



Wärtsilä Corporation

Annual Report 2025

Shaping the decarbonisation
of marine and energy



Contents

Wärtsilä in brief

Wärtsilä is a global leader in innovative technologies and lifecycle solutions for the marine and energy markets. We emphasise innovation in sustainable technology and services to help our customers continuously improve environmental and economic performance. Our dedicated and passionate team of 17,900 professionals in 199 locations in 78 countries shape the decarbonisation transformation of our industries across the globe. www.wartsila.com

Wärtsilä's purpose is to enable sustainable societies through innovation in technology and services.



This is Wärtsilä

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This is Wärtsilä

Wärtsilä is playing a significant role in the decarbonisation transformation



 **Purpose**
Enabling sustainable societies through innovation in technology and services

 **Target position**
Shaping the decarbonisation of marine and energy

Committed to our targets

Marine and Energy, combined financial targets

- 5% annual organic growth
- 14% operating margin

Energy Storage, financial targets

- Low double-digit annual organic growth
- 3-5% operating margin

Group, financial targets

- <0,5 gearing
- ≥50% dividend of earnings

Set for 30 – decarbonisation targets by 2030

- A product portfolio ready for zero carbon fuels
- Carbon neutral in our own operations
- 25% reduction of direct suppliers' GHG emissions*

*Detailed target, scope, and coverage can be found in the Sustainability section.

Leading offering to support our customers' decarbonisation journey

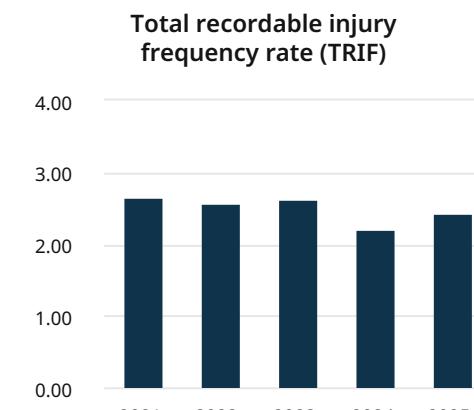
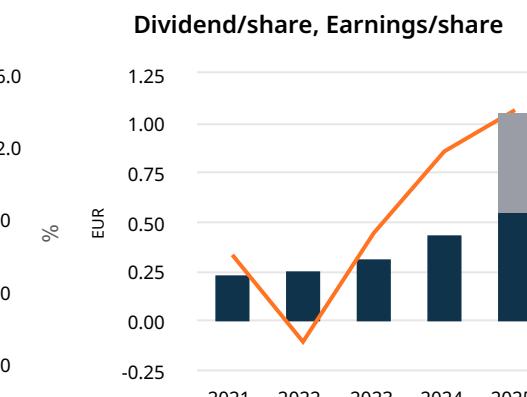
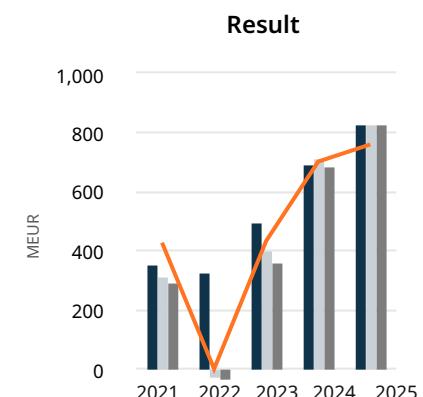
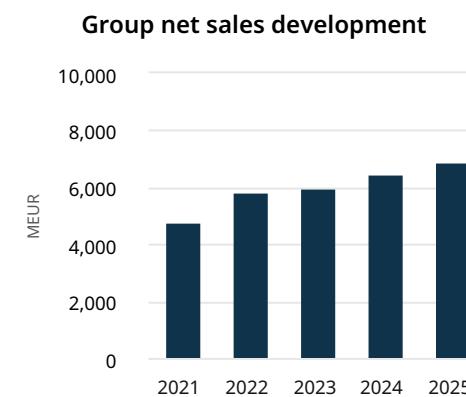
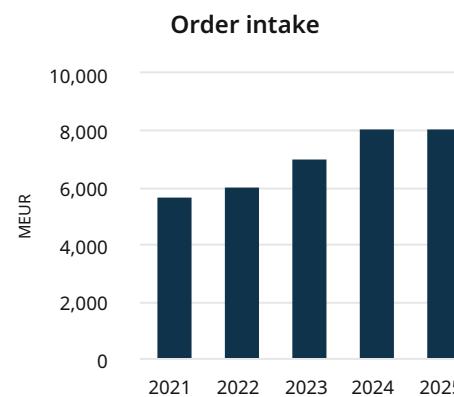
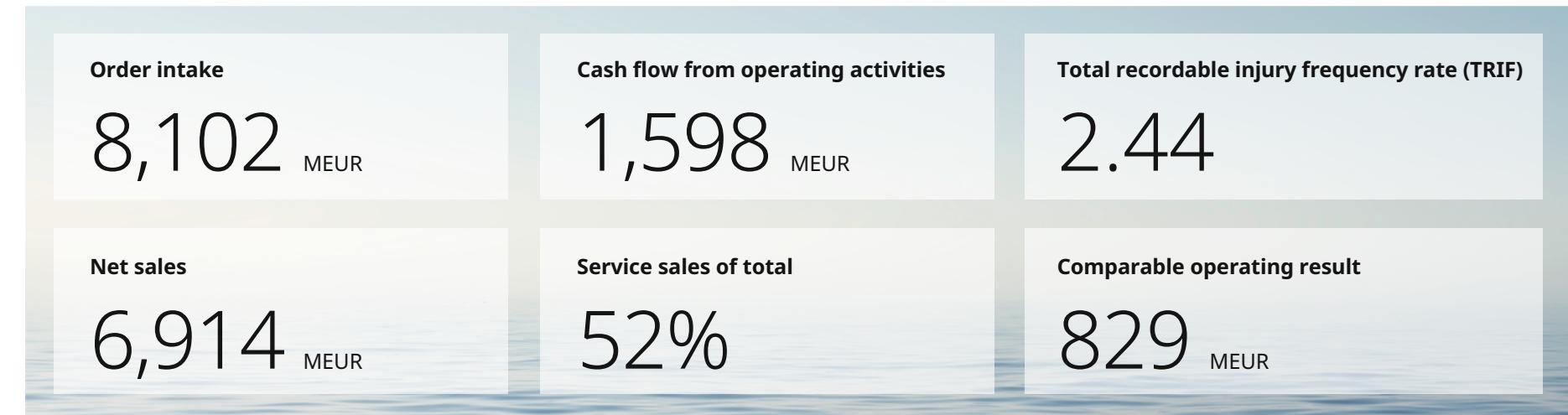
- Fuel-flexible engines enabling the marine and energy industries to decarbonise
- Flexible and dispatchable power generation for future power systems
- Hybrid and battery solutions for maritime and utility-scale energy storage systems for energy
- Broadest service network for the marine and energy industries, including decarbonisation services
- Digital solutions enabling optimised operations and services
- Energy-saving technologies for improved vessel performance
- Emission abatement technologies including onboard carbon capture
- Power system modelling

