



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

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: 10.06.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 15.09.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3	217 704 000	248 723 000
Sum inntekter		217 704 000	248 723 000
Kostnader			
Varekostnad	18	125 499 000	127 220 000
Lønnskostnad	6	62 923 000	63 427 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	7,8,9	5 095 000	4 324 000
Annen driftskostnad	2,6	36 030 000	38 910 000
Sum kostnader		229 547 000	233 881 000
Driftsresultat		-11 843 000	14 842 000
Finansinntekter og finanskostnader			
Annen finansinntekt	2	2 538 000	3 684 000
Sum finansinntekter		2 538 000	3 684 000
Annen finanskostnad	2	882 000	3 784 000
Sum finanskostnader		882 000	3 784 000
Netto finans		1 656 000	-100 000
Ordinært resultat før skattekostnad		-10 187 000	14 742 000
Skattekostnad på ordinært resultat	10	-1 311 000	2 384 000
Ordinært resultat etter skattekostnad		-8 876 000	12 358 000
Årsresultat		-8 876 000	12 358 000
Andre resultatkomponenter for IFRS-foretak	13,17, 10	-1 406 000	6 376 000
Sum resultatkomponenter for IFRS-foretak		-1 406 000	6 376 000
Totalresultat		-10 282 000	18 734 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	13	-10 282 000	18 734 000



Resultatregnskap

Beløp i: NOK	Note	2020	2019
Sum overføringer og disponeringer		-10 282 000	18 734 000



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	9	49 000	153 000
Utsatt skattefordel	10	0	66 000
Sum immaterielle eiendeler		49 000	219 000
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	7	0	474 000
Right-of-use assets	7,8	23 732 000	25 986 000
Sum varige driftsmidler		23 732 000	26 460 000
Finansielle anleggsmidler			
Andre fordringer	12	26 266 000	26 266 000
Sum finansielle anleggsmidler		26 266 000	26 266 000
Sum anleggsmidler		50 047 000	52 945 000
Omløpsmidler			
Varer			
Varer	4	33 505 000	40 094 000
Sum varer		33 505 000	40 094 000
Fordringer			
Kundefordringer	5,16	93 344 000	96 376 000
Andre fordringer	16	45 405 000	18 569 000
Sum fordringer		138 749 000	114 945 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	14	9 171 000	20 324 000
Sum bankinnskudd, kontanter og lignende		9 171 000	20 324 000
Sum omløpsmidler		181 425 000	175 363 000
SUM EIENDELER		231 472 000	228 308 000



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	13	7 000 000	7 000 000
Annen innskutt egenkapital	13	30 224 000	0
Sum innskutt egenkapital		37 224 000	7 000 000
Opptjent egenkapital			
Annen egenkapital	13	15 854 000	26 116 000
Sum opptjent egenkapital		15 854 000	26 116 000
Sum egenkapital		53 078 000	33 116 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	10	4 735 000	0
Andre avsetninger for forpliktelser		4 986 000	4 986 000
Sum avsetninger for forpliktelser		9 721 000	4 986 000
Annen langsiktig gjeld			
Lease liabilities (non-current)	8	21 689 000	22 016 000
Sum annen langsiktig gjeld		21 689 000	22 016 000
Sum langsiktig gjeld		31 410 000	27 002 000
Kortsiktig gjeld			
Leverandørgjeld	5	21 908 000	26 502 000
Betalbar skatt		1 093 000	1 126 000
Lease liabilities (current)	8	1 918 000	4 017 000
Other short term liabilities	15	63 126 000	58 109 000
Short term loans & borrowings	12	58 939 000	78 436 000
Sum kortsiktig gjeld		146 984 000	168 190 000
Sum gjeld		178 394 000	195 192 000
SUM EGENKAPITAL OG GJELD		231 472 000	228 308 000



Balanse

Beløp i: NOK	Note	2020	2019
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Wärtsilä Valmarine AS

