



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	940 193 575
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	WÄRTSILÄ NORWAY AS
Forretningsadresse:	Wichmannvegen 3 5420 RUBBESTADNESET

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Morselskap i konsern:	Nei
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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:	Hans Petter Nesse
Dato for fastsettelse av årsregnskapet:	14.06.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 29.06.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Revenue		2 122 744 197	1 604 454 300
Other income		192 272 595	173 056 689
Sum inntekter		2 315 016 793	1 777 510 989
Kostnader			
Raw materials and consumables used		1 355 520 948	920 237 589
Payroll expense		522 250 211	499 584 334
Depreciation		24 477 559	25 201 025
Other operating expenses		223 749 009	255 921 557
Sum kostnader		2 125 997 726	1 700 944 505
Driftsresultat		189 019 066	76 566 484
Finansinntekter og finanskostnader			
Annen renteinntekt		9 265 786	7 193 157
Other financial income		17 491 265	11 586 318
Sum finansinntekter		26 757 051	18 779 476
Annen rentekostnad		5 755 056	6 006 986
Other financial expenses		9 069 915	13 911 671
Sum finanskostnader		14 824 971	19 918 656
Netto finans		11 932 080	-1 139 181
Ordinært resultat før skattekostnad		200 951 146	75 427 303
Income tax expense		44 585 680	19 822 077
Ordinært resultat etter skattekostnad		156 365 466	55 605 226
Årsresultat		156 365 466	55 605 226
Årsresultat etter minoritetsinteresser		156 365 466	55 605 226
Cash flow hedges		695 466	-8 873 363
Income tax relating to components of OCI		-153 004	1 952 139



Resultatregnskap

Beløp i: NOK	Note	2023	2022
Sum resultatkomponenter for IFRS-foretak		542 462	-6 921 224
Totalresultat		156 907 928	48 684 002
Overføringer og disponeringer			
Ordinært utbytte			59 000 000
Avgitt konsernbidrag		102 570 000	
Other equity		54 337 928	
Transferred from other equity			-10 315 998
Sum overføringer og disponeringer		156 907 928	48 684 002



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Development		3 467 108	5 740 548
Utsatt skattefordel		17 472 802	18 773 858
Goodwill		184 543 069	184 543 069
Sum immaterielle eiendeler		205 482 979	209 057 475
Varige driftsmidler			
Machinery and equipment		30 530 409	29 800 269
Right-of-use assets		91 734 620	95 997 231
Sum varige driftsmidler		122 265 029	125 797 500
Finansielle anleggsmidler			
Investments in shares		1 576 000	1 576 000
Sum finansielle anleggsmidler		1 576 000	1 576 000
Sum anleggsmidler		329 324 007	336 430 975
Omløpsmidler			
Varer			
Sum varer		344 530 153	225 296 914
Fordringer			
Accounts receivables		244 913 296	200 722 798
Other short-term receivables		95 376 106	83 602 720
Konsernfordringer		498 178 216	481 893 259
Sum fordringer		838 467 617	766 218 776
Cash and cash equivalents			
Sum omløpsmidler		1 182 997 770	991 515 690
SUM EIENDELER		1 512 321 777	1 327 946 666

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2023	2022
Egenkapital			
Innskutt egenkapital			
Share capital		60 000 000	60 000 000
Overkurs		22 325 000	22 325 000
Annen innskutt egenkapital		168 770 390	168 770 390
Sum innskutt egenkapital		251 095 390	251 095 390
Opptjent egenkapital			
Other equity		159 289 329	104 951 395
Sum opptjent egenkapital		159 289 329	104 951 395
Sum egenkapital		410 384 719	356 046 785
Gjeld			
Langsiktig gjeld			
Other provisions		31 200 696	38 493 593
Sum avsetninger for forpliktelser		31 200 696	38 493 593
Annen langsiktig gjeld			
Obligasjonslån		87 868 330	87 343 771
Sum annen langsiktig gjeld		87 868 330	87 343 771
Sum langsiktig gjeld		119 069 027	125 837 364
Kortsiktig gjeld			
Sertifikatlån		16 823 656	15 025 233
Liabilities to group companies		631 360 779	392 100 521
Leverandørgjeld		50 839 900	56 457 810
Tax payable		7 546 440	14 985
Public duties payable		34 598 006	30 706 468
Utbytte			59 000 000
Other current liabilities		241 699 250	292 757 499
Sum kortsiktig gjeld		982 868 032	846 062 516
Sum gjeld		1 101 937 058	971 899 881
SUM EGENKAPITAL OG GJELD		1 512 321 777	1 327 946 666



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 26.02.2016	Vår dato 29.02.2016
Telefon 22078139	Deres referanse Rita Viste Bratland	Vår referanse 2016/179268

WARTSILA NORWAY AS
Wichmannvegen 1
5420 RUBBESTADNESET

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Wärtsilä Norway AS, org. nr. 940 193 575

Vi viser til deres brev av 26. februar 2016 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Wärtsilä Norway AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Wärtsilä Norway AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at 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

Wärtsilä Norway AS er heleid av Wärtsilä Technology Oy Ab, hjemmehørende i Finland. Dette selskapet er i sin tur heleid datterselskap av Wärtsilä Finland Oy, også hjemmehørende i Finland, og notert på Helsinki Børs. Selskapets arbeidsspråk er engelsk. Kundene er alt fra lokale rederiselskaper, til store internasjonale selskaper innen olje- og gassvirksomhet, samt shippingvirksomhet. En stor del av selskapets omsetning skjer i tillegg mot andre Wärtsilä-selskaper, hjemmehørende i utlandet. Selskapets virksomhet er internasjonal. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

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 m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



”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 eid av et utenlandsk selskap. Eierkretsen er begrenset. Selskapet opererer i en internasjonal bransje. 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 henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



To the General Meeting of Wärtsilä Norway AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Wärtsilä Norway AS (the Company), which comprise the balance sheet as at 31 December 2023, the profit and loss, statement of other comprehensive income/cost and cash-flow 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 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

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 relevant laws and regulations in Norway 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 statutory requirements.

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 simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, 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.

