Wärtsilä
Shaping the decarbonisation of Marine and Energy
Roadshow presentation
March 2023
**MARKET FUNDAMENTALS**

**MARINE** will move with unprecedented speed towards decarbonisation

**Policies & regulations**
- IMO target
- Access to capital
- Cost of carbon
- Demand for green sea transport

**Technology**
- Carbon neutral and zero carbon fuels
- Carbon fuels for many years, still
- Abatement technologies
- Battery systems, hybrids
  & energy saving devices
- Fuel efficiency & flexibility

**Connectivity & data**
- Vessels as data pools
- Optimisation solutions
- Performance-based agreements
- Cyber security
- Autonomous operations

**ENERGY** is moving towards a 100% renewables future

**Policies & regulations**
- EU: Carbon neutral by 2050
- USA: carbon free electricity production by 2035, net zero emissions by 2050
- China: Carbon neutral by 2060

**Technology**
- Wind and solar growing rapidly
- Intermittent sources requiring balancing power
- Sustainable fuels for thermal balancing
- Digitalisation
- Cyber security

**Growing ENERGY demand**
- By 2050, electricity generation expected to grow by 3X, renewables by 8X ¹
- By 2030, balancing power market to grow by 10X ²
- Gradual replacement of coal
- Power systems increasingly complex

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¹ IEA World Energy Outlook 2021 (Net Zero Emissions Scenario)
² Bloomberg New Energy Outlook 2020, Wärtsilä estimates
OUR VALUE CREATION POTENTIAL IS BASED ON TWO STRATEGIC THEMES

1 TRANSFORM
Decarbonisation creates new business opportunities

2 PERFORM
Leverage market recovery and growth
Maritime is going through an unprecedented rate of change, which is accelerated by regulations and the demand for green transport.

Also, the energy sector is undergoing a massive transformation as decarbonisation and renewables are fundamentally going to change the way energy is generated.

We are set for performance and have significant value creation potential to drive this transformation as a technology leader.
PERFORM

We are ready to leverage market recovery and growth

#1-3 in global markets

FINANCIAL TARGETS:
- 5% annual organic growth
- 12% operating margin

"SET FOR 30"
DECARBONISATION TARGETS:
- carbon neutral in our own operations by 2030
- a product portfolio ready for zero carbon fuels by 2030

Clear financial targets and strong commitment to realise them

Robust capital allocation principles and active portfolio management

Notable opportunity in retrofits and conversions

Extensive service network, positioned for growth both in transactional services and performance-based agreements

Focus on:
- High performing teams
- Performance excellence and robust execution
- Continuous improvement
- Cost structure – actions taken whenever and wherever necessary
OWNERS WILL DECIDE ON TECHNOLOGY PARTNERS NOW:

- Vessel life is 25-30 years
- Critical decision criteria:
  - Multifuel capabilities for blending with green fuels
  - Conversion capabilities for future fuels

MOVE FROM A SINGLE-FUEL INDUSTRY TO A MULTI-FUEL ONE

Distribution of fuel types for Decarbonisation 2050 (1.5°C scenario), exajoule

- Carbon neutral and zero carbon fuels in maritime

Source: DNV Maritime Forecast 2050 model, Wärtsilä internal estimates
Fuel conversions will play a vital role in the fuel transition for both existing and new vessels built during this and next decade. Fuel selection impacts the vessel structure

<table>
<thead>
<tr>
<th>Fuel type</th>
<th>Key considerations</th>
<th>Fuel price factor (per GJ)</th>
<th>Gross tank size factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy Fuel Oil @ 20°C</td>
<td>Standard tank arrangement</td>
<td>1X</td>
<td>1X 4)</td>
</tr>
<tr>
<td>Liquified Natural Gas @ -162°C</td>
<td>Cryogenic system</td>
<td>0.7X 2)</td>
<td>2.4X</td>
</tr>
<tr>
<td>Methanol @ 20°C</td>
<td>Mildly toxic</td>
<td>2.2X-5.4X 3)</td>
<td>1.7X</td>
</tr>
<tr>
<td>Ammonia @ -33°C</td>
<td>Toxic</td>
<td>2.2X-4.5X 3)</td>
<td>3.9X</td>
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<tr>
<td>Liquid Hydrogen @ -253°C</td>
<td>Highly reactive</td>
<td>2.7X-4.5X 3)</td>
<td>7.3X</td>
</tr>
<tr>
<td>Compressed Hydrogen @350bar</td>
<td>High pressure</td>
<td>1.6X-2.6X 3)</td>
<td>19.5X</td>
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<tr>
<td>Marine Battery Rack</td>
<td>Marine adaptation reduces density</td>
<td></td>
<td>~40X (future potential ~20X)</td>
</tr>
</tbody>
</table>