Financial Statements 2020



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Profit and Loss

NOK '000	Note	2020	2019
REVENUE			
Revenue	3	217 704	248 723
Other Operational Income			-
Total Revenues		217 704	248 723
OPERATING COST			
Cost of sales of goods and providing services	18	125 499	127 220
Personnel expenses	6	62 923	63 427
Other operating expenses	2,6	36 030	38 910
Depreciation and amortisation	7,8,9	5 095	4 324
Total operating expenses		229 547	233 880
Operating profit		(11 843)	14 843
FINANCIAL ITEMS			
Financial income	2	2 452	3 684
Financial expenses	2	882	2 363
Exchange gains (loss)	2	86	(1 421)
Net financial items		1 656	(101)
PROFIT BEFORE TAX		(10 187)	14 742
Tax on ordinary result	10	(1 311)	2 384
PROFIT (LOSS)		(8 876)	12 358
OTHER INCOME/ COST			
Changes in fair value of hedging instruments with cash flow hedges	13, 17	(1 802)	8 175
Tax on other comprehensive income	10	396	(1 799)
Total other income and expenses		(1 406)	6 376
TOTAL RESULT		(10 282)	18 734
ALLOCATIONS			
Group Contribution received	13	30 244	
Group Contribution given	13		
Dividend payment	13	-	-
Allocated to Other Equity	13		18 734
Transferred from Other Equity	13	(10 282)	
Total allocated		19 962	18 734



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Balance

NOK '000	Note	2020	2019
ASSETS			
Non current assets			
Intangible assets			
Deferred tax asset	10	-	66
Intangible assets	9	49	153
Fixed assets			
Property, plant & equipment	7	-	474
Right-of-use assets	7,8	23 732	25 986
Financial fixed assets			
Long term receivables	12	26 266	26 266
		50 047	52 945
Current assets			
Inventories	4	33 505	40 094
Accounts receivables	5,16	93 344	96 376
Other short-term receivables	16	45 405	18 569
Cash and cash equivalents	14	9 171	20 324
		181 426	175 363
Total Assets		231 472	228 308



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Balance

NOK '000	Note	2020	2019
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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	-
Total paid in capital		37 224	7 000

Retained earnings	13	15 854	26 116
Total equity attributable to equity holders of the Company		53 078	33 116

Liabilities

Non-current liabilities

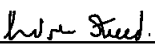
Deferred tax liabilities	10	4 735	-
Lease liabilities (non-current)	8	21 689	22 016
Provisions		4 986	4 986
Loans & borrowings		-	-
		31 410	27 002

Current liabilities

Trade and other payables	5	21 908	26 502
Current tax liabilities		1 093	1 126
Lease liabilities (current)	8	1 918	4 017
Other short term liabilities	15	63 126	58 109
Short term loans & borrowings	12	58 939	78 436
		146 984	168 190

Total Equity and Liabilities		231 472	228 308
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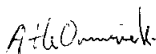
Drammen, 10.06.2021


Andrew Stead (Jun 10, 2021 08:58 GMT+1)

Andrew Stead
Chairman of the Board




Anne Tråskback
Board Member



Atle Ormevik
Board Member


Geir Ove Sele (Jun 10, 2021 10:17 GMT+2)

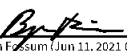
Geir Ove Sele
Managing Director


Thomas Heldarskard-Winnerskjold (Jun 16, 2021 21:34 GMT+2)

Thomas Heldarskard - Winnerskjold
Board Member


Wubbo Velvis (Jul 28, 2021 19:42 GMT+2)

Wubbo Velvis
Board Member


Bjørn Fossum (Jun 11, 2021 09:20 GMT+2)

Bjørn Fossum
Board Member



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Cash - flow statement

NOK '000	2020	2019
Cash flows from operating activities		
Operating profit	-11 843	14 843
Adjustments for:		
Depreciation & Amortisation	5 095	4 324
Loss/gain on sale of fixed assets	0	0
Net cash generated from operations	-6 748	19 166
Change in short term receivables	14 951	-19 892
Change in inventory	6 588	-5 065
Change in other short term liabilities	2 399	8 524
Change in trade and other liabilities	-4 594	3 022
Differences in expensed pensions and payments	0	0
	19 344	-13 411
Financial expense	-882	-2 363
Financial income	2 452	3 684
Exchange gains (loss)	86	-1 421
Taxes paid	-1 126	-932
	530	-1 033
Net cash used in operating activities	13 127	4 722
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	0	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	0	0
Cash flows from financing activities		
Changes in short-term debt	-24 280	-4 085
Changes in long-term debt	0	0
Shareholder Contribution	0	0
Received Group Contribution	0	-11 000
Net cash from financing activities	-24 280	-15 085
Net increase in cash and cash equivalents	-11 153	-10 364
Cash and cash equivalents at 1 January	20 324	30 687
Cash and cash equivalents at 31 December	9 171	20 324



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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.