PricewaterhouseCoopers AS, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger

T: 02316, org. no.: 987 009 713 MVA, www.pwc.no

Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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>

Stavanger, 14 June 2024
PricewaterhouseCoopers AS

Tom Notland
State Authorised Public Accountant
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Notland, Tom	BANKID	2024-06-14 10:21

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Wärtsilä Norway AS

Financial Statements 2023



Wärtsilä Norway AS

Financial Statements 2023

Profit and Loss

NOK '000	Note	2023	2022
REVENUE			
Sales Revenue	2,3	2 122 744	1 604 454
Other Operational Income	4	192 273	326 461
Total Revenues		2 315 017	1 930 915
OPERATING COST			
Raw materials and consumables used	3	(1 355 521)	(1 073 642)
Payroll expense	5	(522 250)	(499 586)
Depreciation and amortisation	6,7,8	(24 478)	(25 201)
Other operating expenses	5,9	(223 749)	(255 920)
Total operating expenses		(2 125 998)	(1 854 349)
Operating profit		189 019	76 566
FINANCIAL ITEMS			
Other interest income	10	9 266	7 193
Other financial income	10	17 491	11 586
Other interest expenses	10	(5 755)	(5 995)
Other financial expenses	10	(9 070)	(13 923)
Net financial items		11 932	(1 139)
PROFIT BEFORE TAX		200 951	75 427
Tax on ordinary result	11	44 585	19 822
PROFIT (LOSS)		156 367	55 605
OTHER COMPREHENSIVE INCOME/ COST			
Changes in fair value of hedging instruments with cash flow hedges	12	695	(8 873)
Tax on other comprehensive income	11	(153)	1 952
Total other comprehensive income and expenses		542	(6 921)
TOTAL RESULT		156 909	48 684
ALLOCATIONS			
Group Contribution given	13	102 570	27 300
Dividend payment	13	-	59 000
Allocated to/from Other Equity	13	54 339	(37 616)
Total allocated		156 909	48 684



Wärtsilä Norway AS

Financial Statements 2023

Balance sheet

NOK '000	Note	2023	2022
Assets			
Non-current assets			
Intangible assets			
Development	8	3 467	5 741
Deferred tax asset	11	17 473	18 774
Goodwill	8	184 543	184 543
Total intangible assets		205 483	209 058
Fixed assets			
Right-to-use assets	7	91 735	95 997
Property, plant & equipment	6	30 530	29 800
Total fixed assets		122 265	125 797
Financial fixed assets			
Investments		1 576	1 576
Total financial fixed asset		1 576	1 576
Total non-current assets		329 324	336 431
Current assets			
Inventories	14	344 530	225 297
Debtors			
Accounts receivables	15	244 913	200 723
Other short term receivables	15,16	95 376	83 603
Receivables from group companies	15,17	498 178	481 893
Total current assets		838 468	766 219
Total Assets		1 512 322	1 327 947

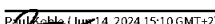


Wärtsilä Norway AS
Financial Statements 2023

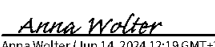
Balance sheet

NOK '000	Note	2023	2022
Equity and liabilities			
Equity			
Share capital	13	60 000	60 000
Share premium	13	22 325	22 325
Other paid-in capital	13	168 770	168 770
Total paid-in capital		251 095	251 095
Retained earnings	13	159 290	104 951
Total equity attributable to equity holders of the Company		410 385	356 047
Liabilities			
Other provisions		31 201	38 494
Other non-current liabilities			
Lease liabilities (non-current)	7	81 818	87 344
Long term debt		6 050	-
Total non-current liabilities and provisions		119 069	125 838
Current liabilities			
Lease liabilities (current)	7	16 824	15 025
Liabilities to group companies	15,18	631 361	392 132
Trade payables		50 840	56 458
Tax payable	11	7 546	15
Public duties payable		34 598	30 706
Dividends	13	-	59 000
Other current liabilities	15,19	241 699	292 726
Total current liabilities		982 868	846 062
Total liabilities		1 101 937	1 010 393
Total Equity and Liabilities		1 512 322	1 327 947

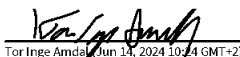
Bømlo, 14.06.2024


Paul Kohle (Jun 14, 2024 15:10 GMT+2)

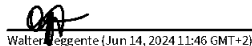
Paul Kohle
Chairman of the Board


Anna Wolter (Jun 14, 2024 12:19 GMT+2)

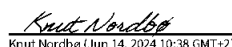
Anna Wolter
Board Member


Tor Inge Amdal (Jun 14, 2024 10:24 GMT+2)

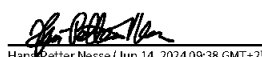
Tor Inge Amdal
Board Member


Walter Reggente (Jun 14, 2024 11:46 GMT+2)

Walter Reggente
Board Member


Knut Nordbø (Jun 14, 2024 10:38 GMT+2)

Knut Nordbø
Board Member


Hans Petter Nesse (Jun 14, 2024 09:38 GMT+2)

Hans Petter Nesse
Managing Director



Wärtsilä Norway AS Financial Statements 2023

Cash-flow statement

NOK '000	2023	2022
Cash flows from operating activities		
Profit before tax	200 950	75 426
Income tax paid	-1 336	-7 458
Loss/gain on sale of fixed assets	0	0
Depreciation & Amortisation	24 478	25 201
Change in inventory	-119 233	-31 396
Change in receivables including Bank deposits with Group Treasury	-44 191	-177 444
Change in accounts payable	-5 618	61 494
Change in working capital and provisions	104 160	127 914
Net cash from operating activities	159 210	73 737
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	-5 985	-2 750
Net cash flow from purchase and sales of shares	0	0
Net cash flows from long-term interest bearing receivables	0	0
Net cash from in investing activities	-5 985	-2 750
Cash flows from financing activities		
Changes in short-term debt	0	0
Changes in long-term debt	-10 364	-13 987
Paid dividend/group contribution	-94 000	-57 000
Decrease Bank deposits with Group Treasury	-48 860	0
Net cash from financing activities	-153 224	-70 987
Net increase in cash and cash equivalents	0	0
Cash and cash equivalents at 1 January	0	0
Cash and cash equivalents at 31 December	0	0



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Wartsila Norway AS
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Notes

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Note 1 General info and summary of significant accounting principles

Wartsila Norway AS is domiciled in Bømlo Kommune, Norway.

The Company is engaged in the development, sales, production and service of propulsion 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

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

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.



Wartsila Norway AS
Financial Statements 2023

Notes

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

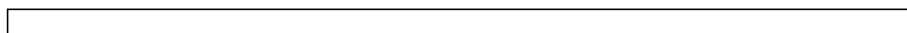
Revenue is presented net of indirect sales taxes, penalties and discounts. Revenue is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

Product sales consist of sales of spare parts and standard equipment, for which the revenue is recognised at a point in time when the control of the product has transferred to the customer, in general upon delivery of the goods. Product sale contracts generally include one performance obligation.



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Goods and services-type of revenue involves short-term field service jobs, which include the delivery of a combination of service and equipment. The revenue is recognised at a point in time when the service is rendered. Goods and service-type contracts generally include one performance obligation.

Projects contain short- and long-term projects. Depending on the contract terms and the duration of the project, the revenue is recognised at a point in time or over time. Project contracts generally represent one performance obligation but can under certain circumstances contain multiple performance obligations in the Marine business, when a contract contains multiple units of delivery.