**Production cost estimate 2025**

1) Sources: Maersk Mc-Kinney Møller Center for Zero Carbon Shipping – Industry transition strategy 2021, Wärtsilä-DNV collaboration; 2) fuel price for e-methane is expected to be in a range similar to e-methanol; 3) fuel price range spans across blue, bio and green-electro equivalent; 4) gross tank estimations based on Wärtsilä experience
WÄRTSILA HYBRID MARKET POSITION
We are maintaining our market leadership in Hybrid Systems

• Number of Hybrid Vessels on order and in operation is – 81 vessels with 115MWh batteries

• Our current market share is 25% for engine-battery hybrid marine projects

• Further growth expected in future years as hybridisation is seen as key enabler for marine decarbonisation

• One proof point of our ability to support our customers’ environmental targets is the announced order for hybrid propulsion systems for four new heavy lift vessels.
  • The system will feature a variable-speed Wärtsilä 32 main engine capable of operating with methanol fuel. This will therefore make these ships among the first to be prepared to operate on methanol, a clean burning sulphur-free alternative to conventional fossil-based marine fuels.
  • They will also be the first methanol capable ships to employ a variable speed main engine in a hybrid installation
Together we can create unique customer value and drive decarbonisation of marine power.

VEssel and transport efficiency

**Engine efficiency**
- Marine power
- Mandatory for specific fuel oil consumption (SFOC) optimisation
- Wärtsilä fuel consumption monitoring system + Wärtsilä data collection unit (WDCU)

**Propulsion efficiency**
- Marine power & voyage
- Optional for vessel fuel optimisation
- Torque and thrust measurement

**Voyage efficiency, incl port operations**
- Voyage solutions (fleet optimisation solutions (FOS), Port Link...)
- Mandatory for vessel fuel optimisation

According to voyage strategy review published on 14 February 2023.
Vessel contracting forecast

- Continued firm container & LNG carrier ordering
- Accelerating fleet renewal and steady demand growth
- Continuing accelerated fleet renewal supported by the fleet age profile and potential increased consensus over fuelling and technology choices

Wärtsilä’s order intake in Marine businesses by customer segment in 2022

- Merchant: 29%
- Gas carriers: 14%
- Cruise & ferry: 19%
- Offshore: 9%
- Special vessels: 14%
- Navy: 10%
- Other: 5%

Includes both orders for equipment and services. The vessel types included in Merchant segment are bulk carriers, cargo-, container-, and RoRo vessels as well as tankers. The vessel types included in Special vessel segment are dredgers, fishing-, inland-, and service vessels as well as tugs.

Source:Clarksons Research, September 2022
Vessel utilisation rates driving Wärtsilä’s service business

Typically there is some delay between changes in utilisation rate and Wärtsilä service net sales

- Cruise capacity has almost recovered to pre-Covid, passenger volumes have increased heavily from H2/2022 onwards
- Passenger ferry capacity has not yet fully recovered to pre-Covid, but passenger volumes have increased heavily from H2/2022 onwards

- Mobile drilling unit (MDU) utilisation rate expected to grow by 6.4% in 2023
- Number of active offshore support vessels expected to rise by 11% in 2023

Source: Clarksons Research

• Increasing slow steaming will require drive up the utilisation rate of existing fleet and eventually lead to demand for further vessel capacity, leading to higher demand for services
SUPPORTING DECARBONISATION IN ENERGY

- Wind and solar are intermittent power sources
- Flexible balancing power needed to stabilize the power system: balancing power market expected to grow by 10X ¹)
- Reciprocating engines ideally suited to provide balancing power
  - Energy efficient
  - Fast ramp up/ramp down
  - Fuel flexible
- Today running on gas, tomorrow on green fuels

¹) by 2030. Source: Bloomberg New Energy Outlook 2020, Wärtsilä estimates
Renewable energy plays a key role in energy sector emissions abatement

Estimated growth of the addressable annual markets of thermal balancing (GW) and energy storage (GWh)

Source: BloombergNEF New Energy Outlook 2022, Wärtsilä estimates at Capital Markets Day 2021
The new Japanese plant will operate with ten Wärtsilä 34SG gas engines. It will replace a 100 MW combined cycle gas turbine that was formerly located on the project site.