2025 in brief



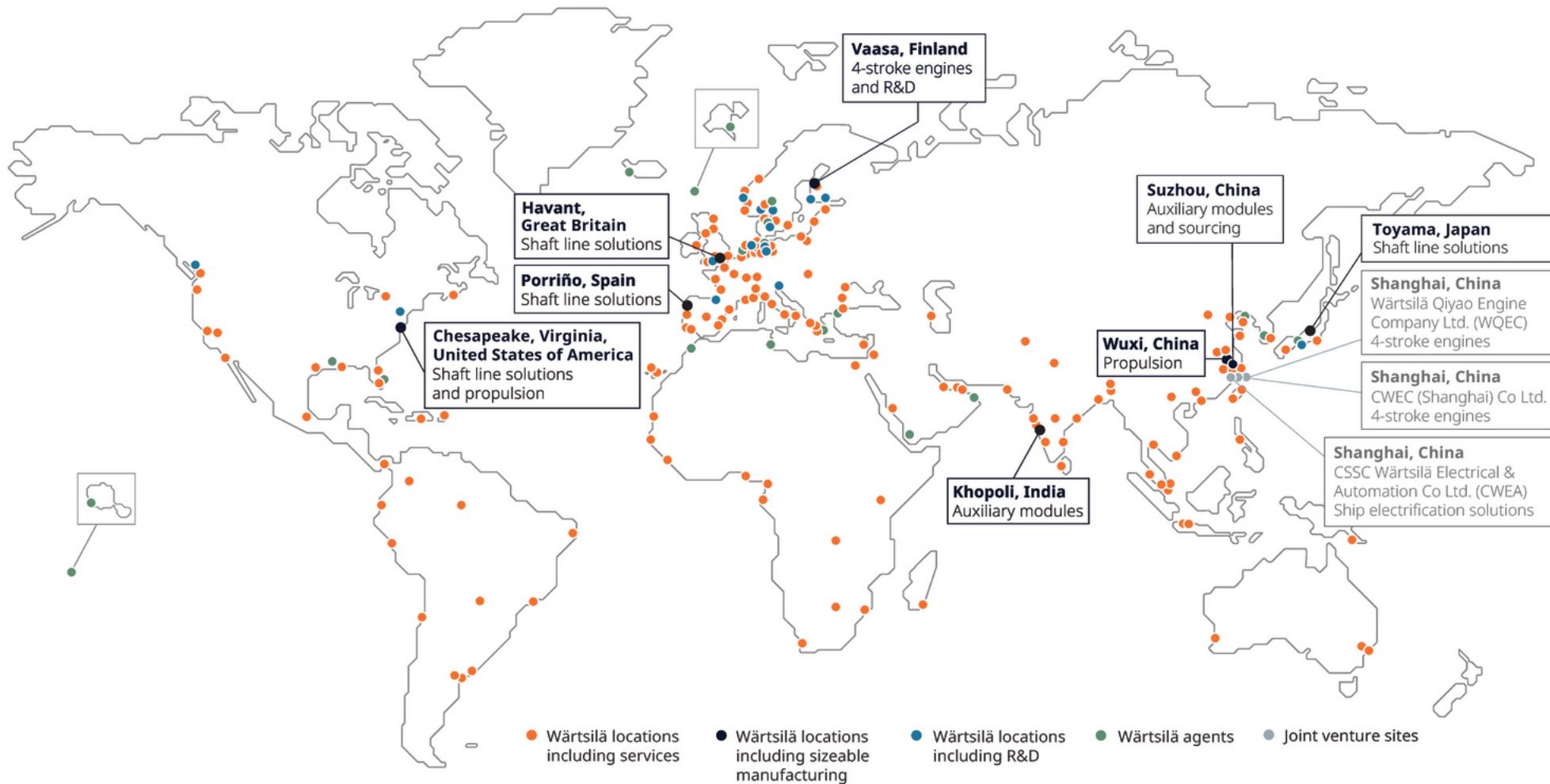
Key figures

We made good progress in 2025, with reaching all-time high operating result and cash flow. In 2025, order intake remained stable at EUR 8,102 million (8,072). Net sales increased by 7% to EUR 6,914 million (6,449), of which 52% was related to services. The operating result amounted to EUR 833 million (716) or 12.1% of net sales (11.1). The comparable operating result increased by 20% to EUR 829 million (694), which represents 12.0% of net sales (10.8). The Board of Directors proposes that a base dividend of EUR 0.54 per share and an extraordinary dividend of EUR 0.52 per share, totalling EUR 1.06 per share be paid for the financial year 2025. The corporate total recordable injury frequency rate (TRIF) was 2.44 (2.20).



█ Comparable operating result
█ Operating result
█ Result before taxes
— Operating result %

* Proposal of the Board



Wärtsilä's global footprint means we support our customers worldwide.



Businesses in brief



Wärtsilä Marine

Wärtsilä Marine is a global pioneer in power, propulsion, digital, and lifecycle solutions for the marine market. We develop industry-leading technologies, advancing maritime's transition to alternative fuels. We support building an end-to-end digital ecosystem where vessels and ports are connected. Wärtsilä Marine continues to drive the shipping industry forward, towards a decarbonised and sustainable future – through our broad portfolio, which includes engines, propulsion systems, hybrid technologies, exhaust treatment, shaft line solutions, digital innovations, and integrated powertrain systems. Our offering is underpinned by performance-based agreements, lifecycle solutions and upgrades, decarbonisation services, and an unrivalled global network of maritime expertise. This delivers the efficiency, reliability, safety, and environmental performance needed to support a safe and sustainable future for our customers, communities, and the planet.



Wärtsilä Energy

Wärtsilä Energy is at the forefront of the transition towards a 100% renewable energy future. The energy sector is undergoing a transformative shift as it works to decarbonise while continuing to deliver reliable and affordable energy to everyone – from homes to heavy industry. This transition presents tremendous opportunities for innovation and progress, and we are ready to lead the way. We help both our customers and the power sector accelerate their decarbonisation journeys with our market-leading technologies and power-system expertise. Our solutions include flexible engine power plants and services throughout the lifecycle of our installations. Our engines are future-proof and able to operate on sustainable fuels. Our track record comprises 79 GW of delivered power-plant capacity in 180 countries around the world, and over 30% of our operating installed base is under service agreements.

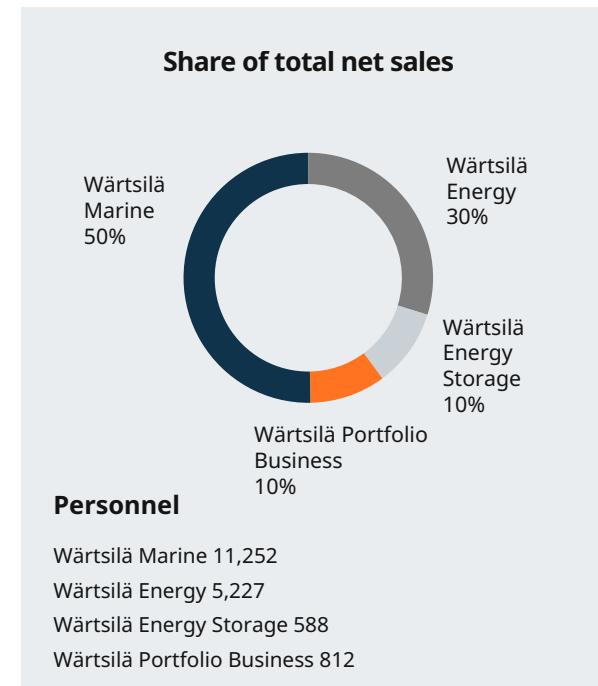


Wärtsilä Energy Storage

Driving grid innovation globally, Wärtsilä Energy Storage combines cutting-edge technology with deep expertise to deliver the reliability and efficiency for a decarbonised energy future. Our portfolio includes high-performance hardware, intelligent controls and optimisation software, and full-service lifecycle support to deliver lasting value across the project lifespan. From enhancing grid stability to enabling flexibility and operational efficiency, our utility-scale battery energy storage solutions are built for real-world performance. Trusted by top-tier utilities, developers, and system operators, Wärtsilä Energy Storage has a global footprint across 130+ sites – delivering the scale, safety, and reliability needed to power the energy transition.