Long-term agreements contain long-term operating and maintenance agreements for which the revenue is recognised over time.

Contracts with customers often include warranties in line with Wärtsilä's General terms and conditions, which are regarded as part of the promise to the customer.

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 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.

1.7 Property, plant and equipment

Property, plant and equipment (excluding investment properties) acquired are measured at cost less accumulated depreciations and impairment losses. When an asset is sold or scrapped, the carrying amount is derecognized and profit or loss booked to income statement.

The cost of an asset includes costs directly attributed to preparing an asset for its intended use. Maintenance costs are booked to income statement, while other expenses leading to future earnings, will be booked to the balance sheet.

Depreciation is expensed on a straight-line basis over the estimated useful lives of the assets. Land is not depreciated, as its useful life is considered as infinite. The estimated useful lives and the residual values are reviewed at least at the end of each financial period, and if they differ significantly from previous estimates, depreciation periods are adjusted accordingly. Depreciation of property, plant and equipment is stopped when an item is classified as held for sale. A gain or loss arising from the



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sale of property, plant and equipment is recognised in other operating income or other operating expenses in the statement of income.

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 the assets at which independent cash flows can be identified.

1.8 Intangible assets

Goodwill is the difference between the aggregate of the acquisition-date fair value of the consideration transferred, and the acquirer's share of the company's net identifiable assets and liabilities measured at fair value on the acquisition date.

Other 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.

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.

An impairment loss is recorded when the carrying amount of an asset is greater than its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

1.9 Cash and cash equivalents

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

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. The Company participates in the cash pool arrangement with the parent company in Finland and is included in trade and other receivables.

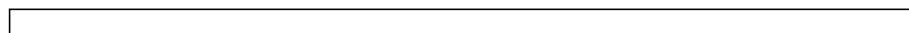
1.10 Taxation

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



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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.

1.11 Inventory

Inventories are stated at the lower of cost and net realizable value. Materials and consumables are valued weighted average cost. Finished products are valued at direct purchasing and manufacturing costs and allocated purchasing and manufacturing overhead costs. Work in progress includes costs for direct labour and material costs and allocated overhead costs related to manufacturing and purchasing when control has not yet transferred to the customer. 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.

The devaluation of inventory due to obsolete and excess stock, is performed based on the management's best estimate on the balance sheet date. Analysis of inventory aging, turn over and composition compared to anticipated future use is the basis for the estimates.

1.12 Contract assets

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.

1.13 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



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hedged item affects profit or loss. Impact from ineffective hedging instruments is recognised in financial income and expenses immediately.

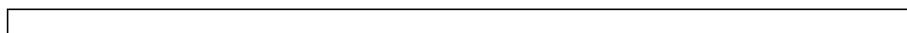
For derivatives eligible for hedge accounting, The Company documents the relationship between each hedging instrument and the hedged asset upon entering into a hedging arrangement, along with the risk management objective and the strategy applied. Through this process, the hedging instrument is linked 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.

Wartsila 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.

1.14 Financial assets and liabilities

The Company's financial assets at amortised cost includes trade receivables, other receivables and investments in commercial papers that are recognised at their anticipated realisable value, which is the original invoiced amount less an estimated valuation allowance for impairment. Financial assets at fair value through profit or loss include derivatives not included in hedge accounting, other financial investments and cash. 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. Financial liabilities recognised at fair value through the statement of income include derivatives that are not eligible for hedge accounting. 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

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1.15 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 Company's expected income from a contract is lower than unavoidable costs of meeting the obligations under the contract.

1.16 Investments in other companies

The cost method is applied to investments in other companies.

1.17 Leasing

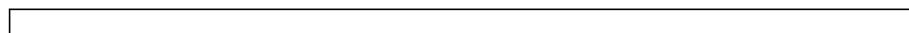
The Company's capitalised lease agreements consist mainly of office premises, production machinery and equipment lease agreements. Wartsila recognises a right-of-use (ROU) asset and a lease liability at the commencement of the lease. Whether a contract contains a lease is determined based on whether Wartsila has the right to control the use of an identified asset for a period of time. At the commencement date, a right-of-use asset as defined by IFRS 16 is measured at cost.

The nominal lease liability is initially measured at the present value of the lease payments over the lease term. The lease payments include fixed payments, amounts to be expected to be paid under residual value guarantees, the exercise price of reasonably certain extension options, and payments of penalties for terminating a lease in case this reflects the lease term. The lease payments are discounted using the interest rate implicit in the lease, if this rate can be readily determined. Otherwise the lessee's incremental borrowing rate is used. The incremental borrowing rates used are the sum of relevant interbank rates and average margin of group loan portfolio and are currency specific.



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The initial measurement of the lease payments does not include possible variable elements. Variable lease payments not included in the initial measurement of the lease liability are recognised directly in the statement of income.

The lease term is the non-cancellable period of the lease plus period covered by an option to extend or option to terminate if the lessee is reasonably certain to exercise the extension option. Management judgment based on realistic estimates is used when determining the lease term, especially concerning lease agreements containing termination and purchase options and lease agreements with indefinite lease terms.

Subsequently, the right-of-use assets are measured at initial measurement less accumulated depreciation and impairment losses. The right-of-use assets are depreciated and interest on lease liabilities recognised in the statement of income over the lease term. The lease liabilities are subsequently measured at initial recognition less occurring lease payments that are allocated to the principal.

Lease payments are presented as repayments of liabilities and related interest expenses. Modifications to lease agreements may result in adjustments to existing right-of-use assets and lease liabilities. A gain or loss arising from a modification and a termination of a lease agreement is recognised in other operating income or other operating expenses in the statement of income.

The Company applies the two available exemptions, which relate to either short-term contracts, in which the lease term is less than 12 months, or low-value assets, which are expensed to other operating expenses.

1.18 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.

1.19 Employee Benefits

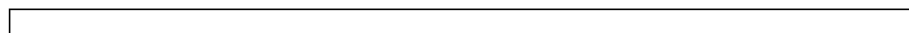
Pensions

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.



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Share-based remuneration

Agreements that gives employees (only relevant for few 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.

1.20 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.

1.21 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.

1.22 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 these is a certain probability that a benefit will addressed to The Company.

1.23 Subsequent events

New information after the balance sheet date about The Company's financial position are included in 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.

1.24 New Standards

No new standards with significant effect implemented in 2023.



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Note 2 Sales Revenue

Business area	2023	2022
Service *)	1 889 470	1 444 990
Marine Solutions **)	233 274	159 464
Total Sales Revenue	2 122 744	1 604 454

*) Revenues related to the sale of spare parts and commission income from the sale of spare parts in other Group Companies, and services related to reconditioning of equipment, routine maintenance on equipment and installation of equipment.