The fast-starting engines will provide the grid balancing and peaking capabilities needed as Japan increases its share of energy from renewable sources.

The main purpose of the utility-scale power plant is hedging market price fluctuations, and it will also enable participation in the recently launched cross-regional balancing market.

Japan is committed to addressing climate change and has set a target to have its share of renewable energy within the power mix increased to 36 - 38 percent by 2030.
Wärtsilä flexible generation will support the transition to renewable energy in Latin America

- The plant will operate with 18 Wärtsilä 50SG gas engines, which in simple cycle deliver an output of 339 MW

- Initially, the plant will provide baseload power to the grid, but the rapid start-up flexibility of the engines will enable it to take on a grid balancing role as the system’s share of renewable energy increases.

- The high overall efficiency level of the plant will reduce emissions, while the ability of the Wärtsilä engines to accept future sustainable fuels as they become available, provides future-proof sustainability for the plant.

- Wärtsilä is dedicated to supporting the transition to renewable power throughout the whole of Latin America. To date Wärtsilä has approximately 10.6 GW of installed capacity in 254 power plants with 1,060 engines in seventeen Latin American countries. 2.7 GW of this capacity is covered by Wärtsilä long-term service agreements.
Good demand in energy storage – market expected to grow 30% annually in this decade

Wärtsilä Energy storage

- Long-proven track record of grid scale system installations globally, integrated with wind, solar, hydro & thermal generation.
- Powered by the advanced GEMS Digital Energy Platform, designed to optimise energy system lifetime and energy system economics.
- Thermal balancing and energy storage are complementary technologies: energy storage solutions for shorter firming periods and dispatchable engines for unlimited periods (with high flexibility).
- Business currently loss making, but we aim to turn it profitable within a few years
- Profitability has been improving and the full year comparable operating result margin was approximately -4% in 2022
Wärtsilä is very well-positioned for the decarbonisation transformation

Leader in

- Carbon neutral & zero carbon fuels
  - Available today: biofuels, methanol, up to 25% hydrogen blends
  - 2023: ammonia concept
  - 2025: 100% hydrogen concept

- Hybrid marine installations

- Energy efficient fossil fuels

- Power system optimisation
  - Energy storage
  - Thermal balancing power

Pioneer in

- Marine electric drivetrain
- Marine carbon capture
- Marine optimisation and autonomous solutions
- Partnering for complementary technologies
  - Fuel cells
  - Air lubrication
  - Flettner rotors
WE CONTINUE INVESTING IN INNOVATION TO ENSURE A BROAD, INDUSTRY-LEADING SOLUTION OFFERING

<table>
<thead>
<tr>
<th>Year</th>
<th>R&amp;D expenditure, MEUR</th>
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<tbody>
<tr>
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<td>165</td>
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<td>2019</td>
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<tr>
<td>2022</td>
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* Figure in the comparison period 2021 has been restated to reflect a change in the definition of research and development expenditure.
Front-runner in alternative fuel engine technology

<table>
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<tr>
<th>Engines</th>
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<th>2024</th>
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<td>LNG</td>
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<td>Bio-methane</td>
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<td>Hydrogen blends</td>
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<tr>
<td>Methanol</td>
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¹) FAME, HVO: biodiesel
New financial targets reflect growth opportunities and increased profitability

| New targets          |  |
|----------------------|----------------
| **Net sales**        | 5% annual organic growth |
| **Profitability**    | 12% operating margin  |
| **Capital structure**| Gearing below 0.50   |
| **Dividend**         | At least 50% of earnings |
Good growth opportunities in services, energy, and marine new build recovery. Our installed base provides a strong foundation for services growth.