**Wärtsilä Valmarine AS**
Financial Statements 2020**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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Notes

NOK '000

Note 2 Specification of income statement items

Other operating expenses	2020	2019
Other operating expenses	34 174	33 210
Office cost	344	523
Rental cost	2 310	3 267
Losses on claims and change in provision for bad debts	-798	1 909
Total other operating cost	36 030	38 910
Financial items	2020	2019
Interest income from Group Companies	104	131
Other interest income	3	18
Other financial income from Group Companies	2 345	3 534
Total Financial Income	2 452	3 684
Interest Expense to other Group Companies	614	311
Other interest expense	114	227
Other financial expense to Group Companies	18	1 696
Other financial expense	136	129
Total Financial Cost	882	2 363
Currency Gains	2 285	1 934
Currency Loss	2 199	3 354
Exchange gains (loss)	86	-1 419

Note 3 Sales Revenue

Business area	2020	2019
Service *)	75 898	110 328
Marine Solutions **)	141 806	138 395
Total Sales Revenue	217 704	248 723

*) 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 10,1 MNOK per 31.12.2020 (10,1 MNOK per 31.12.2019).

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 %

Geographical distribution	2019		Total	in % av total
	External	Internal		
Africa				0,0 %
America	11 344	13 639	24 983	11,5 %
Asia	14 625	42	14 667	6,7 %
Europe	155 851	53 222	209 073	96,0 %
Total Sales Revenue	181 820	66 903	248 723	114,2 %



Wärtsilä Valmarine AS

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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	31.12.2020	31.12.2019	Change
Inventories of goods for production and spare parts	45 789	50 790	-5 001
Obsolete Provision goods for production and spare parts	-12 284	-10 696	-1 588
Finished Goods			0
Devaluation Finished Goods			0
Inventory	33 506	40 094	-6 590

Note 5 Trade and other receivables/ payables

Accounts Receivable	31.12.2020	31.12.2019	Change
Trade receivables	64 333	43 023	21 310
Unbilled Revenue	12 923	27 854	-14 931
Goods in process	16 088	25 499	-9 411
Total Accounts Receivable	93 344	96 376	-3 032

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 1,8 at 31.12.2020 (2019: 2,5 MNOK). Change in provision for uncollectable accounts receivable are classified as other operating expences in the income statement.

Bad debts	2020	2019
New accruals	1 873	3 507
Realized losses	-80	253
Reversal of previous provisions	-995	-1 851
Bad debts in income statement	798	1 909



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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.

	2020	2019
Work in progress - accrued cost	215 719	266 126
Estimated margin on work in progress	58 300	31 586
Total value of work in progress	274 019	297 712

Accounts Payable	31.12.2020	31.12.2019	Change
Accounts payables external	13 452	14 272	-820
Amount due to Group Companies	8 456	12 230	-3 774
Total Accounts Payable	21 908	26 502	-4 594



Wärtsilä Valmarine AS

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

Salaries	2020	2019
Wages and salaries	54 447	53 579
Social security cost	7 759	8 018
Pension cost	717	1 830
Other personnel cost	0	0
Total	62 923	63 427

Average number of employees during the fiscal year 57 56

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.

Accrued bonuses per 31.12.2020 amount to MNOK 0,6

Audit fees from Auditors	2020	2019
Fees for audit and audit related services, excl VAT	259	254
Tax advisor fees	0	0
Other fees	104	32
Total	363	285



Wärtsilä Valmarine AS

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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 tjenestepensjon".

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 2020, 59 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 31.12.2020.

