 10MEUR for all financial loss covered in the insurance agreement. This is also including defence costs and investigation costs. The insurance is valid all over the world.

Health, Safety, Environmental and Quality

In 2021, Wärtsilä Valmarine AS continued the process of implementing the business management system in compliance with recognized industry standards for HSE and Quality Management. Wärtsilä Valmarine AS has a working environment that is considered to be satisfactory.

The Company's sick leave was higher than the previous year, 5,8% against 4,0% in 2020. The sick leave is mainly due to long term sick leave and Covid. The need for continuous effort to reduce absence due to sickness, continues. The Company has an IA agreement, which will be continued also in 2022.

Safety awareness helps us to reduce risk. The Company is committed to achieve the highest standards of safety and accident prevention, through systematic risk assessment and continuous improvement processes. The Company had no Lost Time injuries during 2021.



The Company ended up with a total of 86 reported WeCares. The system for proper reporting is continuously improved to find measures to reduce accidents from occurring.

Wärtsilä Valmarine AS is proactive in relation to climate challenges. The company policy is to reduce all feasible emissions to air, land and sea.

The Company reports under §29 of the Pollution Control Act. This includes similar requirements for emissions to air and water, as well as noise limits in previous permits. The requirements of this new law is compiled within 2019.

Social Responsibility

Wärtsilä Valmarine AS takes a proactive role to safeguard and integrate the consideration of human rights, labour rights and social conditions.

Regardless of gender, background, religion, nationality or disability, all employees in Wartsila Valmarine has the same rights and possibilities. The Company promotes freedom from discrimination based on race, ethnic or national origin, colour, gender, family status, sexual orientation, creed, disability, age or political beliefs, or other characteristics protected by law. Wartsila Valmarine fosters equal opportunities and employees are selected and treated on the basis of their abilities and merits. The Company continues to employ fair employment practices, and these are in the essence of Wärtsilä's code of conduct. Recruitment & resourcing policies and practices support the actions that encourage the hiring of more females in senior and technical roles.

By the end of 2021, Wartsila Valmarine AS had a total of 44 employees, 3 females and 39 males, 0 part time employees. There were 2 temporary positions, and both were men. Female ratios for the different position levels are: Level 1 – 0%, level 2 – 9%, level 3 – 16%, level 4 – 0% and level 5 – 0%. Average parental leave weeks for females is 0 weeks, for males 15 weeks. A full equality and diversity report for all Wartsila companies in Norway can be found together with Wartsila Norway's financial statements.

Wartsila Valmarine's management group consists of 2 females and 4 males while The Board of Directors consists of 4 males and 2 female. Both the Board and management are familiar with the social expectation for measures to promote gender equality, both within The Company and the Board.

On the Board of Wärtsilä Valmarine AS – Drammen 03.06.2022

Johannes Gerardus Maria Schaminee
Chairman of the Board

Geir Ove Sele (Jun 13, 2022 14:39 GMT+2)

Geir Ove Sele
Board Member



WARTSILA VALMARINE AS



Ulrikke Iversen Hetland

Ulrikke Iversen Hetland (Jun 8, 2022 08:53 GMT+2)

Ulrikke Iversen Hetland
Board Member

Thomas Heldarskard-Winnerskjold (Jun 8, 2022 09:04 GMT+2)

Thomas Heldarskard-Winnerskjold
Board Member

Konstanse Løkken

Konstanse Løkken
Board Member

Jørn Engen

Jørn Engen
Board Member

Atle Ormevik

Atle Ormevik
Managing Director



Wärtsilä Valmarine AS

Financial Statements 2021



Wärtsilä Valmarine AS

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Profit and Loss

NOK '000	Note	2021	2020
REVENUE			
Revenue	3	188 361	217 704
Other Operational Income			-
Total Revenues		188 361	217 704
OPERATING COST			
Cost of sales of goods and providing services	18	94 143	125 499
Personnel expenses	6	60 121	62 923
Other operating expenses	2,6	35 994	36 030
Depreciation and amortisation	7,8,9	5 609	5 095
Total operating expenses		195 866	229 547
Operating profit		(7 505)	(11 843)
FINANCIAL ITEMS			
Financial income	2	1 319	2 452
Financial expenses	2	490	882
Exchange gains (loss)	2	(73)	86
Net financial items		756	1 656
PROFIT BEFORE TAX		(6 750)	(10 186)
Tax on ordinary result	10	(1 292)	(1 311)
PROFIT (LOSS)		(5 458)	(8 875)
OTHER INCOME/ COST			
Changes in fair value of hedging instruments with cash flow hedges	13, 17	4 248	(1 802)
Tax on other comprehensive income	10	(931)	396
Total other income and expenses		3 317	(1 406)
TOTAL RESULT		(2 141)	(10 281)
ALLOCATIONS			
Group Contribution received	13		30 244
Group Contribution given	13		
Dividend payment	13	-	-
Allocated to Other Equity	13		(10 281)
Transferred from Other Equity	13	(2 141)	
Total allocated		(2 141)	19 963