**Starting point:**
Net sales 4,401 MEUR (LTM Q3/2021)

**Key drivers**

**Storage**
- Fast growing demand for energy storage and power system optimisation solutions

**Services**
- Increased share of wallet from existing customers
- Deeper penetration of installed base
- Decarbonisation retrofits
- New business models

**Thermal balancing**
- Increased demand due to coal shut-downs
- Thermal balancing power complementing energy storage

**Marine new build market recovery**
- Cruise & Ferry and Special Vessel segments in particular

Limited additional CAPEX needed to facilitate the growth

**Target:**
5% annual organic growth
We will reach our profitability target while maintaining R&D investments at ~3% of net sales

Starting point: Operating margin 5.9% (LTM Q3/2021)

Key drivers

- Marine and Energy Services growth
- Thermal balancing power growth
- Storage growth
- Voyage turnaround and digital growth
- Pricing
- Continuous improvement
- Cost inflation

Target: 12% operating margin

Limited additional CAPEX needed to facilitate the growth
SERVICE NET SALES BY BUSINESS

+11%
Performance-based agreements have significant growth potential, both in Marine and Energy

Moving up the service value ladder

- Spend ratio EUR/kW
- Baseline 1X
  - Transactional
    - Spare parts
    - Field services
- 2-5X
  - Agreements & Performance-based agreements
- 25% of installed base

Enablers for growth

- Optimised asset performance for our customers
- Leveraging connectivity, big data, machine learning and extensive service network
- Successful experience from several projects in Marine and Energy
Positive development in both Marine and Energy service business

**Marine Power net sales from installations under agreement**

MEUR, 12m rolling

**Energy service agreements**

MW

- **MW under agreement**
- **% of Energy installed base**

*Includes agreements covering both installed assets and assets to be installed in the future*
PROFITABILITY DRIVERS FOR 2023

Supporting drivers

• Growth of service business
• Continued decarbonisation push in both the energy and marine markets
• Profitability improvements in Energy Storage and Voyage Business
• Continued cost optimisation
• Strong order book both in new equipment and services
• Lower value of new equipment orders sold with "pre-war" prices

Uncertainties

• Geopolitical tensions
• Potential trade restrictions / trade wars
• Recession risk

Negative factors

• Wage inflation
• Costs of energy:
  o fuel costs (for testing)
  o gas prices and availability
Strong presence in sustainable development indices

Member of Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Sustainability Yearbook Member 2021

S&P Global

FTSE4Good

S&P Europe 350 ESG Index
Wärtsilä’s ESG Agenda in brief

**E**
Ambitious decarbonization targets for 2030
- Portfolio ready for zero carbon fuels
- Carbon neutrality in own operations

**S**
Good Corporate Citizen and Responsible Employer
- High ethical standards
- Diversity in focus
- Strive for safety

**G**
Effective Governance model
- Sustainability matters embedded
Sustainability is integrated into our strategy and purpose

Environment
Being a forerunner in sustainable innovation and furthermore reduce emissions in our customers' operations and in societies overall.

Social
Being a good corporate citizen and responsible employer.

Economic
Meeting customer and shareholder expectations and contributing towards the wellbeing of society.

Customer & Community value

- Innovative solutions for a low carbon economy
- High environmental performance and efficiency
- Partnerships and active engagement in ecosystems

Employee & Community value

- High ethical standards
- Responsible employer offering, interesting and exciting workplace
- Equal opportunities and diversity
- Hazard free working environment

Customer & Shareholder value

- Efficient, profitable, and competitive company operations

Shaping the decarbonisation of marine and energy

Purpose
Enabling sustainable societies through innovation in technology and services
Decarbonising our own operations requires a wide range of actions "SET FOR 30"

**OUR MAIN DECARBONISATION INITIATIVES**

<table>
<thead>
<tr>
<th>2021</th>
<th>2030</th>
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</thead>
<tbody>
<tr>
<td><img src="image" alt="Energy efficiency measures" /> +/€</td>
<td><img src="image" alt="Energy efficiency measures" /></td>
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<td><img src="image" alt="Low emission company vehicles" /> +/€</td>
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<tr>
<td><img src="image" alt="Replacing fossil fuels with alternative fuels" /> +++/€</td>
<td><img src="image" alt="Replacing fossil fuels with alternative fuels" /></td>
</tr>
</tbody>
</table>