***) Revenues related to the sale of propulsion systems, electrical and automation systems (E&A) and ship design for the marine-, oil- and gas industry and the sale of engineering services related to these types of products.

Provisions for warranty liabilities, ref other short term liabilities, on products delivered, amounts to 27,5 MNOK per 31.12.2023 (decrease from 34,3 MNOK per 31.12.2022).

Other operational income is mainly related to intragroup fees, in addition to government grants (ref note 4)

Geographical distribution	2023			in % av total
	External	Internal	Total	
Africa	77	-	77	0,0 %
America	11 391	76 335	87 726	4,1 %
Asia	56 298	23 516	79 814	3,8 %
Australia	8 934	-	8 934	0,4 %
Europe	1 733 228	212 965	1 946 193	91,7 %
Total Sales Revenue	1 809 928	312 816	2 122 744	100,0 %

Geographical distribution	2022			in % av total
	External	Internal	Total	
Africa	555	3 766	4 321	0,3 %
America	9 585	56 734	66 319	4,1 %
Asia	106 921	8 263	115 184	7,2 %
Europe	1 166 001	252 629	1 418 630	88,4 %
Total Sales Revenue	1 283 062	321 392	1 604 454	100,0 %



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Note 3 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 2023 Wärtsilä Group had a net sale of EUR 6.015 Million and nearly 18.000 employees. The Group has operations in over 280 locations in more than 79 countries around the world. Wärtsilä is listed on Nasdaq OMX Helsinki, Finland.

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

New build contribute to the Group's strategy of engineering, research and development of propulsion-systems for the marine market, as well as production, development and marketing of electrical and automation systems.

Services perform a wide range of services to existing facilities and the sale of spare parts.

By the end of 2023 the Company had 488 employees.

Total net sales to other Group Companies amounted to 474 MNOK in 2023 (MNOK 321 in 2022).

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

Wärtsilä Finland Oy	191 285
Wärtsilä North America	61 811
Wärtsilä Corporation	61 798

Total procurement of goods and services from other Group companies amounts to 1 365 MNOK in 2023 (MNOK 990 in 2022).

The most significant acquisitions from related parties are (KNOK)

Wärtsilä Services Switzerland Ltd.	587 224
Wärtsilä Finland Oy	298 252
Wärtsilä Gas Solutions Norway	144 379

The service business trades spare parts and offer services to and from other Group companies.

New build in Norway buys equipment from other affiliates in those cases where they have contract with a 3rd party. All sale of equipment in Norway is offered to other Group Companies. This applies both to complete gear- and propeller-equipment, as well as electrical- and automation deliveries. Purchases related to Wärtsilä Corporation are basically

Note 4 Government grants

Government grants recognized in 2023 amounts to MNOK 19,3 (MNOK 55,7 in 2022) ref Other Operating Income.

The most significant amounts are related to Norwegian Research Council (Norges Forskningsråd) and Innovation Norway.

Government grants are not deducted from investments in 2023.



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Note 5 - Wages, number of employees, benefits and loans to employees

Salaries	2023	2022
Wages and salaries	423 892	406 638
Social security cost	68 864	62 421
Pension cost	23 519	26 972
Other personnel cost	5 974	3 554
Total	522 250	499 586

Average number of employees during the fiscal year

464 462

Salary (incl bonus) for Managing Director

1 564 1 695

Other remuneration

199 190

Bonus schemes

Managing Director participates in a bonus scheme which entitles to a bonus of up to 32% of annual salary, based on the achievements of pre-defined goals.

Bonus paid in 2023 amounted to KNOK 0

The Managing Director is in connection with his resignation not entitled to any special compensation.

Other 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.

Other employees participate 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 31.12.2023 amount to MNOK 31,4 (MNOK 13,8 in 2022.)

Composition of total pensions

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

In July 2011 The Company chose to change the pension scheme from defined benefit-plan to defined contribution-plan. At the date of the transfer, employees could choose whether they wanted to stay in the defined benefit-scheme or transfer to the defined contribution plan. Defined benefit plan was until 31.12.2013 covered by insurance company. From this point, all employees were transferred to the Defined Contribution Plan.

In addition to the above, The Company also participates in "AFP- ordning" through "tariffavtale". At the end of 2023, 383 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 31.12.2023.

Pension cost	2023	2022
Defined contribution plans	23 519	26 972
Total pension cost recognized in the net income	23 519	26 972

Audit fees from Auditors

	2023	2022
Fees for statutory audit	1 235	1 216
Other assurance services	275	0
Tax advisory fee	101	69
Other assistance	0	0
Total audit fees	1 611	1 285



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Note 6 Property, plant and equipment

	Land	Buildings	Machinery & Equipment	Asset under construction	2023 Total
Cost					
At 1. January 2023	3 203	94 518	93 186	2 967	193 874
Additions and transfers		1 842	6 756	(2 613)	5 985
Disposals at cost/ retirement			(434)		(434)
					-
Cost at 31 December 2023	3 203	96 360	99 508	354	199 425
Accumulated depreciation and impairment losses at 01.01.2023	-	77 878	86 196	-	164 074
This years depreciation		2 450	2 805		5 255
Impairment losses		-	-		-
Disposal of depreciation			(434)		(434)
Per 31. December 2023	-	80 328	88 567	-	168 895
Carrying amounts at 31. December 2023	3 203	16 033	10 941	354	30 530
Economic life cycle	no dep	until 20 years	until 10 years	no dep	
Depreciation plan		linear	linear		

NOK '000	Land and buildings	Buildings	Machinery & equipment	Asset under construction	2022 Total
Cost					
At 1. January 2022	3 203	94 518	92 531	873	191 125
Additions and transfers			655	2 095	2 750
Disposals at cost/ retirement					-
					-
Cost at 31 December 2022	3 203	94 518	93 186	2 967	193 875
Accumulated depreciation and impairment losses at 01.01.2022	-	75 211	82 535	-	157 746
This years depreciation		2 666	3 661		6 327
Impairment losses					-
Disposal of depreciation					-
Per 31. December 2022	-	77 878	86 196	-	164 074
Carrying amounts at 31. December 2022	3 203	16 641	6 990	2 967	29 800
Economic life cycle	no dep	until 20 years	until 10 years	no dep	
Depreciation plan		linear	linear		