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Balance

NOK '000	Note	2021	2020
ASSETS			
Non current assets			
Intangible assets			
Deferred tax asset	10	-	-
Intangible assets	9	3	49
Fixed assets			
Property, plant & equipment	7	826	-
Right-of-use assets	7,8	21 513	23 732
Financial fixed assets			
Long term receivables	12	-	26 266
		22 342	50 047
Current assets			
Inventories	4	24 726	33 505
Accounts receivables	5,16	96 957	93 344
Other short-term receivables	16	11 016	45 405
Cash and cash equivalents	14	29 084	9 171
		161 783	181 426
Total Assets		184 124	231 473



Wårtsilå Valmarine AS
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Balance

NOK '000	Note	2021	2020
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EQUITY AND LIABILITIES

Equity

Share capital	13	7 000	7 000
Share premium	13	-	-
Other paid in capital	13	30 224	30 224
Total paid in capital		37 224	37 224

Retained earnings	13	(4 853)	15 854
Total equity attributable to equity holders of the Company		32 371	53 078

Liabilities

Non-current liabilities

Deferred tax liabilities	10	4 185	4 735
Lease liabilities (non-current)	8	16 047	21 689
Provisions		4 986	4 986
Other long term liabilities		-	-
Loans & borrowings		-	-
		25 217	31 410

Current liabilities

Trade and other payables	5	24 265	21 908
Current tax liabilities		-	1 093
Lease liabilities (current)	8	5 458	1 918
Other short term liabilities	15	58 078	63 126
Short term loans & borrowings	12	38 736	58 940
		126 536	146 984

Total Equity and Liabilities

184 125 **231 473**

Drammen, 03.06.2022

Johannes Gerardus Maria Schaminee
Chairman of the Board

Geir Ove Sele (Jun 8, 2022 09:23 GMT+2)

Geir Ove Sele
Board Member

Konstanse Løkken
Board Member

Atle Ormevik
Managing Director

Thomas Heldarskard-Winnerskjold (Jun 8, 2022 09:05 GMT+2)

Thomas Heldarskard - Winnerskjold
Board Member

Ulrikke Iversen Hetland (Jun 8, 2022 08:50 GMT+2)

Ulrikke Iversen Hetland
Board Member

Jørn Engen
Board Member



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Cash - flow statement

NOK '000	2021	2020
Cash flows from operating activities		
Operating profit	-7 505	-11 842
Adjustments for:		
Depreciation & Amortisation	5 609	5 095
Loss/gain on sale of fixed assets	0	0
Net cash generated from operations	-1 897	-6 748
Change in short term receivables	-7 999	14 951
Change in inventory	8 780	6 588
Change in other short term liabilities	-680	2 399
Change in trade and other liabilities	2 357	-4 594
Differences in expensed pensions and payments	0	0
	2 458	19 345
Financial expense	-490	-882
Financial income	1 319	2 452
Exchange gains (loss)	-73	86
Taxes paid	-1 093	-1 126
	-337	530
Net cash used in operating activities	223	13 127
Cash flows from investing activities		
Net cash flow from buying and selling intangibles	0	0
Net cash flow from purchasing and sales of fixed assets	-840	0
Net cash flow from purchase and sales of shares	0	0
Net cash flows from long-term interest bearing receivables	0	0
Net cash used in investing activities	-840	0
Cash flows from financing activities		
Changes in short-term debt	-18 245	-24 280
Changes in long-term debt	0	0
Shareholder Contribution	0	0
Received Group Contribution	38 775	0
Net cash from financing activities	20 530	-24 280
Net increase in cash and cash equivalents	19 913	-11 154
Cash and cash equivalents at 1 January	9 171	20 324
Cash and cash equivalents at 31 December	29 084	9 171



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Note 1 General info and summary of significant accounting principles

Wärtsilä Valmarine AS is domiciled in Drammen Kommune, Norway.

The Company is engaged in the development, sales, production and service of navigation systems as well as electrical- and automation systems for the marine, oil and gas industry.

The Financial Statements includes the following:

- Income Statement
- Balance sheet
- Cash Flow analysis
- Notes

The financial statements are prepared by The Board of Management and should be read in context with the Report from The Board of Management.

1.1 The Basis of preparation

The Financial Statements are prepared in accordance with the Norwegian Legislation and the International Financial Reporting Standards (IFRS). Interpretations are adopted by the International Accounting Standard Board (IASB) as approved by the European Union (EU).

The accounts are prepared on a historical cost basis, except for certain financial instruments, measured at fair value.

1.2 Simplified IFRS

The Company has applied the following simplifications to the recognition and valuation rules in IFRS:

- IAS 16 no. 43 departs so that the same assessment of depreciation unit (decomposition) in company accounts are the same as in the consolidated accounts.
- IFRS 9.4.3.3-4.3.7 departs so that it is not considered whether there are embedded derivatives to be separated from the host contract for contracts entered into between group companies.

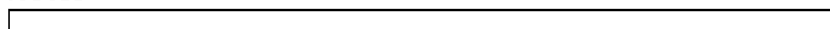
Exemption from simplified IFRS

The Company has elected to record proposed dividend in the balance sheet per year end



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1.3 Classification and valuation of balance sheet items

Current assets and liabilities include items due for payment within one year, and entries related to goods circulation. Other items are classified as fixed assets/ liabilities.

Current assets are valued at the lower of cost and net realizable value. Current liabilities are recognized at their nominal value at the time.