+ GHG reduction potential  € Cost to reduce
Wärtsilä “Set for 30” is progressing well
Variety of concrete actions have been taken – some examples

- **Green electricity purchasing fully in use in Finland**
- **Solar panel investment in Bermeo Spain**
- **Electric Vehicle policy defined and being rolled out**
- **Heat pumps installed in server room in Norway**
- **Electric Forklift policy defined and being rolled out**
- **Solar panel investment in Bermeo Spain**
- **Variety of actions identified to reduce engine testing time**
- **Environmental standards for selecting new facilities in use**
- **Intelligent energy meters installed in Norway - leakages detected**

Set for 30
# Wärtsilä’s focus on social responsibility

## Strong ethical culture
- Fair competition
- Trade compliance
- Anti-corruption
- Human and Labour Rights

## A responsible employer
- Equal opportunities and diversity
- Fair employment practices
- Well-being of our employees
- Talent and leadership development

## A Safe place to work
- Strong safety culture
- Providing means for safe work
- Product design principles

## Responsible value chain
- Human and Labour Rights
- Compliance
- Anti-corruption

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- Clear policies and instructions
- Ethical training programmes and transparent communication
- Effective compliance programmes
- Global policies and processes
- Training programmes and effective communication
- Co-operation and consultation with our employees
- Employee and leadership engagement
- Consistent safety competencies
- High quality tools and protective equipment
- Robust risk assessment practices
- Incident reporting and investigation
- Emergency preparedness
- Clear supplier requirements
- Supplier assessment process
- Setting contractual obligations
- Monitoring the supplier performance
- Taking necessary actions in case of non-compliance
Wärtsilä’s Governance Model

**Annual General Meeting**
The Annual General Meeting is Wärtsilä’s ultimate decision-making body.

**Board of Directors**
The Board of Directors consists of eight members elected by the Annual General Meeting. They are responsible for the strategic management of the company.

**President & CEO**
The Board of Directors appoints the President & CEO, who is in charge of the operative, day-to-day management of the company.

**Board of Management**
The Board of Management supports the President & CEO.

**Shareholders’ Nomination Board**
The Nomination Board prepares matters pertaining to the appointment and remuneration of the Board of Directors.

**Audit Committee**
The committee’s responsibilities include monitoring the financial reporting process and the efficiency of the internal control, internal audit, and risk management systems.

**People Committee**
The committee’s responsibilities include preparing matters concerning the nomination and remuneration of the President & CEO, the CEO’s deputy, if any and the members of the Board of Management.

**External Audit**
Elected by the Annual General Meeting to audit the consolidated and parent company financial statements and accounting records, and the administration of the parent company.

**Internal Audit**
Analyses the company’s operations and processes, as well as the effectiveness and quality of its supervision mechanisms. The function reports at regular intervals to the Audit Committee.

**Thematic Boards**
Thematic Boards preparing and aligning for Board of Management decision on topical matters like strategy, sustainability, cyber, etc.
SIGNIFICANT VALUE CREATION POTENTIAL

PURPOSE
ENABLING SUSTAINABLE SOCIETIES THROUGH INNOVATION IN TECHNOLOGY AND SERVICES

ENERGY
Intermittent sources of energy require balancing solutions. By 2030, the balancing power market is expected to grow >10X.

MARINE
An unprecedented rate of change driven by regulations and demand for green transport. 50% GHG reduction in shipping by 2050.

COMMITTED TO TARGETS
FINANCIAL TARGETS
• 5% annual organic growth
• 12% operating margin

"SET FOR 30" – DECARBONISATION
• A product portfolio ready for zero carbon fuels
• Carbon neutral in own operations

TARGET POSITION
SHAPING THE DECARBONISATION OF MARINE & ENERGY

LEADING OFFERING TO SUPPORT OUR CUSTOMERS IN DECARBONISATION

FUEL FLEXIBLE ENGINES ENABLING DECARBONISATION
BATTERY, ENERGY SAVING, AND EMISSION ABATEMENT TECHNOLOGIES
THERMAL BALANCING AND ENERGY STORAGE
ENERGY EFFICIENCY & POWER SYSTEM OPTIMISATION
THE WIDEST SERVICE NETWORK IN THE INDUSTRY
DIGITAL SOLUTIONS ENABLING OPTIMISED OPERATIONS AND SERVICE
Advantages of Wärtsilä power plants over combined cycle gas turbines