Wärtsilä Portfolio Business

Wärtsilä Portfolio Business units are run independently to accelerate performance improvement and unlock value through divestments or other strategic alternatives. At the end of 2025, Portfolio Business included Gas Solutions and Water & Waste. In 2025, Wärtsilä divested its Automation, Navigation & Control Systems business to Solix Group AB and its Marine Electrical Systems business to VINCI Energies. Wärtsilä also agreed to divest its Gas Solutions business to Mutares SE & Co. KGaA, with the transaction expected to be completed in the second quarter of 2026.



CEO review

2025 was a strong year for Wärtsilä. We performed well and developed positively in many ways, and made solid progress towards our targets. Guided by our strategy, the Wärtsilä Way, order intake, sales, operating profit and cashflow reached all-time highs. We demonstrated resilience and adaptability against a backdrop of rapidly developing global uncertainty and geopolitical tensions.

We further increased our focus on our profitable core businesses by divesting several business units (Automation, Navigation and Control Systems (ANCS); Marine Electrical Systems and Gas Solutions) from our Portfolio Business. We also strengthened our ability to develop and deliver sustainable technologies and services in the face of growing demand, with investments to increase our capacity, and in strategic supply-chain partnerships. These developments, along with our focus on continuous improvement, mean that Wärtsilä is well-placed to capture the many opportunities offered by the decarbonisation transformation. Wärtsilä is already the market leader in some of the major technologies needed for the decarbonisation transformation in marine and energy. We led the way with industry-first innovations including the next-generation 46TS engine with advanced balancing capabilities, and our 4-stroke ammonia engine which, after extensive testing, achieves up to a 90% reduction in greenhouse gas emissions compared to equivalent diesel engines.

In 2025 we continued growth in the data center segment with orders in the US data centre market, and the off-grid power supply is moving into our sweet spot. Our medium-speed engine technology is well suited to meet this critical sector's demand for highly reliable and efficient power, and data centres offer an interesting growth opportunity for Wärtsilä in technology and lifecycle services.

Services made up 52% of our net sales as we made good progress in moving our customers up the service value ladder, helping improve their performance while creating value for Wärtsilä. Services continued to be a major driver of both profitable growth and customer satisfaction, with the service agreement renewal rate for both our Marine and Energy businesses exceeding 90%.

Our success is a clear sign of the value our technology and services are creating for our customers, and of Wärtsilä's important role in helping them navigate the decarbonisation transition.



The decarbonisation transition continues to advance

Despite increased uncertainty during the year, the global economy showed greater resilience than anticipated, and the decarbonisation transition continued to advance, in spite of some parts of the world turning away from green policies. Wärtsilä continued its steady progress in both the marine and energy markets.

In the marine market, the year was impacted by geopolitical tensions and shifting trade patterns. Ordering eased across most vessel segments compared to the extraordinary activity seen in 2024, but the market sentiment for Wärtsilä's key customer segments remained supportive. The decarbonisation transition continues, despite the International Maritime Organization's postponement in October of a decision on the adoption of a global carbon-pricing mechanism. This opens the door to a more fragmented landscape of carbon pricing mechanisms introduced by individual regions and countries. Nonetheless, the 25-30-year lifespan of a vessel means that the fuel flexibility and fuel efficiency that our solutions offer will continue to be key for our customers. Demand for alternative-fuel-capable vessels continued on a good level in 2025, representing 37% of contracted capacity during the year.

In the energy market, global power consumption continued to grow as electrification accelerates, industries expand, and the need for off-grid data centre capacity rises. The transition towards renewables continued to advance, and investments in renewables are expected to have posted another record-high year in 2025 supported by favourable economics. This trend continues to drive demand for Wärtsilä's balancing solutions, both for engine power plants and battery energy storage systems.

Creating customer value in marine and energy

Wärtsilä has the industry's most comprehensive offering for decarbonisation, focusing on fuel flexibility, efficiency

optimisation, digital services, and emission-abatement technologies. The widely adopted target of net zero by or around the middle of the century is the lifespan of a single vessel or power plant away, while technology decisions for new assets are being made now.

Wärtsilä's R&D expenditure in 2025 was steady at around 4.8% of net sales, and we are well on track to meet our target of providing a product portfolio ready for zero-carbon fuels by 2030. We took action to enable us to test more sustainable fuels and meet the growing demand for sustainable technologies, when we announced in April an expansion of our R&D testing and manufacturing capacity at our state-of-the-art Sustainable Technology Hub (STH) in Vaasa, Finland. After the reporting period, we communicated a total expansion of our production capacity at STH by 35%, positioning Wärtsilä to meet growing market demand in both energy and marine.

We also took steps to strengthen our supply chain, with the announcement in December of a strategic partnership with Siempelkamp Giesserei, a key supplier of large engine blocks for Wärtsilä engines.

In addition to our above mentioned lower-emission 4-stroke ammonia engine, in 2025 we introduced a new solution for reducing methane emissions for the Wärtsilä 50DF dual-fuel engine. This technology converts the engines to spark gas operation, and can cut methane slip by up to 75% while also saving fuel.

Wärtsilä is a market leader in ship electrification, hybrid solutions, and digital offerings related to marine optimisation. In May, we announced that Wärtsilä will supply electric propulsion systems for the first three fully electric, high-speed ferries to be built and operated in the USA. The order was placed by the All American Marine (AAM) shipyard on behalf of San Francisco Bay Ferry. In the same month, Wärtsilä commercially launched the first full-scale on-board carbon-capture solution for the maritime sector. The technology, successfully piloted on

We strengthened our ability to develop and deliver sustainable technologies and services in the face of growing demand, with investments to increase capacity and supply chain partnerships."

Solvang ASA's Clipper Eris, captures emissions from all exhaust sources and can reduce a vessel's CO₂ emissions by over 70%. This innovation allows ships to immediately meet stringent environmental regulations.

The energy sector is rapidly evolving to meet the demands of a decarbonised future, with renewables and digitalisation at the forefront. Wärtsilä supports this transition by offering flexible engine power plants and advanced energy storage solutions that deliver grid flexibility, reliable primary power and balancing power, which is essential for integrating intermittent renewable sources.

During the year, we secured our first two projects in the US data centre market, which include a combined delivery of 789 MWs of Wärtsilä engines. The data centre segment continues to offer interesting business potential for Wärtsilä in both equipment and services.

Following our introduction in 2024 of the world's first large-scale 100% hydrogen-ready engine power plant concept, in 2025 we further expanded our multi-fuel expertise by beginning testing of engines running on ethanol for large-scale electricity generation.

The launch of the 46TS engine in February marked a significant advance in capabilities for balancing, baseload, and operating on sustainable fuels. We announced our first energy order for this new engine, which will serve to

integrate renewables in the first hybrid power project of its kind in Kazakhstan.

Wärtsilä's energy storage system at the Blackhillock site in the UK was recognised by TIME as one of the world's best inventions in 2025. The system provides stability services to the UK grid, enabling greater renewable integration and significant carbon emission reductions. Meanwhile, our order for the expansion of Origin Eraring's battery energy storage system in Australia will become the largest battery energy storage facility in the southern hemisphere, and one of the most advanced in the world.

Good services growth with significant potential

Wärtsilä's industry-leading service network ensures customer success through enabling maximum uptime, reliability, and total lifecycle solutions. Wärtsilä has significant growth opportunities at all steps of the service value ladder.