Assets are only recognized if they meet the definition of an asset, it is probably that future economic benefits associated with the asset will flow to The Company and the cost or fair value can be measured reliably.

Assets intended for long- term ownership or use, are classified as non-current. By long- term ownership it is normally mentioned assets held for more than 12 months.

1.4 Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates available at the dates of the transactions. All currency changes raising from the difference in spot rates between Group Treasury and the closing spot, whether unrealized or realized, are continuously booked to profit and loss.

1.5 Use of estimates

The Management uses estimates and assumptions that affect assets, liabilities, revenues, expenses and information on potential liabilities. This especially concern depreciations of fixed assets and assumptions made in relation to write down of shares.

Future events may cause the estimates to change. Estimates and assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period the change occurs. If the change also apply to future periods, the effect of the current and future periods are accrued over the different periods.

1.6 Recognition of revenue

General: Revenue from sale of services is recognized when it is possible that transactions will generate future economic benefits, and the amount can be reliably measured. Revenues are shown as the net value excluding VAT and discounts.



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Revenue recognised over time is measured in accordance with the input method (percentage of completion method based on costs incurred) when the outcome of the contract can be estimated reliably. If revenue for goods and services is recognised at a point in time, it is when control is transferred to the customer. The transfer of control is based mainly on transferring risks and rewards according to the delivery terms.

The Company implemented IFRS 15 effective from 1 January 2019 using the full retrospective method. IFRS 15 is based on the principle that revenue is recognized when control of a good or service is transferred to a customer. The Company is reporting under the new standard using the full retrospective method. The standard was investigated in 2017 and The practical expedient according to IFRS 15.63 concerning significant financing components arising from contracts with customers and the practical expedient stated in IFRS 15.94 according to which an entity can recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity would have recognised is one year or less have been applied. Company found that this did not have any significant impact due to most of the projects being short term orders.

Revenue is presented net of indirect sales taxes, penalties and discounts. Revenue is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

A major share of The Company's contracts are defined as goods in process and are valued at production cost. The revenue are recognised over time. A contract with a customer can internally be divided between several sub-projects related to various deliveries.

Both business areas Marine Solutions and Services do normally use the percentage-of-completion-method on their projects. The basis for this assessment is that the businesses are the driver of the construction and installation of the main project.

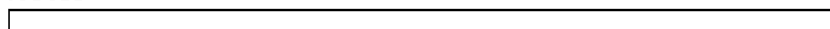
The valuation includes the cost of raw materials, direct salaries and related social costs for employees in manufacturing, engineering and project management, as well as indirect costs. Direct labour including project management is valued at standard hourly cost rates based on an estimated, normal activity level of the business.

Contract balances consist of customer-related assets. When control over goods or services is transferred to a customer before the customer pays the consideration, the receivable is recognised as a contract asset. The contract asset represents the right to future consideration.



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1.7 Assets

Fixed assets excluding investment properties are measured at acquisition costs deducted accumulated depreciations and impairments. When an asset is sold or scrapped, the carrying amount is derecognized and profit or loss booked to income statement.

Acquisition costs for fixed assets are the purchasing price including taxes and costs related to installation to the asset. Maintenance costs are booked to income statement, while other expenses leading to future earnings, will be booked to the balance sheet.

Land is not depreciated. Other fixed assets are reflected in the balance sheet and depreciated to residual value over the asset's expected useful life on a straight-line basis. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period. Additions and movements are added to the asset's cost price and depreciated together with the asset. The split between maintenance and additions/ improvements is calculated in proportion to the asset's condition at the acquisition date.

Impairment test are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cash flows can be identified

Intangible assets acquired separately are capitalized at cost. The cost of intangible assets acquired through acquisitions are recognized at fair value in the opening balance of The Company. Capitalized intangible assets are carried at cost less depreciation and impairment.

Software:

Expenses related to the purchase of new software are capitalized as an intangible asset if these costs are not part of the hardware acquisition costs. Software is depreciated over three years.

Maintenance costs are directly charged unless the change in the software increases the future economic benefit.

1.8 Cash and cash equivalents

The statement of cash flow is presented in accordance with the indirect method.



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Cash and cash equivalents include cash, bank deposits and other short term highly liquid investments that can easily be converted into known amounts of cash, and with maturity date less than three months from acquisition.

1.9 Taxation

The tax expense in the period consists of taxes payable and changes in deferred taxes. Deferred tax assets are recognized when there is a probability that The Company will have a future taxable income. Deferred taxes are based on expected future tax rates where the temporary differences are calculated.

Deferred tax liabilities and assets are measured based on anticipated future tax relating to items on which the temporary difference has arisen. Deferred tax liabilities and assets are recognized at nominal value and are classified as financial assets (non-current liabilities) in the balance sheet. Current and deferred taxes are recognized directly in equity if the tax items relate to equity transactions.

1.10 Inventory

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price for ordinary operations deducted estimated costs of completion, marketing and distribution. Cost is determined using the FIFO method and includes expenses incurred in acquiring the inventories and bringing them to their present location. Manufactured goods include variable and fixed costs that can be allocated based on normal capacity utilization.