Faster startup time
- Combined cycle gas turbines can take over 30 minutes to start, whereas combustion engine power plants can start and reach full load in less than 5 minutes

Advantages of modularity
- Combustion engine power plants are comprised of multiple generating units

Better part-load efficiency and flexibility
- Unlike gas turbines, Wärtsilä engine power plants have near full range capability of emissions-compliant turndown

Better pulse-load efficiency and profitability
- Combustion engine power plants are dispatchable and can adjust load daily, ramping up and down with demand

Higher ramp rate
- Ramp rate = the rate at which a power plant can increase or decrease output
- Wärtsilä engines can ramp at over 100%/minute. For combined cycle gas turbines, typical ramp rates are around 10%/minute.

Derating due to ambient temperature
- Combustion engines are less sensible to temperature and humidity

Fuel flexibility
- Gas turbines have reduced availability and output when running on fuel oils

Lower water consumption
- A combined cycle gas turbine power plant (CCGT) with a recirculating system = 780 liters/MWh.
- Wärtsilä combustion engine power plant operating in simple cycle on natural gas = 3 liters/MWh.
Financial development in Q4
A challenging year with strong annual growth

- Order intake increased by 6%
- Net sales increased by 22%
- Good progress in services:
  - Service order intake increased by 17% and exceeded equipment order intake in absolute terms
  - Service net sales increased by 12%
- The comparable operating result declined by 9%
  - Supported by higher sales volumes
  - Burdened by cost inflation, less favourable sales mix between equipment and services and a cost provision of EUR 40 million related to the Olkiluoto nuclear project
- Orderly exit from the Russian market completed
- Plan announced to centralise our 4-stroke manufacturing in Vaasa, Finland and to scale down manufacturing in Trieste, Italy
- Decided to integrate the Voyage business into Marine Power to strengthen the end-to-end offering and to accelerate the turnaround
Key figures

<table>
<thead>
<tr>
<th></th>
<th>10-12/2022</th>
<th>10-12/2021</th>
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<th>1-12/2022</th>
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<tr>
<td></td>
<td>1,638</td>
<td>2,150</td>
<td>-24%</td>
<td>6,074</td>
<td>5,735</td>
<td>6%</td>
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<tr>
<td>of which services</td>
<td>791</td>
<td>747</td>
<td>6%</td>
<td>3,066</td>
<td>2,615</td>
<td>17%</td>
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<td><strong>Order book</strong></td>
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<td></td>
<td>5,906</td>
<td>5,859</td>
<td>1%</td>
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<tr>
<td>of which current year deliveries</td>
<td>3,871</td>
<td>3,763</td>
<td>3%</td>
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<td><strong>Net sales</strong></td>
<td>1,770</td>
<td>1,597</td>
<td>11%</td>
<td>5,842</td>
<td>4,778</td>
<td>22%</td>
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<td>of which services</td>
<td>784</td>
<td>751</td>
<td>4%</td>
<td>2,775</td>
<td>2,467</td>
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<tr>
<td><strong>Book-to-bill</strong></td>
<td>0.93</td>
<td>1.35</td>
<td></td>
<td>1.04</td>
<td>1.20</td>
<td></td>
</tr>
<tr>
<td><strong>Operating result</strong></td>
<td>37</td>
<td>144</td>
<td>-75%</td>
<td>-26</td>
<td>314</td>
<td>-108%</td>
</tr>
<tr>
<td>% of net sales</td>
<td>2.1</td>
<td>9.0</td>
<td></td>
<td>-0.4</td>
<td>6.6</td>
<td></td>
</tr>
<tr>
<td><strong>Comparable operating result</strong></td>
<td>93</td>
<td>158</td>
<td>-41%</td>
<td>325</td>
<td>357</td>
<td>-9%</td>
</tr>
<tr>
<td>% of net sales</td>
<td>5.3</td>
<td>9.9</td>
<td></td>
<td>5.6</td>
<td>7.5</td>
<td></td>
</tr>
</tbody>
</table>