Note 7 Leases

	Land and buildings	Machinery & equipment	2023 Total
Carrying amount, Right-of-use assets			
At 1. January 2023	95 724	273	95 997
Additions	11 589	1 098	12 687
Depreciations and impairment	(16 469)	(480)	(16 949)
Decreases and reclassifications			-
At 31 December 2023	90 844	891	91 735
Carrying amount, Lease liabilities			
At 1. January 2023	102 076	293	102 369
Additions/impairment	11 589	1 098	12 687
Interest expense	2 952	34	2 986
Payments	(18 881)	(518)	(19 399)
Other adjustments			-
At 31. December 2023	97 736	907	98 643
Total lease liabilities			
Non-current			81 818
Current			16 824
Amounts recognised in profit and loss			
Depreciation and impairment of right-of-use assets			16 949
Interest expense			2 986
Expense - short-term leases			7 263
Expense - low-value assets			6 826
Expense - variable lease payments			324
			34 348



	Land and buildings	Machinery & equipment	2022 Total
<i>Carrying amount, Right-of-use assets</i>			
At 1. January 2022	127 124	675	127 799
Additions	-	-	-
Depreciations and impairment	(16 195)	(402)	(16 597)
Decreases and reclassifications	(15 205)	-	(15 205)
At 31 December 2022	95 724	273	95 997
<i>Carrying amount, Lease liabilities</i>			
At 1. January 2022	132 508	701	133 209
Additions/impairment	(15 205)	-	(15 205)
Interest expense	3 403	11	3 414
Payments	(18 630)	(419)	(19 049)
Other adjustments	-	-	-
At 31. December 2022	102 076	293	102 369
<i>Total lease liabilities</i>			
Non-current			87 344
Current			15 025
<i>Amounts recognised in profit and loss</i>			
Depreciation and impairment of right-of-use assets			16 597
Interest expense			3 414
Expense - short-term leases			5 759
Expense - low-value assets			4 484
Expense - variable lease payments			1 545
			<u>31 799</u>



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Note 8 Intangible Assets

	Development	Goodwill	2023 Total
Cost			
At 1. January 2023	118 517	187 263	305 779
Additions merger			-
Additions and transfers			
Disposals at cost/ retirement	(5 708)		(5 708)
Cost at 31 December 2023	112 810	187 263	300 071
Accumulated depreciation and impairment losses at 01.01 2023	112 777	2 720	115 497
Additions merger			-
This years depreciation	2 274		2 274
Disposal of depreciation	(5 708)		(5 708)
Cost at 31 December 2023	109 343	2 720	117 771
Carrying amount 31. December 2023	3 467	184 543	188 009

	Development	Goodwill	2022 Total
Cost			
At 1. January 2022	118 517	187 263	305 779
Additions merger			-
Additions and transfers			
Disposals at cost/ retirement			-
Cost at 31 December 2022	118 518	187 263	305 779
Accumulated depreciation and impairment losses at 01.01 2022	110 503	2 720	113 223
Additions merger			-
This years depreciation	2 274		2 274
Disposal of depreciation			-
Cost at 31 December 2022	112 777	2 720	115 497
Carrying amount 31. December 2022	5 741	184 543	190 283

Expected economic life	Up to 15 years	No
Depreciation schedule	Linear	depreciation

Goodwill

Goodwill is entirely related to synergies by acquisitions. The Company will perform an annual impairment test of goodwill.

Goodwill is specified against the following acquisitions

John Crane Lips Norway	2000	20 976
Wärtsilä Propulsion Norway AS	2002	89 348
Wärtsilä Automation Norway AS	2006	66 754
Maritim Service AS (Ålesund)	2008	7 465
Total		184 543

The Company's capitalized development costs are mainly related to proprietary drives for low and medium power, and proprietary control -panel for controlling gears and propulsion- systems.



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Note 9 Other operating expenses

	2023	2022
Other operating expenses		
Other operating expenses	206 705	239 692
Office cost	4 974	4 648
Rental cost	13 765	11 789
Losses on claims and change in provision for bad debts	-1 693	-207
Total other operating expenses	223 749	255 920

Note 10 Financial items

	2023	2022
Other Interest Income		
Interest income from Group Companies	8 921	7 003
Other interest income	344	189
Total Other Interest Income	9 266	7 193

Other Financial Income		
Realized exchange gain	7 339	6 970
Unrealized exchange gain	10 080	4 616
Dividend income	72	
Total Other Financial Income	17 491	11 586

Other Interest Expense		
Interest expense to Group Companies	1 233	1 520
Other interest expense	1 093	411
Interest on leasing	2 986	3 414
Other financial fees	443	650
Total Other Interest Expense	5 755	5 995

Other Financial Expenses		
Realized exchange loss	4 861	9 563
Other financial expenses	0	12
Total Other Financial Expenses	9 070	13 923



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Note 11 Taxes

	31.12.2023	31.12.2022	Change
Deferred Tax			
Fixed assets	(23 140)	(26 166)	(3 026)
Inventories	(21 011)	(15 650)	5 361
Receivables	(2 223)	(3 302)	(1 079)
Projects	31 040	34 570	3 530
Leasing	(6 907)	(6 372)	535
Guarantees and other accruals	(38 046)	(44 662)	(6 616)
Profit- and loss account	(15 701)	(19 626)	(3 925)
Total temporary differences	(75 989)	(81 209)	(5 220)
Tax loss carry forward	-	-	-
Net temporary differences	(75 989)	(81 209)	(5 220)
Basis for deferred tax/deferred tax asset (-)	(75 989)	(81 209)	(5 220)
Deferred tax asset 22 %	(16 718)	(17 866)	1 148
Temporary differences in equity	(3 432)	(4 128)	696
Net deferred tax asset recognized in equity	(755)	(908)	153
Total deferred tax asset	(17 473)	(18 774)	1 302

	2023	2022
Payable tax		
Profit before tax	200 951	75 427
Non- deductible expenses	(4 299)	1 469
Received/ paid Group Contribution with tax effect	(131 500)	(35 000)
This year's change in temporary differences	(5 220)	(41 827)
Applied carryforwards	-	-
Additional tax on interest	-	-
Taxable income	59 932	69
Tax payable 22 %	13 185	15
Skattefunn	(5 639)	-
Tax payable in balance sheet	7 546	15

	2023	2022
Income tax expense		
Payable tax for the year	13 185	15
Settlement tax in prior years	-	-
Withholding tax	1 321	2 905
Tax on Group Contribution with tax effect	28 930	7 700
Additional tax on interest	-	-
Change in deferred tax liabilities/ assets	1 148	9 202
Tax on income/ expenses recognized directly in equity	-	-
Total income tax expense	44 585	19 822

Why the tax cost does not correspond to 22%

	2023	2022
22% on profit before tax	44 209	16 594
Permanent differences 22 %	(946)	323
Effect of change in tax rate	-	-
Additional tax on interest	-	-
Deviations on deferred taxes in previous years	-	-
Withholding tax	1 321	2 905
Settlement tax payable previous years	-	-
Calculated tax cost	44 585	19 822
Effective tax (***)	22,2 %	26,3 %

(**) Includes non-deductible expenses such as representation.