1.11 Derivatives and hedge accounting

Derivatives are measured at fair value. Gains and losses from fair value measurement are treated as determined by the purpose of the derivatives. The effects on results of changes in the value of derivatives that are eligible for hedge accounting and that are effective hedging instruments are presented consistently with the hedged item. The effective portion of the change in the fair value is deferred into the cash flow reserve through OCI and will be recognised in profit or loss when the hedged item affects profit or loss. Impact from ineffective hedging instruments is recognised in financial income and expenses immediately.

For derivatives eligible for hedge accounting, The Company documents the relationship between each hedging instrument and the hedged asset upon entering into a hedging arrangement, along



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with the risk management objective and the strategy applied. Through this process, the hedging instrument is linked to the relevant assets and liabilities, projected business transactions or binding contracts. The Company also documents its ongoing assessment of the effectiveness of the hedge regarding the relationship between a change in the derivative's fair value and a change in the value of the hedged cash flows or transactions.

Wärtsilä hedges its sales and purchases in foreign currencies with foreign exchange derivatives or currency options. Certain foreign exchange derivatives are eligible for hedge accounting. Changes in the fair value of derivative contracts designated to hedge future cash flows are recognised in other comprehensive income and presented in the fair value reserve in equity, provided that the hedging is effective. The ineffective portion is immediately recognised in the financial items in the statement of income for the financial period. Changes in fair value due to interest rate differences are recognised in the statement of income. Any gain or loss in the fair value reserve accumulated through other comprehensive income is reported as an adjustment to net sales or material and services in the same period as any transactions relating to the hedged obligations or estimates. Currency forwards are measured at forward rates at the end of the financial period and currency options at their market value at the end of the financial period.

Before a hedging transaction is carried out, The Company assesses whether a derivative is used to:

- a) Hedge the fair value of a recognized asset, liability or a firm commitment
- b) Hedge future cash-flows of a recognized asset or liability, an identified highly probable forecasted transaction or, in the case of currency risk, a firm commitment
- c) Hedge of a net investment in a foreign operation.

In order for The Company to apply hedge accounting, certain conditions need to be met:

- 1) The hedge is expected to be highly effective in offsetting changes in fair value or cash flows from an identified object. Hedge effectiveness must be expected to be between 80-125%
- 2) Effectiveness of the hedge can be reliably measured,
- 3) There is adequate documentation at its inception including that the hedge is effective,
- 4) For cash flow hedges, the preceding transaction must be probable, and

The Company mainly use cash flow hedges (forward contracts) to hedge against currency rate movements. As long as the hedge meet the qualifications, changes in fair value are booked to income statement. When a hedge matures, changes in fair value remain in equity until the object or commitment is cost/revenue recognized.



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1.12 Financial assets and liabilities

The Company's financial assets at amortised cost includes trade receivables and other receivables. Financial assets recognised at fair value through other comprehensive income include derivatives eligible for hedge accounting.

Financial liabilities recognised at amortised cost include trade and other payables, loans and borrowings. Realised and unrealised gains and losses from changes in fair values of derivatives are recognised in the statement of income in the period in which they have arisen.

All accounting principles and estimates were reviewed as part of the transition from NGAAP to IFRS light. The only change in OCI due to the transition to IFRS light was the inclusion of fx hedge as liability per 01.01.2019. Implementation of IFRS 15 did not give raise to any change in OCI per 01.01.2018.

1.13 Accruals

A provision is recognized when The Company has an obligation (legal or constructive) as a result of a past event. An accrual should be considered if it is probable that there will be a financial settlement as a result of this obligation and the amount can be reliably measured. If the effect is significant, provision is determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments.

A provision for warranties is recognized when the underlying products or services will be sold. The provision is based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Provisions for restructuring are recognized when The Company has approved a detailed and formal restructuring plan and restructuring has either started or been publicly announced.

Provisions for onerous contracts are recognized when the group's expected income from a contract is lower than unavoidable costs of meeting the obligations under the contract.

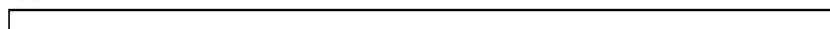
1.14 Investments in other companies

The cost method is applied to investments in other companies.



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1.15 Leasing

Operating leases: Leases where substantially all the risk and rewards of ownership of the asset are not transferred are classified as operating leases. In 2019, The Company implemented IFRS 16 that changes the accounting for operating leases by requiring companies to recognise lease assets and lease liabilities in the balance sheet, initially measured at the present value of unavoidable future lease payments, and to depreciate those assets and interest on lease liabilities in the statement of income over the lease term.

The Company does not hold any financial leases.

1.16 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost.

1.17 Employee Benefits

Pensions

Defined contribution pension plan is recorded for all employees of The Company (previously defined benefit plan). The Company's pension scheme meets the requirements of the Law on Occupational Pensions. The premium is expensed as incurred through operations. Employer's taxes are expensed based on actual paid pension.

Share-based remuneration

Agreements that gives employees (only relevant for two employees) the right to a cash compensation based on share price development in the parent company are treated as compensation expenses in the period of the cash consideration.

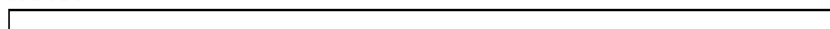
1.18 Government Grants

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and The Company will comply with all attached conditions.