Pension cost	2020	2019
Defined contribution plans	717	1 830
Total pension cost recognized in the net income	717	1 830



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Note 7 Tangible assets

	Buildings	Machinery & Equipment	2020 Total
Cost			
At 1. January 2020		5 876	5 876
Additions and transfers			-
Disposals at cost/retirement		(1 154)	(1 154)
Cost at 31 December 2020	-	4 722	4 722
Accumulated depreciation and impairment losses at 01.01.2020		5 402	5 402
This years depreciation		212	212
Impairment losses			-
Disposal of depreciation		(892)	(892)
Per 31. December 2020	-	4 722	4 722
Carrying amounts at 31. December 2020	-	-	-
Economic life cycle	until 20 years	until 10 years	
Depreciation plan	linear	linear	

NOK '000	Buildings	Machinery & equipment	2019 Total
Cost			
At 1. January 2019		5 876	5 876
Additions and transfers			-
Disposals at cost/retirement			-
Cost at 31 December 2019	-	5 876	5 876
Accumulated depreciation and impairment		5 171	5 171
This years depreciation		231	231
Impairment losses			-
Disposal of depreciation			-
Per 31. December 2019	-	5 402	5 402
Carrying amounts at 31. December 2019	-	474	474
Economic life cycle	until 20 years	until 10 years	
Depreciation plan	linear	linear	



Note 8 Leases

	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	23 732	-	23 732
<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	23 607	0	23 607
<i>Total lease liabilities</i>			
			21 689
Non-current			21 689
Current			1 918
<i>Amounts recognised in profit and loss</i>			
			4 517
Depreciation and impairment of right-of-use assets			4 517
Interest expense			91
Expense - short-term leases			900
Expense - low-value assets			783
Expense - variable lease payments			627
			6 918

	Land and buildings	Machinery & equipment	2019 Total
<i>Carrying amount, Right-of-use assets</i>			
At 1. January 2019	29 975		29 975
Additions	-		-
Depreciations and impairment	(3 989)		(3 989)
Decreases and reclassifications	-	-	-
At 31 December 2019	25 986	-	25 986
<i>Carrying amount, Lease liabilities</i>			
At 1. January 2019	29 975		29 975
Additions	-		-
Interest expense	143		143
Payments	(4 085)		(4 085)
Other adjustments			
At 31. December 2019	26 033	0	26 033
<i>Total lease liabilities</i>			
			22 016
Non-current			22 016
Current			4 017
<i>Amounts recognised in profit and loss</i>			
			3 989
Depreciation and impairment of right-of-use assets			3 989
Interest expense			143
Expense - short-term leases			1 066
Expense - low-value assets			1 610
Expense - variable lease payments			591
			7 399



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Note 9 Intangible Assets

	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

	Research and Development	2019 Total
Cost		
At 1. January 2019	2 992	2 992
Additions and transfers		
Disposals at cost/ retirement		-
Cost at 31 December 2019	2 992	2 992
Accumulated depreciation and impairment losses at 01.01 2019	2 734	2 734
This years depreciation	104	104
Disposal of depreciation		-
Cost at 31 December 2019	2 838	2 838
Carrying amount 31. December 2019	154	154

Expected economic life Up to 15 years
Depreciation schedule Linear



Wärtsilä Valmarine AS

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Note 10 - Tax

	31.12.2020	31.12.2019	Change
Deferred Tax			
Fixed assets	(442)	(269)	173
Inventories	(12 283)	(10 696)	1 587
Receivables	(1 781)	(2 530)	(749)
Projects	58 300	31 586	(26 714)
Leasing	125	(47)	(172)
Guarantees and other accruals	(17 482)	(15 408)	2 074
Profit- and loss account	702	877	175
Total temporary differences	27 139	3 513	(23 626)
Tax loss carry forward	-	-	-
Net temporary differences	27 139	3 513	(23 626)
Basis for deferred tax	27 139	3 513	(23 626)
Deferred tax 22%	5 971	773	5 198
Temporary differences in equity	(5 616)	(3 814)	(1 802)
Net deferred tax recognized in equity	(1 236)	(839)	(396)
Total deferred tax	4 735	(66)	4 801

	2020	2019
Payable tax		
Profit before tax	(10 187)	14 742
Non- deductible expenses	6	(8 168)
Received/ paid Group Contribution with tax effect	38 775	
This year's change in temporary differences	(23 626)	(9 630)
Tax on income/ expenses recognized directly in equity		8 175
Applied carryforwards	-	
Additional tax on interest		
Taxable income	4 968	5 119