(***) Tax cost in relation to profit before tax.



Wärtsilä Norway AS Financial Statements 2023

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Note 12 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, PLN 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.

	31.12.2023	31.12.2022	Change
The fair value of forward contracts recognized in equity (in KNOK)	-3 432	-4 128	696



Wärtsilä Norway AS
Financial Statements 2023

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NOK '000

Note 13 Equity and shareholders information

Equity	Share capital	Share premium account and other paid-in capital	Retained earnings	Total
Equity per 01.01.2023	60 000	191 095	104 951	356 047
Change in equity:				0
Annual result			156 909	156 909
Group Contribution given (net after tax)			-102 570	-102 570
Dividends			0	0
Equity per 31.12.2023	60 000	191 095	159 290	410 386

Other income and expenses in the income statement related to the change in fair value of the hedging instrument in a cash flow hedge are items that may be reclassified to profit or loss in subsequent periods.

Share Capital in Wärtsilä Norway AS per 31.12.2023	No of shares	Nominal value	Carrying amount
A-shares	1	60 000	60 000

Shareholders information

Wärtsilä Technology Oy AB, Finland, holds 100% of the shares in the Company. Wärtsilä Norway 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.



Wärtsilä Norway AS Financial Statements 2023

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NOK '000

Note 14 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	31.12.2023	31.12.2022	Change
Inventories of goods for production and spare parts	96 764	90 353	6 411
Obsolete Provision goods for production and spare parts	-20 950	-15 602	-5 348
Finished Goods	14 976	1 497	13 479
Devaluation Finished Goods	-61	-49	-12
Goods in process	253 801	149 097	104 704
Inventory	344 530	225 297	119 233



Wärtsilä Norway AS Financial Statements 2023

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NOK '000

Note 15 Trade and other receivables

Accounts Receivable	2023	2022	Change
Trade receivables	235 916	194 392	41 524
Accrued accounts receivables/bad debt	-2 223	-3 406	1 183
Sold receivables	11 220	9 736	
Total Accounts Receivable	244 913	200 723	42 707

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

Accounts receivable- provision for bad debt

Provision for bad debt amount to MNOK 2,2 at 31.12.2023 (2022: 3,4 MNOK). Change in provision for uncollectable accounts receivable are classified as other operating expences in the income statement.

Contract Balances

Contract assets primarily relate to the Company'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.

	2023	2022
Work in progress - accrued cost	360 804	286 567
+ estimated margin on work in progress	31 048	34 570
Total value of work in progress	391 852	321 136
Billed revenue related to work in progress per 31.12	-428 203	-323 282
Contract asset	33 350	47 957
Contract liabilities	-69 700	-50 103
Net	-36 350	-2 145

The Company have accrued for loss on work in progress amounting to MNOK 2,1 (MNOK 2,2 in 2022)



Wärtsilä Norway AS Financial Statements 2023

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NOK '000

Note 16 Other short term receivables

	2023	2022
Contract assets - external	9 625	5 908
Accrued income - external	24 837	25 072
Advances paid on inventory	15 771	11 231
Prepaid expenses and other receivables	8 400	10 719
Personnel receivables	3 629	2 498
Accounts receivable VAT/ taxes	33 114	28 174
Total other receivables	95 376	83 603

Note 17 Receivables from group companies

	2023	2022
Trade receivables - intragroup	300 771	151 788
Advances paid on inventories - intragroup	22 299	37 340
Contract assets - intragroup	23 726	42 049
Accrued income - intragroup	38 389	2 545
Prepaid expenses - intragroup	19 749	106 067
Group cash pool arrangement *)	93 245	142 105
Total receivables from group companies	498 178	481 893

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

Note 18 Liabilities to group companies

	2023	2022
Trade Payables	255 076	266 067
Group Contribution	131 500	35 000
Contract liabilities - over time projects	67 618	45 438
Deferred income	109 081	4 711
Accrued expenses	66 384	40 915
Advances received	1 701	
Total liabilities to group	631 361	392 132

Note 19 Other current liabilities

	2023	2022
Accrued project cost	49 938	29 897
Contract liabilities - over time projects	2 083	4 666
Deferred income	55 246	61 883
Provision Wages and Holiday Pay	90 691	68 256
Other accruals	17 899	13 364
Prepayments from customer	25 567	114 385
VAT tax payable	277	275
Total other current liabilities	241 699	292 726



Wärtsilä Norway AS
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NOK '000

Note 20 Pledges and guarantees

Guarantees that are not recognized	31.12.2023	31.12.2022
Guarantee for payment of tax per 31.12	35 000	35 000
Guarantee for payment of customs credit	0	0
Guarantees prepayments from customers	9 554	7 690
Total	44 554	42 690

Note 21 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 authorized for issue.

As for the reporting of 2023, no subsequent events have occurred after the balance sheet day.



Report from the Board of Directors 2023

Business Concept

Wartsila Norway AS's main office is located at Rubbestadneset, Bømlo. The Company also has branch offices at Stord, Asker and Trondheim.

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

In 2023, Wärtsilä Corporation's net sales totalled EUR 6 billion with approximately 18 000 employees. The Corporation has operations in over 280 locations in more than 79 countries around the world. The Group's Annual Report 2023 is available on web page www.wartsila.com

Wartsila Norway AS's (**The Company**) principal activities are Development, New build sales, and Services of Wartsila delivered equipment such as e.g. engines, propulsion systems and electrical and automation systems for the marine, oil and gas industry.

The Service business covers lifecycle support with the span from basic support with spare parts, field service and technical support to service agreements and condition-based maintenance.

Engineering, research- and development of Propulsion systems are located at Rubbestadneset, and similar at Stord for the Ship Electrification Solutions (e.g. Hybrid Systems). The systems are sold worldwide but The Company mainly acts as a sub supplier to our sister companies when selling total integrated solutions to our end customers.

2023 In Short

The Russian invasion of Ukraine increased the overall uncertainty in the global business environment and led to accelerating cost inflation and global supply chain challenges. Despite the outbreak of the war, the workload especially for Field Service and Workshops has been record high. During 2023 The Company reported net sales of 2 123 MNOK which is a huge increase compared to 2022. In addition to regular sale revenue, the company also sold the IP rights for one of the development projects to the sister company in Finland. Result before tax for the same period was a profit of 201 MNOK.



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 are considered to be sound, and the year ended without any loan position against The Group. The Company's liquidity is considered good, and the cash pool agreement held a balance of 93MNOK by the end of the year. It was decided not to pay-out any dividends to our shareholders. A group contribution of 131,5MNOK to Wärtsilä Gas Solutions was also needed for tax optimization.