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1.19 Contingent liabilities and assets

Contingent liabilities and assets are not recognized in the financial statement. Information is provided about material contingent liabilities except for contingent liabilities where the probability of the liability is low.

1.20 Equity

Financial instruments are classified as liabilities or equity in accordance with the underlying financial asset.

Interest, dividends, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or income.

A contingent asset is not recognized in the financial statements but disclosed in the notes if there is a certain probability that a benefit will be addressed to The Company.

1.21 Subsequent events

New information after the balance sheet date about The Company's financial position are included in the accounts. Subsequent events that do not affect The Company's financial position at the reporting date, but will affect The Company's future financial position are reported if they are considered significant.



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Note 2 Specification of income statement items

	2021	2020
Other operating expenses		
Other operating expenses	35 768	34 174
Office cost	236	344
Rental cost	956	2 310
Losses on claims and change in provision for bad debts	-966	-798
Total other operating cost	35 994	36 030
Financial items	2021	2020
Interest income from Group Companies	62	104
Other interest income	7	3
Other financial income from Group Companies	1 250	2 345
Total Financial Income	1 319	2 452
Interest Expense to other Group Companies	62	614
Other interest expense	322	114
Other financial expense to Group Companies	3	18
Other financial expense	102	136
Total Financial Cost	490	882
Currency Gains	757	2 285
Currency Loss	830	2 199
Exchange gains (loss)	-73	86

Note 3 Sales Revenue

Business area	2021	2020
Service *)	62 395	75 898
Marine Solutions **)	125 966	141 806
Total Sales Revenue	188 361	217 704

*) Revenues related to retrofits and services related to reconditioning of equipment, routine maintenance on equipment and installation of equipment.

***) Revenues related to the sale of navigation and automation systems

Provisions for warranty liabilities, ref other short term liabilities, on products delivered, amounts to 12,8 MNOK per 31.12.2021 (10,1 MNOK per 31.12.2020).

Geographical distribution	2021		Total	in % av total
	External	Internal		
Africa				0,0 %
America	9 732	4 528	14 260	7,6 %
Asia	3 227	800	4 027	2,1 %
Europe	144 985	25 089	170 074	90,3 %
Total Sales Revenue	157 944	30 417	188 361	100,0 %

Geographical distribution	2020		Total	in % av total
	External	Internal		
Africa				0,0 %
America	6 156	8 152	14 308	6,6 %
Asia	9 870	4 687	14 557	6,7 %
Europe	163 482	25 357	188 839	86,7 %
Total Sales Revenue	179 508	38 196	217 704	100,0 %



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Note 4 Inventory

Stock of goods for production and spare parts are valued at acquiring cost deducted obsolescence. Obsolescence is determined by the item's age.

Finished goods are valued by using the lowest value method of manufacturing cost and net realizable value. Finished goods are defined as goods intended for direct resale or sub-components of these goods.

Goods are valued at manufacturing costs. The valuation includes cost of raw materials, direct salaries and social securities, engineering and project management, as well as indirect cost.

Inventory	31.12.2021	31.12.2020	Change
Inventories of goods for production and spare parts	34 243	45 789	-11 546
Obsolete Provision goods for production and spare parts	-9 518	-12 284	2 766
Finished Goods			0
Devaluation Finished Goods			0
Inventory	24 725	33 506	-8 782

Note 5 Trade and other receivables/ payables

Accounts Receivable	31.12.2021	31.12.2020	Change
Trade receivables	56 051	64 333	-8 282
Unbilled Revenue	29 726	12 923	16 803
Goods in process	11 180	16 088	-4 908
Total Accounts Receivable	96 957	93 344	3 613

Accounts receivable are valued at nominal value less provision for bad debts.

Accounts receivable- provision for bad debts

Provision for bad debts amount to MNOK 0,7 at 31.12.2021 (2020: 1,8MNOK). Change in provision for uncollectable accounts receivable are classified as other operating expenses in the income statement.

Bad debts	2021	2020
New accruals	180	995
Realized losses	0	80
Reversal of previous provisions	-1 146	-1 873
Bad debts in income statement	-966	-798



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Note 5 (continued) Trade and other receivables/ payables

Contract Balances

Contract assets primarily relate to the Group's right to consideration for transferred goods or services, but which is not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. The contract assets arise from long-term service agreements and projects recognised over time. Unbilled revenue, ref accounts receivable, is the net amount of accumulated operating revenue, reduced accumulated invoices for all current contracts, where accumulated operating revenues exceed accumulated invoicing. Advances from customers, ref other payables, is the net amount of accumulated operating revenue minus the invoiced amount for all ongoing contracts where the accumulated invoices exceed the accumulated operating revenue.

	2021	2020
Work in progress - accrued cost	188 153	215 719
Estimated margin on work in progress	55 757	58 300
Total value of work in progress	243 910	274 019

Accounts Payable	31.12.2021	31.12.2020	Change
Accounts payables external	12 959	13 452	-493
Amount due to Group Companies	11 305	8 456	2 849
Total Accounts Payable	24 264	21 908	2 356



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Note 6 - Wages, number of employees, benefits and loans to employees

Salaries	2021	2020
Wages and salaries	50 258	54 447
Social security cost	9 130	7 759
Pension cost	733	717
Other personnel cost	0	0
Total	60 121	62 923

Average number of employees during the fiscal year 55 57

The Managing Director has not received any benefits from the Company

Bonus schemes

Senior executives are participating in the bonus scheme entitling bonuses from 16 % upto 36 % of annual salary based on the achievement of specified objectives related to the company and personal goals.