In transactional services, we support our customers by leveraging digital solutions for customer intelligence and automated lead management. To support the global growth of our services, in November we announced a 40% expansion of our main spare parts distribution centre in Kampen, the Netherlands.

By "moving up the service value ladder", we deliver enhanced performance through optimised maintenance

and performance-based service agreements, where we guarantee agreed performance levels by leveraging connectivity, big data, and analytics.

Among the many notable lifecycle agreements secured in 2025 are the renewal and expansion of our longstanding partnership with Seagems, and a new deal with CMA Ships, which includes Wärtsilä's unique, AI-driven Expert Insight service. Under our innovative Decarbonisation Services Agreement with Aqualectra in Curaçao, Wärtsilä will leverage energy storage, grid-balancing engines, and the GEMS Digital Energy Platform to help Curaçao achieve its ambitious renewable energy target. This agreement exemplifies our commitment to outcome-based solutions that maximise renewable energy and reduce emissions.

Wärtsilä is investing significantly in custom-made AI solutions and edge technologies to support our strategy of moving up the service value ladder, fuelling our continued growth in services. We are already harnessing the value of AI in several customer solutions, such as Wärtsilä Expert Insight, the GEMS Digital Energy Platform, and the Wärtsilä Fleet Optimisation Service. We are leading the WISE ecosystem, a EUR 200 million project exploring how the energy sector can be decarbonised through wisely generated balancing power.

Clear progress towards our updated targets

In Q1 we completed the strategic review into Energy Storage and Optimisation resulting in the separation of Energy Storage into an independent reporting segment. We also introduced new financial targets to better reflect the organisational structure: Marine and Energy, which have strong operational synergies, share a combined target of 5% annual organic growth and a 14% operating margin. The targets for Energy Storage are low double-digit annual organic growth and a 3-5% operating margin. The group targets of gearing below 0.50 and distributing a dividend of at least 50% of earnings remain intact.

Our successful strategy execution helped us make clear progress towards our updated targets. In 2025 our order intake increased organically by 17%. Equipment order intake increased in both Marine and Energy. Marine and Energy reached the operating margin of 13.8% during 2025.

In Energy Storage, the order intake was below the levels seen in 2024, but revived during the last quarter of the year. The US tariffs were only introduced shortly after the conclusion of the strategic review, and the Energy Storage market environment was especially affected. In Energy Storage, the low order intake in 2025 puts significant pressure on profitability going forward. While we remain focused on profitable customer segments, we are also looking at measures that improve the competitiveness of the Energy Storage business.

Service order intake remained stable, supported by good development in agreements, while retrofits and upgrades decreased. The rolling 12-month book-to-bill ratio in service remains above 1, indicating future growth. Organic net sales increased, with growth both in equipment and services.

The comparable operating result increased by 20% to EUR 829 million, representing 12.0% of net sales. Cash flow from operating activities was at an all-time high level, following the improved result and a good level of received customer payments.

As highlighted above, in 2025 we made great progress in streamlining our business portfolio in order to become a more focused and profitable company.

One of the world's best employers

We continued to advance towards our 'Set for 30' sustainability targets. As highlighted, we took important steps in 2025 towards our target to provide a product portfolio ready for zero-carbon fuels by 2030.

We are also committed to becoming carbon neutral in our own operations by 2030. In 2025, our greenhouse gas (GHG) emissions decreased by 53% (53,191 tCO2e) compared to the baseline. Our efforts focused on low- and medium-cost measures, such as electrification and energy efficiency, reducing GHG emissions from engine testing, and increasing the share of self-generated and purchased renewable electricity. We established a framework for reporting supplier GHG emissions, and a baseline definition. We are proud that our efforts once again saw us ranked among the most sustainable companies worldwide and in Europe by the Financial Times and TIME.

Interest in Wärtsilä as an employer reached record heights in 2025. In a sign of our progress in establishing Wärtsilä as a workplace of choice with a strong culture and leadership, we received a great number of awards and recognitions in this field, including our first ever inclusion on the Forbes list of the World's Best Employers.

The health and safety of our personnel is a high priority, and our long-term target continues to be zero injuries. In 2025, the Total Recordable Injury Frequency (TRIF) was 2.44, compared to 2.20 in 2024. This increase prompted a comprehensive review of work practices and conditions, with employee-submitted improvement ideas integrated into updated safety plans. Safety is also part of our Wellbeing Framework, which enables us to take a systematic approach to promoting wellbeing throughout our organisation. In September, the 11th annual Safety Day focused on teamwork, collaboration and belonging, under the theme "Safer Together".

Wärtsilä's diverse representation of nationalities and cultures brings a range of perspectives that strengthens our competitive edge. In 2025, our approximately 17,900 employees represented 123 nationalities in 78 countries.

We continued on our journey of making Wärtsilä Continuous Improvement (WCI) part of our operational DNA. In 2025, we expanded training across the

organisation, introduced an annual maturity assessment, and enhanced the quality of our WCI initiatives. The resulting improvements included lead time reductions, streamlined recruitment, and significantly more efficient overhauls in Energy Services. We also revisited our operating model to further enhance clarity and agility.

AI is a key part of our Continuous Improvement toolbox, with over 60 solutions implemented company-wide. Our approach is built on two workstreams: improving operational efficiency using the in-built functionality of our standard IT application suite, and creating sustainable competitive advantages by making strategic bets on Wärtsilä-specific AI development, particularly in services, as highlighted above. AI tools and algorithms embedded in our processes are enabling significant reductions in manual tasks across Wärtsilä, helping to increase productivity while also boosting sales.

In 2025 we strengthened our digital core by successfully upgrading to the world-leading SAP S/4HANA Cloud platform across all global operations. The transition accelerates data-driven decision making and helps us leverage advanced technologies, unlocking significant opportunities for further operational improvements.

At Wärtsilä, we are in a unique position to contribute to the decarbonisation transformation of our two industries, while continuing to deliver profitable growth and sustainable long-term value to our shareholders. I would like to express my sincere thanks to our customers, partners, our engaged Wärtsilä team and our shareholders for your trust and support. Wärtsilä can make a difference for the future and I am excited to have the opportunity to continue this journey together with you.

Håkan Agnevall,
President & CEO

Strategy



Market fundamentals



Advancing decarbonisation is shaping the marine industry

Policies and regulations

- The International Maritime Organization's (IMO) ambition is to reach Net-Zero greenhouse gas emissions from international shipping by or around 2050
- Risk that the postponement of the global IMO framework for carbon pricing mechanisms leads to a fragmented regulatory landscape and increased complexity
- Cost of carbon: EU ETS, FuelEU Maritime, and local green policies
- Access to capital: EU taxonomy, Poseidon Principles, and ESG
- Demand for green sea transport: a growing market supported by corporate carbon reduction pledges

Technology

- Progressive transition to carbon-neutral and zero-carbon fuels
- Next steps in abatement technologies, e.g., onboard carbon capture
- Increase in battery systems, hybrid solutions, and energy-saving technologies
- Fuel flexibility and upgradability to increase overall efficiency

Connectivity and data

- Optimisation solutions based on a holistic view of the entire transport system
- Performance-based service agreements with a focus on uptime, reliability, and fuel efficiency
- Vessels as data pools, becoming increasingly complex and interconnected
- Cyber security growing in importance



Energy is moving towards a 100% renewable energy future

Policies and regulations

- EU: climate-neutral by 2050
- US: solid economics shield growth of renewables from policy turbulence
- China: carbon neutral before 2060
- Countries with Net-Zero targets cover 77% of global emissions

Technology

- Renewables becoming the main source of electricity (Source: IEA Renewables 2025 report)
- Intermittent renewable energy sources requiring balancing solutions
- Sustainable fuels integrated into balancing power solutions
- Optimising energy use and costs through digitalisation
- Cyber security growing in importance

Growing energy demand

- The electrification of industry, transportation, heating and cooling, as well as the world's growing reliance on AI and the need for data centres is driving new demand for electricity
- Electricity generation must nearly triple, and renewable energy capacity must increase sevenfold to reach Net-Zero targets by 2050 (Source: IEA World Energy Outlook 2025)
- Power systems becoming increasingly complex with different types of generation assets

The Wärtsilä Way strategy

The Wärtsilä Way answers three questions in terms of company direction: why, where, and how.