The Company's investments during 2023 was total 6 MNOK (2,7 MNOK in 2022). This is mainly related to investment in machinery and equipment.

The Annual Accounts for 2023 have been prepared in accordance with Accounting Act §3-9 and regulations regarding simplified IFRS issued by the Ministry of Finance. This means that recognition and measurement complies with IFRS (International Financial Reporting Standards) and presentation and disclosures in accordance with the Norwegian Accounting Act and accounting practice.

For 2023 our new build business received governmental funding (amounting to gross 19,3 MNOK), engaging in several development projects. One of which is Demo2000, developing engines running on Ammonia.

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. A significant portion of the Company's sales are sales to other Wärtsilä companies. These include payment terms established by the Group's internal payment- routines. In respect to sales to external customers, The



Company use prepayment as a payment term, and bank-guarantees. The sales-invoices are mainly in EURO 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.

Norwegian transparency act reporting

The Norwegian Transparency Act is a new act relating to companies' transparency and responsibility in the supply chain and its purpose is to promote companies' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services.

Wärtsilä Corporation has global processes and instructions for all subsidiaries related to Transparency, Sustainability and how to act as a Responsible business.

Wärtsilä complies with local legislation, regulations and agreements concerning human and labour rights. The **Code of Conduct** defines Wärtsilä's approach to responsible business practices and governs all our business operations and relations with our stakeholders. The Code of Conducts is extended to business partners, sub-contractors and suppliers with the **Wärtsilä Supplier Requirements**.

Contractor **EHS requirements** is also linking to our Code of Conduct, Safety Handbook and Supplier Handbook.

The extensive information and reporting can be found on the web site: <https://www.wartsila.com/sustainability>

Health, Safety, Environmental and Quality

In 2023, Wartsila Norway AS continued the process of implementing the business management system in compliance with recognized industry standards for HSE and Quality Management. Wartsila Norway AS has a working environment that is considered to be satisfactory.



We continue to invest in employees' competencies through external and internal training programmes both to be an interesting place to work and not least to stay competitive as a global technology business.

The Company's sick leave was steady and like last year of 4,8%. The sick is mainly due to long term sick leave. The need for continuous effort to reduce absence due to sickness, continues. The Company has an IA agreement, which will be continued also in 2024.

Safety awareness helps us to reduce risk. The Company is committed to achieving the highest standards of safety and accident prevention, through systematic risk assessment and continuous improvement processes. The Company had 2 Lost Time injuries during 2023.

The Company had a target of reporting 1050 WeCare reports but ended up with a total of 1217. The system for proper reporting is continuously improved to find measures to reduce accidents from occurring.

Wartsila Norway 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 requirement of this new law is compiled within 2018.

Social Responsibility

The Wärtsilä purpose, **Enable Sustainable Societies through innovation in technology and services**, address the challenges articulated by the last IMO Green House Gas strategy; **"Achieve zero CO2 emissions as soon as the development of new fuels and propulsion systems will allow it"**.

To meet this important task the industry, need to collaborate on building cross industry partnership for disruptive technology innovation for a sustainable ocean development and new green business.

Wartsila Norway realised early that the company could not capture the potential in our new vision alone and encouraged people from a variety of arenas to share, connect and bring insight in how we could start to make the changes in the ecosystem of shipping through new cross industry partnerships.



Since 2019 the ZEEDS initiative, spearheaded by Wärtsilä, has worked together to meet these challenges, in different work packages, where supply, storage and distribution of clean alternative fuels, as well as testing of ammonia for combustion engines has been cored to unlock the potential both for green energy productions in shipping, but also in off grid power supply in the North Sea, and Svalbard.

The ZEEDS partners, Equinor, Aker Solutions, Grieg, DFDS and Wartsila's common goal, **To explore the fastest routes towards zero emissions shipping**, have resulted in a various of different concrete development projects, Nordic research and EU-funding and business opportunities as: MS Green Ammonia, Demo2000, Apollo, the Svalbard clean energy power plant, and the Berlevåg green ammonia production project: Green Ammonia Berlevåg.

The ZEEDS initiative have received massive positive attention and interest from the maritime sector, both in Norway, the Nordic but also worldwide. ZEEDS has entered a new phase in 2023 where the target is to fulfil the demonstrations of concrete projects supporting the route towards Zero Emission shipping.

During 2023 Wärtsilä **concluded the Demo2000** project which had the objective to demonstrate NH₃ as a safe and reliable fuel on Marine Engines. This was a collaboration project between the Wärtsilä, The Norwegian Research Council, Sustainable Energy Catapult, Knutsen OAS, Repsol AS and Equinor AS.

In December 2023 Wärtsilä released a new engine to the market: **W25 Ammonia**

Equality statement

Wärtsilä is committed to embrace an inclusive corporate culture where everyone is appreciated regardless of gender, age, sexual orientation, ethnicity, social background or disability.

We recognise that diversity is important for many different reasons in today's world



Status gender equality

	93	395	12	35
	19,06 %	80,94 %	25,53 %	74,56 %

The work community in Wärtsilä is characterized by male-dominated occupations. This is reflected in the number of applicants for open vacancies as most of the applicants are men. As shown in above figure, 81 % of our employees are males.

In 2023 we onboarded 51 new employees. Out of these 13 female and 38 males. Three were managerial position; 2 males and 1 female hired.

We have a professional recruiting process and use tools and descriptions that contributes to prevent discrimination. As stated in our job ads: "At Wärtsilä we value, respect and embrace all our differences, and are committed to diversity, inclusion and equal employment opportunities; everyone can be their true self and succeed based on their job-relevant merits and abilities".

As part of a global organisation this is also reflected due to several nationalities hired in Wärtsilä in Norway.

Gender balance

Description of position level/group	Female	Male	Share of females	Total
Level/group 1	12	62	19%	74
Level/group 2	32	209	16%	241
Level/group 3	25	70	26%	95
Level/group 4	17	41	29%	58
Level/group 5	7	13	35%	20



Total cash benefits

Description of position level/group	Average cash benefits female (NOK)	Average cash benefits male (NOK)	Differences cash benefits (%)	Differences cash benefits (NOK)	Difference cash benefits (total)
Level/group 1	952 949	1 039 292	91,7%	-86 343	996 121
Level/group 2	760 047	928 941	81,8%	-168 894	844 494
Level/group 3	605 073	798 063	75,8%	-192 990	701 568
Level/group 4	365 421	558 610	65,4%	-193 189	462 015
Level/group 5	334 187	352 640	94,8%	-18 453	343 413

Description of position levels and salary

For the calculation of differences in salary we have split fixed salary and variables. We have also considered similar work and work of same value when creating the position levels. The position levels are based on existing job categories in the company and an evaluation of which positions that fits into the different levels. The position groups are used actively in the yearly local salary negotiations. Union representatives for the employees have participated when we have planned, implemented and evaluated the salary of the employees. Most of the variables are travelling time and overtime related to travel. There is mostly male applicants to positions with extensive travel activity.