In 2021, other employees was incorporated in Local variable pay which entitles to payment of up to one month's salary based on the achievement of performance goals related to Wärtsilä Corporation.

Accrued bonuses per 31.12.2021 amount to MNOK 0,6

Audit fees from Auditors	2021	2020
Fees for audit and audit related services, excl VAT	211	259
Tax advisor fees	0	0
Other fees	92	104
Total	303	363



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Note 6 (continued) Wages, number of employees, benefits and loans to employees

Composition of total pensions

The Company's pension plan is a defined contribution plan, and satisfies the requirements in "Lov om obligatorisk tjenstepensjon".

In 2018 The Company chose to change the pension scheme from defined benefit-plan to defined contribution-plan.

In addition to the above, The Company also participates in "AFP- ordning" through "tariffavtale". At the end of 2021, 43 persons are included in this "AFP"- agreement.

With effect from 01.01.2011 The Company was introduced to a new scheme of contractual pensions. The new scheme is a multi-employer-plan and is administered by LO/NHO. In the absence of sufficient information to calculate the required provisions under the new scheme, this is not done per 31.12.2021.

Pension cost	2021	2020
Defined contribution plans	733	717
Total pension cost recognized in the net income	733	717



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Note 7 Tangible assets

	Buildings	Machinery& Equipment	2021 Total
Cost			
At 1. January 2021		-	-
Additions and transfers		840	840
Disposals at cost/ retirement		-	-
Cost at 31 December 2021	-	840	840
Accumulated depreciation and impairment losses at 01.01.2021		-	-
This years depreciation		14	14
Impairment losses		-	-
Disposal of depreciation		-	-
Per 31. December 2021	-	14	14
Carrying amounts at 31. December 2021	-	826	826
Economic life cycle	until 20 years	until 10 years	
Depreciation plan	linear	linear	

NOK '000	Buildings	Machinery& equipment	2020 Total
Cost			
At 1. January 2020		5 876	5 876
Additions and transfers		-	-
Disposals at cost/ retirement		(5 876)	(5 876)
Cost at 31 December 2020	-	-	-
Accumulated depreciation and impairment		5 402	5 402
This years depreciation		212	212
Impairment losses		-	-
Disposal of depreciation		(5 614)	(5 614)
Per 31. December 2020	-	-	-
Carrying amounts at 31. December 2020	-	-	-
Economic life cycle	until 20 years	until 10 years	
Depreciation plan	linear	linear	



Note 8 Leases

	Land and buildings	Machinery & equipment	2021 Total
<i>Carrying amount, Right-of-use assets</i>			
At 1. January 2021	23 732		23 732
Additions	3 193	136	3 329
Depreciations and impairment	(5 531)	(17)	(5 548)
Decreases and reclassifications	-	-	-
At 31. December 2021	21 394	119	21 513
<i>Carrying amount, Lease liabilities</i>			
At 1. January 2021	23 607		23 607
Additions	3 193	136	3 329
Interest expense	312	1	313
Payments	(5 727)	(18)	(5 745)
Other adjustments			
At 31. December 2021	21 385	119	21 504
<i>Total lease liabilities</i>			
			16 047
Non-current			5 458
Current			
<i>Amounts recognised in profit and loss</i>			
			5 548
Depreciation and impairment of right-of-use assets			313
Interest expense			993
Expense - short-term leases			381
Expense - low-value assets			(418)
Expense - variable lease payments			6 817

	Land and buildings	Machinery & equipment	2020 Total
<i>Carrying amount, Right-of-use assets</i>			
At 1. January 2020	25 986		25 986
Additions	2 262		2 262
Depreciations and impairment	(4 517)		(4 517)
Decreases and reclassifications	-	-	-
At 31. December 2020	23 731	-	23 731
<i>Carrying amount, Lease liabilities</i>			
At 1. January 2020	26 033		26 033
Additions	2 262		2 262
Interest expense	91		91
Payments	(4 780)		(4 780)
Other adjustments			
At 31. December 2020	23 606	0	23 606
<i>Total lease liabilities</i>			
			21 689
Non-current			1 918
Current			
<i>Amounts recognised in profit and loss</i>			
			4 517
Depreciation and impairment of right-of-use assets			91
Interest expense			900
Expense - short-term leases			783
Expense - low-value assets			627
Expense - variable lease payments			6 918



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Note 9 Intangible Assets

	Research and Development	2021 Total
Cost		
At 1. January 2021	2 992	2 992
Additions and transfers		
Disposals at cost/ retirement		-
Cost at 31 December 2021	2 992	2 992
Accumulated depreciation and impairment losses at 01.01.2021	2 943	2 943
This years depreciation	46	46
Disposal of depreciation		-
Cost at 31 December 2021	2 989	2 989
Carrying amount 31. December 2021	3	3