Wärtsilä’s financial information for the year 2021 has been adjusted to reflect a change in categorisation between equipment and services in Wärtsilä Marine Power and Wärtsilä Marine Systems. This restatement has no impact on the group’s total financial figures.
Fourth quarter highlights

Net sales EUR 1,770 million
- 4% increase in service sales

Comparable operating result EUR 93 million
- 41% decline
Order intake decreased by 24%

- Equipment order intake decreased by 40% from an all-time high quarter last year
- Service order intake increased by 6%
Strong order book, rolling book-to-bill still above 1

Order book by business

Order book delivery schedule
Propects

Wärtsilä expects the demand environment for the next 12 months in the Marine business (including Marine Power and Marine Systems) to be similar to that of last year. For the Energy business, Wärtsilä expects the demand environment to be better than last year.
### January–December order intake by customer segment

<table>
<thead>
<tr>
<th>Marine Businesses</th>
<th>Gas carriers</th>
<th>Cruise &amp; ferry</th>
<th>Offshore</th>
<th>Navy</th>
<th>Special vessels</th>
<th>Merchant</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marine Power</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>14% (7)</td>
<td>23% (28)</td>
<td>2% (3)</td>
<td>11% (9)</td>
<td>14% (21)</td>
<td>35% (31)</td>
<td>0% (0)</td>
</tr>
<tr>
<td>Services</td>
<td>15% (17)</td>
<td>21% (19)</td>
<td>15% (14)</td>
<td>9% (10)</td>
<td>11% (13)</td>
<td>27% (24)</td>
<td>1% (2)</td>
</tr>
<tr>
<td><strong>Marine Systems</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>23% (35)</td>
<td>2% (4)</td>
<td>1% (1)</td>
<td>35% (34)</td>
<td>7% (2)</td>
<td>17% (18)</td>
<td>15% (6)</td>
</tr>
<tr>
<td>Services</td>
<td>3% (3)</td>
<td>8% (8)</td>
<td>6% (5)</td>
<td>30% (26)</td>
<td>6% (9)</td>
<td>43% (43)</td>
<td>4% (5)</td>
</tr>
<tr>
<td><strong>Voyage</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>0% (1)</td>
<td>25% (22)</td>
<td>10% (7)</td>
<td>7% (15)</td>
<td>4% (5)</td>
<td>19% (28)</td>
<td>34% (22)</td>
</tr>
<tr>
<td>Services</td>
<td>0% (3)</td>
<td>28% (28)</td>
<td>5% (6)</td>
<td>1% (2)</td>
<td>5% (6)</td>
<td>50% (53)</td>
<td>12% (2)</td>
</tr>
<tr>
<td><strong>Marine Businesses, in total</strong></td>
<td>14% (16)</td>
<td>19% (19)</td>
<td>9% (8)</td>
<td>14% (15)</td>
<td>10% (12)</td>
<td>29% (27)</td>
<td>5% (4)</td>
</tr>
<tr>
<td>Equipment</td>
<td>15% (17)</td>
<td>18% (19)</td>
<td>3% (3)</td>
<td>18% (19)</td>
<td>11% (13)</td>
<td>28% (25)</td>
<td>8% (5)</td>
</tr>
<tr>
<td>Services</td>
<td>13% (14)</td>
<td>20% (18)</td>
<td>13% (12)</td>
<td>11% (12)</td>
<td>10% (12)</td>
<td>31% (29)</td>
<td>2% (2)</td>
</tr>
<tr>
<td><strong>Energy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>42% (49)</td>
<td>45% (42)</td>
<td>12% (9)</td>
<td></td>
<td></td>
<td>1% (1)</td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>38% (33)</td>
<td>28% (31)</td>
<td>24% (27)</td>
<td></td>
<td></td>
<td>11% (10)</td>
<td></td>
</tr>
</tbody>
</table>
Governance
Board of Management

Håkan Agnevall, President & CEO
Arjen Berends, Chief Financial Officer
Tamara de Gruyter, President, Wärtsilä Marine Systems
Kari Hietanen, Corporate Relations and Legal Affairs
Roger Holm, President, Wärtsilä Marine Power
Teija Sarajärvi, Human Resources
# Largest shareholders 28 February 2023 (Euroclear)

