

WÄRTSILÄ PUREGAS SOLUTIONS A/S
C/O BDO, BIRKEMOSE ALLÉ 39, 6000 KOLDING
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2017

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 28 June 2018**

Bernd Bertram

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COMPANY DETAILS

Company	Wärtsilä Puregas Solutions A/S c/o BDO Birkemose Allé 39 6000 Kolding CVR no.: 37 08 20 07 Established: 15 September 2015 Registered Office: Kolding Financial Year: 1 January - 31 December
Board of Directors	Timo Koponen, Chairman Kjetil Hovland Bernd Bertram
Board of Executives	Bernd Bertram
Auditor	Pricewaterhousecoopers Statsautoriseret Revisionspartnerselskab Skelagervej 1A 9000 Aalborg

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Wärtsilä Puregas Solutions A/S for the financial year 1 January - 31 December 2017.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

We recommend the Annual Report be approved at the Annual General Meeting.

Kolding, 28 June 2018

Board of Executives

Bernd Bertram

Board of Directors

Timo Koponen
Chairman

Kjetil Hovland

Bernd Bertram

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Wärtsilä Puregas Solutions A/S

We have performed an extended review of the Financial Statements of Wärtsilä Puregas Solutions A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity, and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the Financial Statements. We conducted our extended review in accordance with the Danish Business Authority's assurance standard for small enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared under the Danish Financial Statements Act.

This requires that we comply with the Danish Act on Approved Auditors and Audit Firms and FSR - Danish Auditors' Code of Ethics and that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

Conclusion

Based on the extended review, in our opinion the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

Aalborg, 28 June 2018

Pricewaterhousecoopers Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Marianne Fog Jørgensen
State Authorised Public Accountant
mne21405

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2017 DKK	2016 DKK '000
GROSS PROFIT		2,931,781	3,046
Staff costs.....	2	-3,183,459	-3,092
OPERATING LOSS		-251,678	-46
Other financial expenses.....		-501	-1
PROFIT BEFORE TAX		-252,179	-47
Tax on profit/loss for the year.....		0	0
PROFIT FOR THE YEAR		-252,179	-47
PROPOSED DISTRIBUTION OF PROFIT			
Accumulated profit.....		-252,179	-47
TOTAL		-252,179	-47

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2017 DKK	2016 DKK '000
Rent deposit and other receivables.....		17,500	18
Fixed asset investments.....	3	17,500	18
FIXED ASSETS.....		17,500	18
Contract work in progress.....		489,220	109
Receivables from group enterprises.....		641,699	337
Other receivables.....		182,734	60
Prepayments and accrued income.....		6,075	24
Receivables.....		1,319,728	530
Cash and cash equivalents.....		123,752	544
CURRENT ASSETS.....		1,443,480	1,074
ASSETS.....		1,460,980	1,092

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2017 DKK	2016 DKK '000
Share capital.....		500,000	500
Retained profit.....		-298,824	-47
EQUITY.....	4	201,176	453
Trade payables.....		733,423	208
Other liabilities.....		526,381	431
Current liabilities.....		1,259,804	639
LIABILITIES.....		1,259,804	639
EQUITY AND LIABILITIES.....		1,460,980	1,092
Principal activities	1		
Contingencies etc.	5		
Consolidated financial statements	6		

NOTES

			Note
Principal activities			1
The principal activities comprise of providing turnkey biogas upgrading solutions.			
	2017 DKK	2016 DKK '000	
Staff costs			2
Average number of employees 3 (2016: 3)			
Wages and salaries.....	2,940,862	2,832	
Pensions.....	226,134	200	
Social security costs.....	9,000	11	
Other staff costs.....	7,463	49	
	3,183,459	3,092	
Fixed asset investments			3
		Rent deposit and other receivables	
Cost at 1 January 2017.....		17,500	
Cost at 31 December 2017.....		17,500	
Carrying amount at 31 December 2017.....		17,500	
Equity			4
	Share capital	Retained profit	Total
Equity at 1 January 2017.....	500,000	-46,645	453,355
Proposed distribution of profit.....		-252,179	-252,179
Equity at 31 December 2017.....	500,000	-298,824	201,176
Contingencies etc.			5
Contingent liabilities			
Lease liabilities (operating leases), DKK '000 532. (2016: DKK '000 779.)			
Consolidated financial statements			6
The Company is included in the consolidated financial statements of Wärtsilä Oyj Abp, Finland.			

ACCOUNTING POLICIES

The Annual Report of Wärtsilä Puregas Solutions A/S for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles used last year.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

INCOME STATEMENT

Net revenue

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

When the result of contract work cannot be assessed reliably, revenue is only recognised corresponding to related costs to the extent that it is likely that they will be recovered.

ACCOUNTING POLICIES

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Fixed asset investments

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

ACCOUNTING POLICIES

Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the balance sheet date and the total anticipated revenue related to the specific piece of work in progress.

The specific piece of work in progress is recognised in the Balance Sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.

Costs relating to sales work and obtaining of contracts are recognised in the Income Statement as and when they are incurred.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Liabilities

Liabilities, which include debt to suppliers, subsidiaries and associates and other debt, are measured at amortised cost which usually corresponds to the nominal value.