Why

The way forward is guided by the purpose: it describes the reason why our company exists and sets the direction for how everyone at Wärtsilä can make a difference for the world. Wärtsilä's purpose is "Enabling sustainable societies through innovation in technology and services".

Where

The target position, "Shaping the decarbonisation of marine and energy", reflects our ambition as a company: where does Wärtsilä want to be in the long term. Wärtsilä's target position is focused on its customers, its people, continuous improvement, and performance.

How

The strategic priorities define Wärtsilä's most important focus areas for reaching the target position. They outline the company's direction in terms of reaching profitable growth and clearly formulate the biggest opportunities for a positive impact on Wärtsilä's performance. Each business and function has its own execution plans, which define the concrete actions they will prioritise over the coming 12 months.

Wärtsilä's values unite everyone in the company and bring the strategy to life by guiding our behaviour when working together. And in our leadership model, we outline our desired leadership behaviour.

In our framework for continuous improvement, we focus on creating customer value and making customers successful, while continuously eliminating waste and improving teamwork, predictability, and performance.



Our values

Wärtsilä's values guide our priorities and decision-making in everyday situations. These values are about how we interact, and the type of behaviour we wish to model when collaborating with others.

Customer success

- We are successful by making our customers successful
- We truly understand our customers' business
- We listen to and talk with our customers
- We provide reliability and efficiency

Passion

- We are proud of our work and celebrate success
- We innovate and find new ways to create value
- We value teamwork and inclusiveness
- We foster candour, respect, and trust
- We engage with energy and drive
- We drive sustainability

Performance

- We are committed to safety and zero injuries
- We take ownership and go the extra mile to deliver on our commitments
- We continuously improve and learn something new every day
- We look after Wärtsilä's best interests
- We take pride in quality
- We act with integrity

Our purpose

"Enabling sustainable societies through

We shape our markets by generating transformative results through collaboration, partnerships, market insight, and active engagement in ecosystems.

The long-term environmental, social, and economic impact of our operations drives our priorities and behaviour. We take pride in diversity, providing equal opportunities and demonstrating high ethical standards.

We care about the communities in which we operate, and our people want to make a difference for our customers and partners. We are committed to giving back to society.

innovation in technology and services"

We believe in challenging the status quo. We believe in implementing ideas that result in new solutions and new ways of working.

We are known as a thought leader in the industry. We deliver products and services that are reliable, efficient and which fulfil customer needs.

We believe our customers' success is our success. We serve our customers and partners with a cooperative and data driven approach throughout the entire lifecycle.

Our leadership model

The Wärtsilä Leadership Model supports our strategic growth by outlining the desired leadership behaviour at Wärtsilä. It provides our leaders with direction and guidance on how to collaborate, communicate, and lead in different situations.



Our desired leadership behaviour



Energise and lead the way

- Set the direction
- Be clear on prioritisation and performance expectations
- Provide support to remove obstacles
- Inspire and engage the team in transparent dialogue to increase understanding of our direction
- Follow up on agreed actions
- Highlight how actions are linked to the strategy and priorities
- Encourage collaboration across the entire Wärtsilä organisation
- Act as we want others to act and role model the behaviour we want

Develop people and teams

- Be yourself and show empathy
- Recognise people's competence and experience and actively build trust
- Create a safe environment where people can grow and perform
- "Go and See" and learn how to create customer value
- Empower and coach the team to reach its best performance
- Invest time to develop people and yourself as a leader

Challenge and support change

- Foster an environment where we try new ideas and learn from mistakes
- Challenge ways of working
- Encourage continuous improvement
- Build an environment where we give and receive feedback
- Give recognition and celebrate success together

Our operating model clarifies how we operate together as a company

As a multi-business company, Wärtsilä requires more than a single approach to effectively serve its diverse customer base. The operating model enables and empowers everyone at Wärtsilä by describing how we work together. We balance the needs of each business with the need to make sure Wärtsilä is holistically efficient and effective.

Customer value created in newbuild and services

We deliver customer value through two aligned sets of value streams: newbuild and services. The newbuild value streams encompass the delivery of new installations – such as ship engines, power plants, and energy storage systems and related digital solutions – to customers including shipyards, ship owners, power producers, and utilities. Each new installation enhances the installed base of Wärtsilä solutions. Our services value streams deliver customer value over the lifetime of the Wärtsilä solutions – typically several decades from their commissioning. These lifetime services include the following value streams: spare parts, field service, retrofits and upgrades, and lifecycle agreements. Wärtsilä also offers performance-based agreements under which we operate the customer assets, such as power plants, for them.

The newbuild and services value streams are highly connected and complement each other, and by expanding our installed base, we strengthen the opportunities for our services value streams. Through these value streams, we enable customers to gain the best possible value from their investment in Wärtsilä solutions.

Our organisation is engineered to deliver customer value

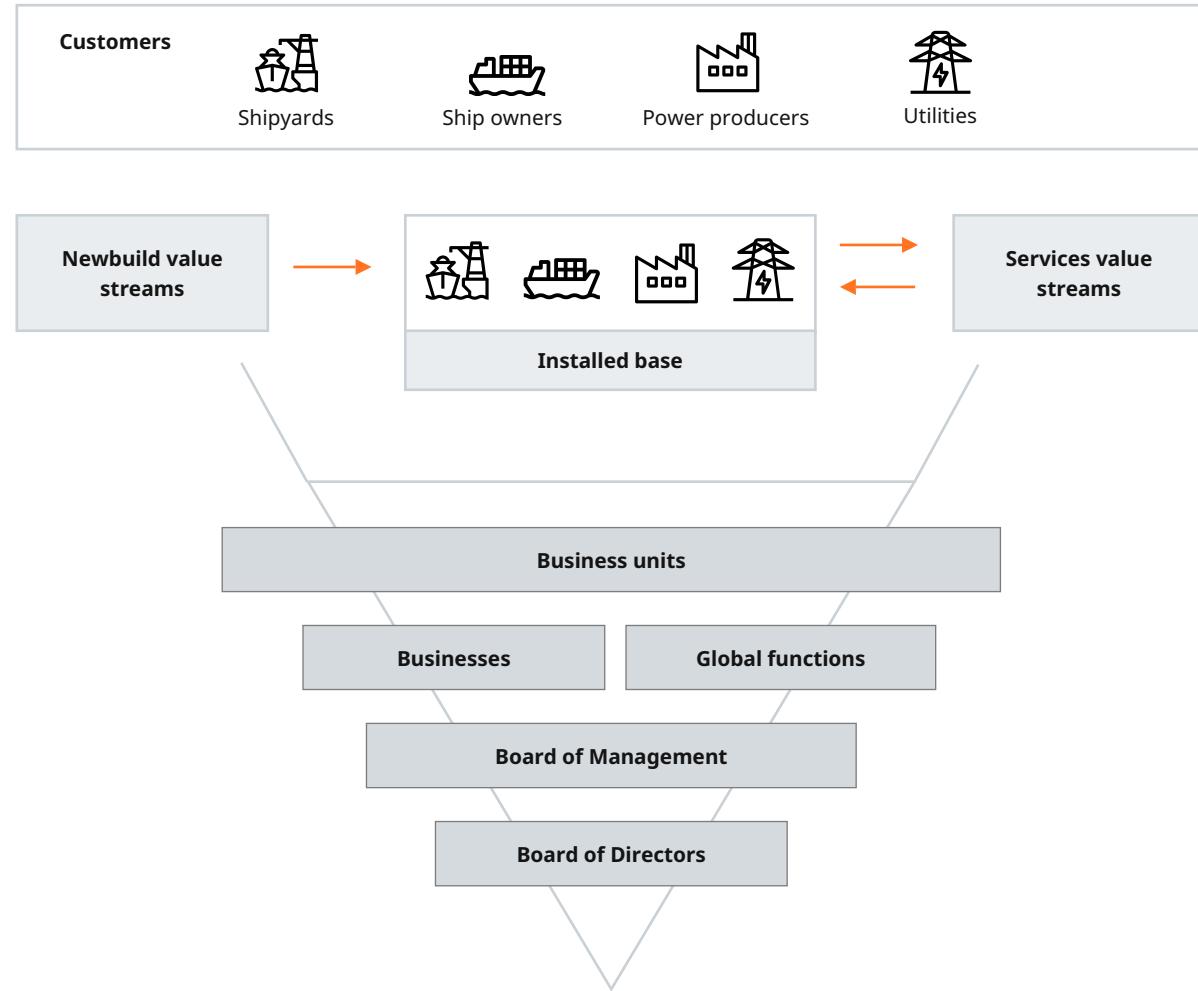
Our operating model underpins how we generate customer value in the most effective and efficient way. It defines how we execute our strategy, the Wärtsilä Way, with clear roles, responsibilities, and decision-making,