	Research and Development	2020 Total
Cost		
At 1. January 2020	2 992	2 992
Additions and transfers		
Disposals at cost/ retirement		-
Cost at 31 December 2020	2 992	2 992
Accumulated depreciation and impairment losses at 01.01.2020	2 839	2 839
This years depreciation	104	104
Disposal of depreciation		-
Cost at 31 December 2020	2 943	2 943
Carrying amount 31. December 2020	49	49
Expected economic life	Up to 15 years	
Depreciation schedule	Linear	



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Note 11 Pledges and guarantees

	31.12.2021	31.12.2020
Guarantees that are not recognized		
Guarantee for payment of tax per 31.12		
Parent Company guarantee	3 311	3 311
Guarantees prepayments from customers	23 477	31 091
Total	26 788	34 402

The Company has no assets as security for long-term or short-term debt as of 31.12.2021

The Company did not pledge collateral or guarantees in favour of group companies per 31.12.2021

Note 12 Balances with group companies

	31.12.2021	31.12.2020
Trade receivable	11 251	12 438
Other receivable/ Group Contribution	-	65 041
Trade Payables	11 305	8 456
Other short term debt *)	38 736	58 936

*) Other short term debt per 31.12.2021

Loan from Wärtsilä Corporation, Group Treasury

Amount	Interest	Due Date
0		



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Note 13 Equity and shareholders information

Equity	Share capital	Share premium account and other paid in capital	Retained earnings	Total
Equity per 01.01.2021	7 000	30 224	15 854	53 078
Annual result			-5 458	-5 458
Group contribution		0		0
Dividends			-18 566	-18 566
	7 000	30 224	-8 170	29 054
Hedging gains and losses 2021			3 317	3 317
Effects of first time adoption of IFRS				0
Equity per 31.12.2021	7 000	30 224	-4 853	32 371

Other income and expenses in the income statement related to the change in fair value of the hedging instrument in a cash flow hedge

Share Capital in Wärtsilä Valmarine AS per 31.12.2021	No of shares	Nominal value	Carrying amount
Sum	100	70	7 000

Shareholders information

Wärtsilä Technology Oy, holds 100% of the shares in the Company. Wärtsilä Valmarine AS is included in the consolidated financial statement for Wärtsilä Corporation, Finland. The consolidated financial statements are available at www.wartsila.com. The consolidated financial statements are presented in other currency, EUR, than the company accounts.



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Note 14 Cash and cash equivalents

	31.12.2021	31.12.2020
Restricted bank deposits	2 338	2 569
Balance in Group Account	26 746	6 602
Total	29 084	9 171

The Company participates in the cash pool arrangement with the parent company in Finland. The amount on the consolidated account are presented as bank deposits.

Note 15 Current liabilities

	31.12.2021	31.12.2020
Provision accrued project-cost	31 987	44 603
Provision Wages and Holiday Pay	6 548	6 588
Other accruals	15 979	8 035
Payable Group Contribution	-	-
Payable Dividends	-	-
Public duties	3 564	3 899
Total other short term liabilities	58 078	63 125

Note 16 Receivables

	31.12.2021	31.12.2020
Trade receivables	96 957	93 344
Advances paid on inventory	-	-
Prepaid expenses and other receivables	9 975	6 245
Receivables Group Contribution	-	38 775
Accounts receivable VAT/ taxes	2 134	385
Total trade and other receivables	109 066	138 749



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Note 17 Financial Risk Management

Financial risk Factors

The Company is exposed to a variety of financial risks, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk through the operational business. The Wärtsilä Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on both the Group's and also the Company's financial performance.

To reduce and manage these risks, certain procedures for risk-management are adopted by the Company and undertaken by a Central Finance-department in co-operation with the individual operating units.

The main financial risks the Company is exposed to are interest rate risk, liquidity risk, currency risk and credit risk. The Company's management team has an ongoing assessment of the risks and has established guidelines for how they should be handled.

The Company uses financial instruments to hedge risks associated with changes in foreign currency.

(i) Credit risk

The Company is exposed to credit risk through its trade receivables. The Company mainly trades with creditworthy third-parties which has been pre-approved to reduce this risk. Exposure to bad debt is steady at a relatively low level due to differences in the credit risk in the customer group.

(ii) Cash flow and fair value Interest rate risk

The Company's exposure to the risk of moving market interest rates are mainly related to the Company's short term obligations with floating interest rates. Borrowings issued at variable rates expose the Company to fair value interest rate risk. The Company has currently no external debt.

(iii) Liquidity risk

The Company's strategy to cope with liquidity risk is always to have cash in hand. This is controlled by regularly cash/currency calculations and funds can be arranged via short term-loans from Corporate.

(iv) Market Risk

Foreign exchange risk: The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to NOK, USD, and EURO.

Foreign exchange risk arises when future commercial transactions recognised as assets or liabilities are denominated in a currency that is not the Company's functional currency. The Company aims to achieve a natural hedge between cash inflows and cash outflows while the remaining exposure is hedged mainly using forward contracts.

The Company's risk management policy is to hedge anticipated transactions in each major currency.

Price risk: The Company is exposed to commodity price risk at two main levels:

The demand for new builds is sensitive to oil price development, fluctuations in production levels and general activity within the oil industry.