Tax payable 22 **1 093** **1 126**

	2020	2019
Income tax expense		
Payable tax for the year	1 093	1 126
Settlement tax in prior years	929	(861)
Withholding tax	-	
Tax on Group Contribution with tax effect	(8 531)	-
Additional tax on interest	-	-
Change in deferred tax liabilities/ assets	4 801	3 917
Tax on income/ expenses recognized directly in equity	397	(1 799)
Total income tax expense	(1 311)	2 384

Why the tax cost does not correspond to 22%

	2020	2019
22% on profit before tax	(2 241)	3 243
Permanent differences 22%	1	2
Effect of change in tax rate as of 31.12.2018		
Additional tax on interest		
Deviations on deferred taxes in previous years		
Withholding tax		-
Settlement tax payable previous years	929	(861)
Calculated tax cost	(1 311)	2 384
Effective tax ***)	12,9 %	16,2 %

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

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



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Note 11 Pledges and guarantees

Guarantees that are not recognized	31.12.2020	31.12.2019
Guarantee for payment of tax per 31.12		
Parent Company guarantee	3 311	2 510
Guarantees prepayments from customers	31 091	22 795
Total	34 402	25 305

The Company has no assets as security for long-term or short-term debt as of 31.12.2020

The Company did not pledge collateral or guarantees in favour of group companies per 31.12.2020

Note 12 Balances with group companies

	31.12.2020	31.12.2019
Trade receivable	12 438	9 513
Other receivable/ Group Contribution	65 041	26 266
Trade Payables	8 456	12 230
Other short term debt *)	58 936	78 436

*) Other short term debt per 31.12.2020

	Amount	Interest	Due Date
Loan from Wärtsilä Corporation, Group Treasury	5 000	1,18%	13.1.2021
Loan from Wärtsilä Corporation, Group Treasury	3 000	1,03%	13.1.2021
Loan from Wärtsilä Corporation, Group Treasury	4 500	1,08%	27.1.2021
Total	12 500		



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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 01.01.2020	7 000		26 116	33 116
Annual result			-8 876	-8 876
Group contribution		30 244		30 244
Dividends				0
Pension changes posted directly to equity				0
	7 000	30 244	17 240	54 484
Hedging gains and losses 2020			-1 406	-1 406
Effects of first time adoption of IFRS				0
Equity per 31.12.2020	7 000	30 244	15 834	53 078

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 31.12.2020	No of shares	Nominal value	Carrying amount
Sum	100	70	7 000

Shareholders information

Wärtsilä Marine Holdings AS, 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.



Wärtsilä Valmarine AS

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Note 14 Cash and cash equivalents

	31.12.2020	31.12.2019
Restricted bank deposits	2 569	2 795
Balance in Group Account	6 602	17 529
Total	9 171	20 324

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

	31.12.2020	31.12.2019
Provision accrued project-cost	44 603	34 256
Provision Wages and Holiday Pay	6 588	7 264
Other accruals	8 035	12 436
Payable Group Contribution	-	-
Payable Dividends	-	-
Public duties	3 899	4 153
Total other short term liabilities	63 125	58 109

Note 16 Receivables

	31.12.2020	31.12.2019
Trade receivables	93 344	96 376
Advances paid on inventory	-	-
Prepaid expenses and other receivables	6 245	17 312
Receivables Group Contribution	38 775	-
Accounts receivable VAI/ taxes	385	1 257
Total trade and other receivables	138 749	114 945



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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.

	31.12.2020	31.12.2019	Change
The fair value of forward contracts recognized in equity (in KNOK)	-5 616	-3 814	-1 802



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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 2020 Wärtsilä Group had a net sale of EUR 4.604 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 2020 the Company had 60 employees.

Total net sales to other Group Companies amounted to MNOK 41 in 2020 (MNOK 67 in 2019).

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

Wärtsilä APSS Srl	7 244
Wärtsilä Finland Oy	6 347
Wärtsilä North America inc	6 264

Total procurement of goods and services from other Group companies amounts to 56 MNOK in 2020 (MNOK 51 in 2019).