enabling employees to understand what is expected of them, their teams, and the organisation. To create customer value and impact holistically at all levels and parts of the organisation, the core of our operating model is collaboration, ensuring we set common goals and monitor progress effectively. Decision-making is kept close to where value is created, empowering our teams and ensuring responsiveness. During 2025, as part of our commitment to continuous improvement, we revisited our operating model to further enhance clarity and agility.

Wärtsilä's operating model in a nutshell

- At the core of the operating model are our customers, the business specific value streams and optimised processes through which we serve our customers.
- Value streams define what the customer value is that we need to provide in each of the businesses.
- Processes define how we execute within value streams. Wärtsilä processes are modular by design to ensure that the specific processes for each value stream are provided, while Wärtsilä's scale is leveraged for processes wherever possible.
- Business units drive the value streams and are accountable for their impact, in alignment with execution plans and priorities.
- Business management teams support the business units in maximising performance.
- Global functions reinforce competitiveness by embedding specialist expertise across the company.
- At a strategic level, the Board of Management aligns operations with the company goals and steers the company's overall performance.
- The Board of Directors provides strategic and operational stewardship for the company.
- A key role for leaders at all levels of Wärtsilä is to support our teams in making our customers successful.

Operating model as the foundation for creating customer value



Our framework for continuous improvement

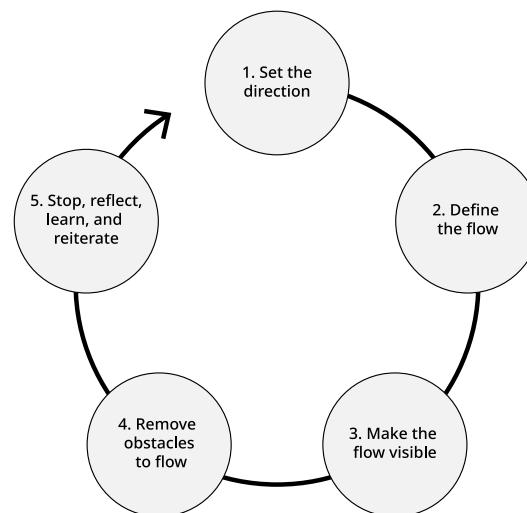
Together with our values and leadership model, our framework for continuous improvement describes how we will reach our target position.

In continuous improvement, we focus on:

- Creating customer value and making our customers successful while continuously eliminating waste
- Making it easier to work together as a team to serve our customers. Improving predictability and health and safety for our people with less stress
- Creating a competitive advantage and improving our performance

We start from our values and let our continuous improvement principles guide our thinking when addressing challenges. We use our methods and tools to create results in our daily business.

Continuous improvement principles



Wärtsilä Continuous Improvement framework – year two in action

In 2025, we continued our journey of making Wärtsilä Continuous Improvement (WCI) part of our operational DNA. We advanced our WCI learning journey and introduced an annual WCI maturity assessment to guide our ambitions and adjustments for the coming years. By year-end, 92% of Wärtsilä employees and 96% of all line managers had completed the WCI Foundation training, and we will continue to engage all colleagues and newcomers in the learning journey.

Since the framework's introduction, a majority of line managers who completed the training in the previous year have actively participated in at least one WCI initiative. These collective efforts have delivered measurable improvements, including significant reductions in lead times and enhanced flow efficiency across operations. For instance, our Energy Services team achieved a 40% reduction in overhaul duration at a power plant installation in Central America.

Meanwhile, Wärtsilä's Talent Acquisition Team streamlined our recruitment process, reducing time-to-offer by 28%. A multitude of examples demonstrate how WCI principles are driving performance improvements across all facets of our business.

AI – part of our toolbox for continuous improvement and a focus area for strategic bets in service

Wärtsilä is leveraging artificial intelligence (AI) to drive the decarbonisation of marine and energy, focusing on both operational efficiency and sustainability. Our approach focuses on two workstreams: improving operational efficiency by utilising the in-built AI functionality of our standard IT application suite, and creating sustainable competitive advantages by making strategic bets on Wärtsilä-specific AI development.

Harnessing AI solutions for productivity gains

The AI algorithms embedded in our standard suite of IT applications form an important part of our toolbox for Wärtsilä Continuous Improvement. Leveraging our digital toolbox, we can significantly reduce repetitive manual tasks and increase productivity, while boosting sales. We already have more than 60 AI solutions implemented across all business areas – including sales and marketing, manufacturing and R&D, projects and services, finance, as well as brand, HR, and legal. Of these 60 AI solutions, 25 were newly implemented in 2025. In 2026, we expect the number of new AI use cases to grow to more than 80.

Across all our functions, Wärtsilä also leverages tools such as the in-house developed WärtsiläGPT and Microsoft Copilot to enhance productivity and innovation. In 2025, we saw a surge in application users, new use cases, and active participation in training sessions throughout the organisation.

Strategic AI bets to support our service business

Wärtsilä is investing significantly in custom-made AI solutions and edge technologies to support our strategy of moving up the service value ladder, fuelling our continued growth in services. Today, we are already harnessing the value of AI in several customer solutions, such as Wärtsilä Expert Insight, GEMS Digital Energy

Platform, and the Wärtsilä Fleet Optimisation Service. Among our projects in this area, we are leading the WISE ecosystem, including a 200 MEUR programme exploring how the energy sector can be decarbonised through wisely generated balancing power.

Case study: Improving the field reporting process

Talk-Review-Submit is an AI-powered tool developed by Wärtsilä teams. It automatically transcribes verbal reports and thus simplifies the reporting process for field service technicians. The solution has been piloted in 2025 and planned for rollout in 2026, with an estimated annual value-add of EUR 1 million. The tool has the potential to increase the productivity of field service technicians. In addition, reporting can be standardised, improving accuracy and data quality, while enhancing the working experience for our field service experts.