Temporary employees

Temporary employees	
Temporary employees female	Temporary employees male
11	16

We have 27 employees working on temporary contract. In this number apprentices (11) and "on-call" duty employees (15) are included. 1 employee temporary hired in full time position as replacement related to leave of absences.



Employees in part time positions

Part time			
Actual part time		Involuntary part time	
Part time women	Part time men	Involuntary part time women	Involuntary part time men
1	4	0	0

Involuntary part-time

We have amongst our parttime employees done an assessment which shows that the employees that works less than 100 % have chosen this based on health reasons or are preparing for retirement (stepping down).

Parental leave

Parental Leave	
Parental leave for women (average number of weeks)	Parental leave for men (average number of weeks)
23,7	15,4

Males have a lower average period of their parental leave. The company encourage both male and female to take their parental leave by offering full salary for this period. That is of course if the employee are entitled to parental benefits according to National insurance decisions.

Our work to ensure equality and non-discrimination in practice

Diversity is an asset that is valued in Wärtsilä. Our culture is an inclusive one where diversity is promoted and respected. All individuals are given the same opportunity to grow and advance in their careers, irrespective of their nationality, gender identities, age, sexual orientations, educational background etc. Diversity and inclusion are important elements when driving for culture of high performance.



Our work with equality and non-discrimination is an integral part of the company's strategic framework work and operations. This is reflected in our guidelines, procedures and standards.

Work regulations

The work regulations which all employee sign upon appointment, address issues that involve respect for and recognition of human rights and equality for all.

Wärtsilä Code of Conduct

Wärtsilä 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 characteristic protected by law. Wärtsilä foster equal opportunity and employees are selected and treated based on of their abilities and merits. Wärtsilä continues to employ fair employment practices and these are in the essence of Wärtsilä code of conduct.

Well-being, harassment and bullying

Each person has the right to maintain their mental and physical integrity. Any kind of harassment or bullying is not tolerated in the work community and any incidences must be dealt with immediately. In Wärtsilä we have procedures related to notification of censurable conditions.

Equality and non-discrimination in practice

The prohibition against discrimination applies to all aspect of an employment relationship, including amongst other: job posting, hiring, onboarding, relocation and promotion of employees, training and competence development, pay and working condition and the termination of an employment relationship.

In Wärtsilä we have a close and good cooperation with Unions and Safety Representatives. We have scheduled meetings every month. In these meetings HR, unions and safety representatives are participating.

Development discussion is held on annual basis to all Wärtsilä employees. Development discussions includes an evaluation of the past, reflection of the present and planning of the future. Development discussions are held once a year (beginning) and check-in discussion are made regularly during the year.



Assessment of required skills and development needs can be done in the development discussion. A development plan to acquire the needed skills is made based on the positions requirements and accountabilities.

The basis for training and personnel development rests upon the know-how needs and requirements of the business operations.

Everyone must have an opportunity to participate in the training necessitated by their work and the business operations, taking into consideration the principles of non-discrimination and equal treatment.

A global employee survey is conducted regularly and everyone has the opportunity to participate. These surveys are used to gain information to help us to improve our policies and procedures. In addition, during the year, Impulse Surveys are conducted within the different business in the company.

In Wärtsilä we maintain the employees' physical and psychological well-being and behaving in a decorous and respectful manner. We do cooperate with external Occupational Health Services. They perform health controls, both related to the individuals and to Working environment.

Our rewarding principles are designed for Wärtsilä purposes reflecting commonly accepted position evaluation methods. The job grading structure describes position requirements, scope of responsibility and impact of the position. A common global framework provides the basis for transparent, fair and equal treatment of employees across the company. This also provides us means to analyse salaries and their competitiveness, internally and externally, in all Wärtsilä countries and entities.

There should be no pay differences based on gender in comparative roles. Salary differences or increases depend on performance and development.

Possible causes for risks and obstacles

The low number of females in the company is largely due to the type of positions and we still see that there are few females applying for the most of our open positions. This might be the way our job ads are formulated. The content of the announcements may not reflect the real content of the position. If the job advertisement text is made more inviting and informative this might improve the situation.



We see that there is a risk in the recruiting process that manager might have bias. In order to avoid bias there should always be a neutral third party, like HR, participating in the interview to challenge any kind of bias.

The company contribute to transfer of skills and experience within their teams and across the departments. When searching for candidates to new positions the company are seeking skilled and experienced candidates but should perhaps seek for these in own organisation and hire more junior employees externally instead. A risk is that knowledge is not shared internally and also that majority of our employees are 40+. By developing own employees we could fill up the gap with younger employees.

Wärtsilä rewarding principles is a good framework. A risk might be that when an employee's performance is evaluated by his/her manager this may lead to unfair treatment. Although the company has a procedure related to the off-cycle process and overall performance evaluation, managers might need more information and instructions how this should be used and grandfather should challenge. Also for the company to focus on the importance to make sure that no one is treated unfair.

In our facilities the entrance is easy to access and there are elevators.

Outlook

The New build market is becoming more active, and we see a positive development. The interest for green fuels solutions is picking up and we are in dialogue with customers related to future proofing their vessels.

The Company has signed several large contracts for retrofit and ship electrification systems.

Basically all Marine customer segments where Wärtsilä Norway is operating is seeing increased activity and business. The decarbonisation discussions and opportunities for greener energy is continuing to influence the market positively.


The life-cycle market outlook continues the positive trend and the Parts & Field service division has an all-time high workload. Offshore is gradually coming more and more active, and other segments such as Specials, Cruise and Merchant show healthy improvements.




WARTSILA NORWAY AS



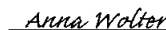
On the Board of Wartsila Norway AS
Rubbestadneset 14.06.2024


Paul Kohle (Jun 14, 2024 15:11 GMT+2)

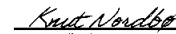
Paul Kohle
Chairman of the Board


Walter Reggente (Jun 14, 2024 11:47 GMT+2)

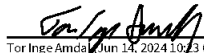
Walter Reggente
Board Member


Anna Wolter (Jun 14, 2024 12:22 GMT+2)

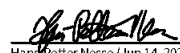
Anna Wolter
Board Member


Knut Nordbø (Jun 14, 2024 10:27 GMT+2)

Knut Nordbø
Board Member


Tor Inge Amdal (Jun 14, 2024 10:23 GMT+2)

Tor Inge Amdal
Board Member


Hans-Petter Nesse (Jun 14, 2024 09:37 GMT+2)

Hans-Petter Nesse
Managing Director