The cost of construction of future units is sensitive to changes in market prices of the input factors.

(v) Other

Fair value of derivatives are recognized directly in equity to avoid fluctuations in profit and loss.

Hedge- activities- cash flow hedges

All contracts are recognised at fair value and net unrealized gains on cash flow hedges are accrued in equity.

For contracts accrued for by the complete-contract method, unrealized gain/ loss is fully booked to equity. These accruals are reversed via income statement when delivery takes place. For projects which are recorded under the percentage-of-completion method, unrealized gains and losses are reversed according to the percentage calculated by revenue recognition.

	31.12.2021	31.12.2020	Change
The fair value of forward contracts recognized in equity (in KNOK)	-1 368	-5 616	4 248



Wärtsilä Valmarine AS Financial Statements 2021

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Note 18 Transactions with related parties

Wärtsilä Group is a global leader in complete energy solutions for the marine and energy market. Our solutions support our customers throughout the product lifecycle. By emphasizing technological innovation and total efficiency, Wärtsilä maximizes the environmental and economic results of client's vessels and power plants.

In 2021 Wärtsilä Group had a net sale of EUR 4.778 Million and nearly 18,000 employees. The Group has operations in over 200 locations in 80 countries around the world. Wärtsilä is listed on Nasdaq OMX Helsinki, Finland.

Wärtsilä Valmarine AS has two different business areas: New build and Services.

New build contribute to the Group's strategy of engineering, research and development of navigation-systems for the marine and cruise market

Services perform a wide range of services to existing facilities

By the end of 2021 the Company had 44 employees.

Total net sales to other Group Companies amounted to MNOK 30 in 2021 (MNOK 41 in 2020).

The most significant sales- transactions with related parties are (in KNOK):

Wärtsilä APSS Srl	13 420
Sam Electronics GMBH	9 628
Wärtsilä Finland Oy	4 913

Total procurement of goods and services from other Group companies amounts to 47 MNOK in 2021 (MNOK 56 in 2020).

The most significant acquisitions from related parties are (KNOK)

Wärtsilä Corporation Oy	18 768
Wärtsilä Finland Oy	8 546
Wärtsilä APSS Srl	5 989

Marine Solutions in Norway buys equipment from other affiliates in those cases where they have contract with a 3rd party. Purchases related to Wärtsilä Corporation are basically Management and IM fee offered by the headquarter



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Note 19 Subsequent events

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. By the reporting in 2021 the war in Ukraine and the suspensions against Russia is heavily impacting the market. There are very limited direct impact on the company, but there will be indirect consequences in the form of high oil prices, high raw material prices, fluctuations in interests, and increasing inflation. These impacts are hard to control, but the corporation is monitoring closely and takes action when necessary



To the General Meeting of Wärtsilä Valmarine AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Wärtsilä Valmarine AS (the Company), which comprise the balance as at 31 December 2021, the profit and loss and cash flows statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

PricewaterhouseCoopers AS, Strømsø Torg 9, Postboks 2078 Strømsø, NO-3003 Drammen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Drammen, 3 June 2022

PricewaterhouseCoopers AS

Paal Ødegård

State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning 2021

Signers:

Name	Method	Date
Ødegård, Paal	BANKID_MOBILE	2022-06-15 13:02

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Skatteetaten

Vår dato 25.04.2019	Din/Deres dato 11.04.2019	Saksbehandler Torstein Kinden Helleland
800 80 000 Skatteetaten.no	Din/Deres referanse Ulrikke iversen Hetland	Telefon 22078139
Org.nr 974761076	Vår referanse 2019/5861901	Postadresse Postboks 9200 Grønland 0134 OSLO

WÄRTSILÄ VALMARINE AS
Postboks 881
3007 DRAMMEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Wärtsilä Valmarine Holdings AS, org.nr. 986 552 706

Vi viser til deres brev av 11. april 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Wärtsilä Valmarine Holdings AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Wärtsilä Valmarine Holdings AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden gjengis:

Wärtsilä Marine Holdings AS norsk aksjeselskap med hovedkontor i Drammen. Selskapet er heleid datterselskap av Wärtsilä Technology Oy, igjen eid av Wärtsilä Finland Oy, begge hjemmehørende i Finland, og notert på Helsinki Børs.

Wärtsilä Finland Oy utarbeider konsernregnskap for alle selskaper i gruppen. Konsernregnskapet omfatter også Wärtsilä Marine Holdings AS. Konsernregnskapet utarbeides på engelsk.

Våre kunder strekker seg alt fra lokale rederiselskaper, til store internasjonale konsernselskaper— ofte involvert i olje- og gassvirksomhet, samt shippingvirksomhet. Kommunikasjonen med våre kunder og samarbeidspartnere foregår på engelsk.

Selskapet har virksomhet som strekker seg internasjonalt. Vi leverer mye til Italia, samt at vi har serviceteknikere som reiser world-wide for å utføre serviceoppdrag for kunder.

Som presentert over er brukerne av vårt regnskap i stor grad utenlandske selskaper og personer.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."



I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er et datterselskap til et utenlandsk selskap. Selskapets virksomhet er internasjonal. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Henning Stokke
seniorrådgiver
Juridisk avdeling
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.