Case study: Delivering customer value through decarbonisation services

Wärtsilä's decarbonisation services for the energy industry leverage the capabilities of our GEMS Digital Energy Platform to optimise microgrids through outcome-based agreements. Notable projects, such as the Curaçao grid project, integrate engines, renewables, and energy storage to enhance grid reliability, while reducing operational costs and carbon intensity. Advisory services and asset optimisation are helping customers climb the service value ladder, delivering measurable value and supporting long-term partnerships.

Ensuring readiness for data regulation

Data governance and preparations for data regulation have been on Wärtsilä's agenda for a decade already. Concrete work continues as Wärtsilä is preparing for the EU Data Act by ensuring compliance, refining data governance, and aligning product design principles to meet regulatory requirements. This further strengthens our position as a trusted service provider in a rapidly evolving landscape.

Strengthening our digital core

In 2025, we successfully upgraded our SAP enterprise resource planning (ERP) system across all our global operations.

The transition from the customised SAP ECC environment to the modern, world-leading SAP S/4HANA Cloud platform enabled by RISE with SAP, strengthens Wärtsilä's capabilities in core digital technology.

Furthermore, the new platform accelerates data-driven decision making, and enables us to embed intelligence, optimisation, and automation throughout our operations. It helps us leverage advanced technologies, including AI, across our value chain, respond more rapidly to evolving needs from our customers and regulators, and unlock significant opportunities for further operational improvements.



Transform and perform

Wärtsilä's strategy is based on two key themes: transform and perform.

The decarbonisation transformation in both the marine and energy sectors is advancing. It is enabled by numerous new technologies and sustainable fuels. Wärtsilä is set to perform and is well-positioned to drive this transformation.

By transforming and performing, we are shaping the decarbonisation of marine and energy.

1 **Transform –**
attractive growth opportunities at the centre of the decarbonisation transformation

2 **Perform –**
a clear path for operational improvements and increased profitability

Wärtsilä's evolution in the 2000's



2002-2010

Lifecycle power solutions

Expansion into propulsion, services acquisitions.



2011-2015

Becoming a total solution provider

Expansion into environmental solutions, acquisitions in Electrical & Automation.



2016-2020

Smart marine and towards 100% renewable energy

Digital solutions, end-to-end value chains, divestments.



2021-

Shaping the decarbonisation of marine and energy

Customer and services focus, technology leadership, organic growth, continuous improvement.

Transform

Attractive growth opportunities at the centre of the decarbonisation transformation

Decarbonisation will transform the world and create new business opportunities, both in marine and energy. Marine decarbonisation continues to advance in both newbuild and existing fleets, driven by regulations and the demand for green transport. In energy, electricity generation must nearly triple, and renewable energy capacity must increase sevenfold to reach Net-Zero targets by 2050¹. Until 2030, the balancing power market is expected to grow by more than 20% annually².

As a technology leader in the decarbonisation transformation, Wärtsilä has significant value creation potential. The company is the frontrunner in developing engines that can run on carbon neutral and zero-carbon fuels, such as biofuels, methanol, ethanol, ammonia, and hydrogen. At the same time, Wärtsilä delivers flexible solutions that maximise energy efficiency while fossil fuels are still necessary. We also deliver solutions that enable increasing the share of renewables in the power system through efficient balancing power. Wärtsilä is a leader in power system optimisation, where both energy storage and flexible grid-balancing engine power plants play a key role.

In marine, Wärtsilä is a market leader in ship electrification and multi-fuel engines, a top player in propulsion and shaft line solutions, and a pioneer in onboard carbon capture and digital offerings. We are also partnering in offering complementary decarbonisation technologies.

1) Source: IEA World Energy Outlook 2025

2) Source: Wärtsilä analysis

Leading the decarbonisation transformation in 2025



Pioneering carbon capture at sea: Industry-first full-scale carbon capture system can cut a vessel's CO₂ emissions by more than 70%.

[Read more](#)



First-of-its-kind energy storage project in the UK delivers real-time grid flexibility and earns a spot on TIME's best inventions list.

[Read more](#)



Wärtsilä's decarbonisation efforts have again gained global recognition from TIME and the Financial Times.

[Read more](#) [here](#) and [here](#)

Wärtsilä and Aqualectra accelerate Curaçao's journey to 50% renewable energy by 2025 and 70% by 2027, leveraging microgrid decarbonisation services.

[Read more](#)



Wärtsilä is included on Forbes' World's Best Employers list for the first time.

[Read more](#)

Perform

A clear path for operational improvements and increased profitability

Wärtsilä is on a clear path for operational improvements and increased profitability. Growth is supported by opportunities in decarbonisation and services, complemented by potential partnerships and synergistic bolt-on acquisitions.

The existing installed base provides a strong foundation for service growth. Moving up the service value ladder has significant growth potential, both in marine and energy. This growth is supported by our strong offering in the transactional services business and with lifecycle agreements. The green transformation provides notable opportunities for retrofits and conversions.

We focus on performance excellence and robust execution and strive for transparency and accountability in our businesses. All businesses have a clear profit and loss responsibility, enabling decisions to be made close to where the customer value is created. To create sustainable long-term value, we foster high performing teams with a focus on continuous improvement. We believe this also helps to attract and retain the best talent, which we further nurture and develop.

The strong balance sheet and financing structure support strategy execution. We have a clear path and strong commitment to reach our financial targets. With clear capital allocation principles and active portfolio and footprint management, we are set to deliver long-term shareholder value.



Market leader in several key decarbonisation technologies

Marine and Energy, combined financial targets

- 5% annual organic growth
- 14% operating margin

Energy Storage financial targets

- Low double-digit annual organic growth
- 3-5% operating margin

Group financial targets

- <0,5 gearing
- ≥50% dividend of earnings

Set for 30 – decarbonisation targets by 2030

- Carbon neutral in our own operations by 2030
- A product portfolio ready for zero-carbon fuels by 2030
- 25% reduction of direct suppliers' GHG emissions by 2030

Clear financial targets and a strong commitment to reach them

Notable opportunities in retrofits and conversions

Extensive service network, positioned for growth both in transactional services and lifecycle agreements

Robust capital allocation principles and active portfolio management

Focus on:

- High performing teams
- Performance excellence and robust execution
- Continuous improvement
- Cost structure – actions taken whenever and wherever necessary

Strategic priorities

1 Excel in creating customer value

We continuously evolve our understanding of and responsiveness to our customers to make them successful.

2 Develop high-performing teams that make a difference

We attract high-performing people and excite diverse teams that excel in continuous learning and collaboration. Our leaders provide direction and support, empowering people to act.

3 Drive decarbonisation in marine and energy

We accelerate decarbonisation in marine and energy through innovation, focused investments, and selective partnerships, while also decarbonising our own operations. We provide optimisation solutions and are a thought leader in the industries we serve.

4 Capture growth in services

We excel in transactional and retrofit business. We move up the service value ladder by growing in performance-based agreements.

5 Continuously improve our end-to-end value chain

We continuously improve our end-to-end business to meet customer expectations on quality, lead time and delivery accuracy, while reducing complexity and improving competitiveness. We leverage digitalisation throughout our value chain.



Company targets

Marine and Energy combined

Target

5% annual organic growth
14% operating margin

Development

In 2025, organic net sales growth was 15% and operating margin was 13.8%.

Energy Storage

Target

Low double-digit annual organic growth
3-5% operating margin

Development

In 2025, organic net sales growth was -11% and operating margin was 3.3%.