<table>
<thead>
<tr>
<th>#</th>
<th>Name</th>
<th>Shares</th>
<th>Share %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Invaw Invest AB</td>
<td>104,711,363</td>
<td>17.70%</td>
</tr>
<tr>
<td>2</td>
<td>Varma Mutual Pension Insurance Company</td>
<td>31,768,252</td>
<td>5.37%</td>
</tr>
<tr>
<td>3</td>
<td>Ilmarinen Mutual Pension Insurance Company</td>
<td>12,626,503</td>
<td>2.13%</td>
</tr>
<tr>
<td>4</td>
<td>Elo Keskinäinen Työeläkevakuutusyhtiö</td>
<td>6,868,000</td>
<td>1.16%</td>
</tr>
<tr>
<td>5</td>
<td>The Social Insurance Institution of Finland</td>
<td>5,517,730</td>
<td>0.93%</td>
</tr>
<tr>
<td>6</td>
<td>Svenska Litteratur-sällskapet i Finland Rf</td>
<td>5,171,277</td>
<td>0.87%</td>
</tr>
<tr>
<td>7</td>
<td>State Pension Fund</td>
<td>4,700,000</td>
<td>0.79%</td>
</tr>
<tr>
<td>8</td>
<td>Holdix Oy Ab</td>
<td>4,139,400</td>
<td>0.70%</td>
</tr>
<tr>
<td>9</td>
<td>Jenny and Antti Wihuri Foundation</td>
<td>2,700,000</td>
<td>0.46%</td>
</tr>
<tr>
<td>10</td>
<td>Samfundet Folkhälsan i Svenska Finland rf</td>
<td>2,458,200</td>
<td>0.42%</td>
</tr>
<tr>
<td></td>
<td>Nominee registered</td>
<td>201,422,913</td>
<td>34.04%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>591,723,390</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
Wärtsilä in brief
KEY FIGURES 2022

Order intake
6,074 MEUR

Net sales
5,842 MEUR

Comparable operating result
325 MEUR
5.6% of net sales

Operating result
-26 MEUR
-0.4% of net sales

Cash flow from operating activities
-62 MEUR

Personnel
17,500

For investor meeting requests, please contact:

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Maija Hongas
Senior Manager, Investor relations
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Tiia Tikkanen
Investor relations specialist
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Janine Tourneur
Executive assistant
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General inquiries:
investor.relations@wartsila.com
Strong track record in innovations

Investing ~3% of net sales on R&D yearly

Today: engines run on biofuels, methanol, up to 25% hydrogen blends

By 2023: pure ammonia fuel engine concept ready

By 2025: pure hydrogen fuel engine concept ready

Financial targets

Net sales
5% annual organic growth

Profitability
12% operating margin

Capital structure
Gearing below 0.50

Dividend
Distribute a dividend of at least 50% of earnings

Capturing opportunities arising from decarbonisation

Marine
• Increasing environmental regulations
• Demand for green sea transport, driven by companies’ environmental commitments to their customers
• Need for fuel flexible engines

Energy
• Country climate pledges
• Coal phase-out
• Renewables growth and the consequent need for balancing power and energy storage
• Need for fuel flexible engines

Dividend

Solid balance sheet

Net debt
Gearing-%
MAIN COMPETITORS

ENGINES
- MAN
- Himsen
- Rolls-Royce

OTHER MARINE SOLUTIONS
- Kongsberg
- Alfa Laval
- GE
- Siemens
- Schottel

OTHER ENERGY SOLUTIONS
- GE
- Siemens
- Tesla
- Fluence

CUSTOMER BASE

MARINE BUSINESSES
- Ship owners
- Ship operators
- Ship management companies
- Charterers
- Shipyards
- Port authorities

ENERGY
- Utilities
- Independent Power Producers (IPPs)
- Industrial customers
For more information, call us or visit our Investors page

Next upcoming IR events
- 7 March 2023, Carnegie conference in Stockholm
- 9 March 2023, Annual General Meeting
- 31 March 2023, Pre-silent call with CFO

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