The most significant acquisitions from related parties are (KNOK)

Wärtsilä Corporation Oy	17 999
Wärtsilä Finland Oy	9 142
Wärtsilä APSS Srl	7 979

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. To deal with the economic consequences after the coronavirus outbreak, a restructuring programme was launched in May 2021. It was decided to shut down the cruise and automation business and purely focus on the Navy business. This will eventually lead to redundancy, but negotiations are still ongoing. The total effect of the restructuring programme is not known at the time of the signing of the financial statements



Report from the Board of Directors 2020

Business Concept

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

Wärtsilä Valmarine AS's (*The Company*) principal activities are development 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 2020, Wärtsilä Corporation's net sales totalled EUR 4.60 billion with approximately 17 800 employees. The Corporation has operations in over 250 locations in more than 70 countries around the world. The Group is listed on Nasdaq Helsinki. At year-end 2020 the market capitalisation of Wärtsilä Corporation was close to EUR 4.8 billion. The Group's Annual Report 2020 is available on web page www.wartsila.com

2020 In Short

During 2020 The Company reported net sales of 217 MNOK which is slightly lower than 2019. Result before tax for the same period was a deficit of 10 MNOK.

The Company has been heavily affected by the covid incentives and the service business is struggling to keep running. The Company's future development is significantly dependent on the situation in the international cruise market which has started to show positive signs and the Navy business.

The markets in which Wärtsilä operates are being highly affected by the coronavirus (COVID-19) outbreak and the measures taken to contain the global pandemic. This will continue to materially impact Wärtsilä's net sales and earnings also in 2021. The full financial impact cannot be quantified at this time, as it will depend on the duration and severity of the measures taken to avoid the virus spread, and the pace of the eventual market recovery. It has been taken actions to control the pandemic effects and a restructuring programme was launched in April 2021.

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, even though a loan of 12,5 MNOK from Group was necessary. By the end of 2020, The Company had cash and cash equivalents equal to 9 MNOK.



The New build market is still challenging but with a positive development. There are limited demands for new-build vessels and the low oil price continue to impact investments in offshore exploration and development. 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 2020.

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. The Company's service business is running slow at the moment due to travel restrictions, but is expected to recover as soon as the travel restriction is lifted.

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.

Health, Safety, Environmental and Quality

In 2020, 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, 4,0% against 4,4% in 2019. The sick leave 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 2021.



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 2020.

The Company ended up with a total of 22 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

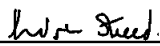
Wärtsilä Valmarine AS takes a proactive role to safeguard and integrate the consideration of human rights, labour rights and social conditions.

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 2020, Wartsila Valmarine AS had a total of 60 employees, 9 females and 51 males, 3 part time employees, 2 females and 1 male. There were no temporary positions. Female ratios for the different position levels are: Level 1 – 0%, level 2 – 9%, level 3 – 19%, level 4 – 0% and level 5 – 100%. Average parental leave weeks for females is 0 weeks, for males 8.3 weeks.

Wartsila Valmarine's management group consists of 3 females and 5 males while The Board of Directors consists of 5 males and 1 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 10.06.2021


Andrew Stead (Jun 10, 2021 08:58 GMT+1)

Andrew Stead
Chairman of the Board


Wubbo Velvis (Jul 28, 2021 19:42 GMT+2)

Wubbo Velvis
Board Member



WARTSILA VALMARINE AS




Anc

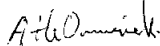
Anne Träskback
Board Member


Thomas Heldarskard-Winnerskjold (Jun 16, 2021 21:34 GMT+2)

Thomas Heldarskard-Winnerskjold
Board Member


Bjørn Fossum (Jun 11, 2021 09:20 GMT+2)

Bjørn Fossum
Board Member



Atle Ormevik
Board Member


Geir Ove Sele (Jun 10, 2021 10:17 GMT+2)

Geir Ove Sele
Managing Director



To the General Meeting of Wärtsilä Valmarine AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wärtsilä Valmarine AS, which comprise the balance as at 31 December 2020, the profit and loss and the 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 accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 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

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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authorised accounting firm*



Independent Auditor's Report - Wårtsilå Valmarine AS



Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Drammen, 10 June 2021

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Independent Auditor's Report - Wärtsilä Valmarine AS



PricewaterhouseCoopers AS

Paal Ødegård
State Authorised Public Accountant

(This document is signed electronically)

(3)



Independent Auditors Report 2020

Signers:

Name	Method	Date
Ødegård, Paal	BANKID_MOBILE	2021-06-21 10:59

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- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



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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.