Group

Target

Gearing below 0.5
Distribute a dividend of at least 50% of earnings

Development

In 2025 gearing was -0.70. The Board of Directors proposes that a base dividend of EUR 0.54 and extraordinary dividend of EUR 0.52, totalling 1.06 per share be paid for the financial year 2025.

Set for 30 – decarbonisation targets by 2030

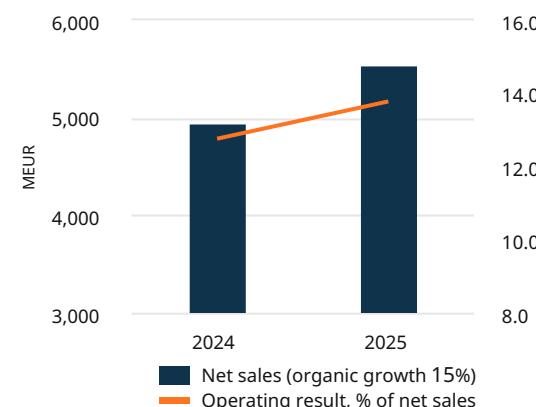
- A product portfolio ready for zero-carbon fuels by 2030
- Carbon neutral in our own operations by 2030
- 25% reduction of direct suppliers' greenhouse gas emissions by 2030

Read more in [the Sustainability section](#).

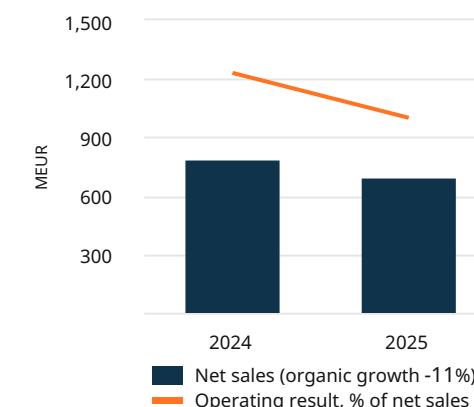
Guided by our strategy, the Wärtsilä Way, order intake, sales, operating profit and cash flow reached all-time highs in 2025.

[Read more](#)

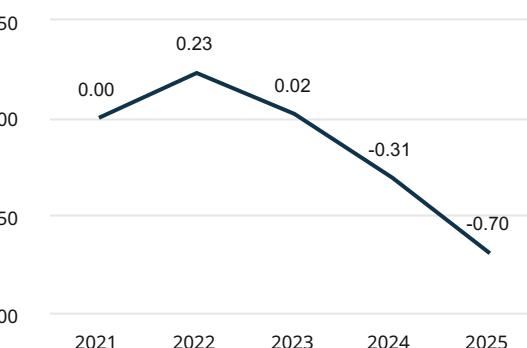
Marine and Energy combined



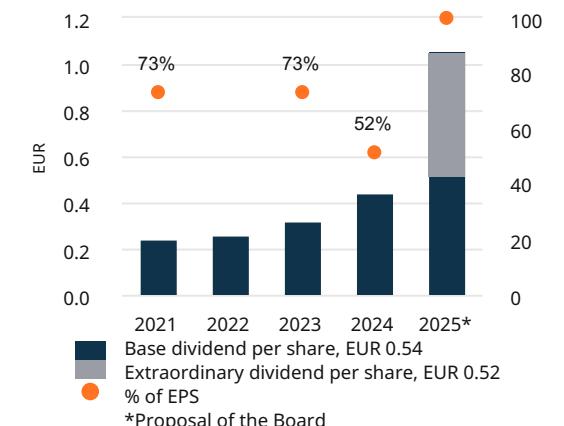
Energy Storage



Group, Gearing



Group, Dividend distribution



Delivering customer value in marine

Decarbonisation is shaping the future of the marine industry, with the ambition of reaching Net-Zero greenhouse gas emissions from international shipping by or around 2050. This target can only be achieved through the adoption of sustainable fuels. 2050 is a single vessel's lifespan away, while the technology decisions for new vessels are being made now. The solutions for the future need to be both environmentally sustainable and financially viable.

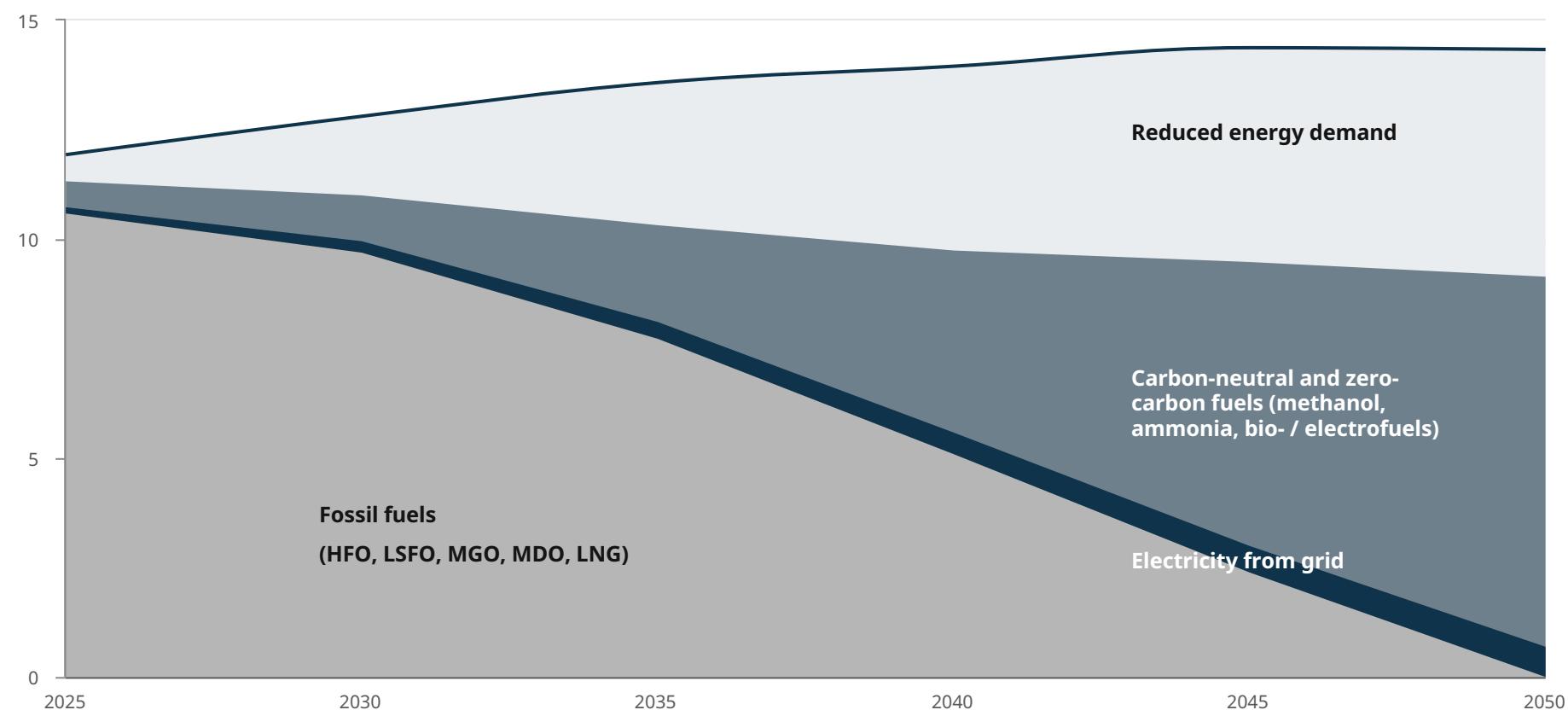
Wärtsilä has the industry's most comprehensive offering for decarbonisation, focusing on fuel flexibility, efficiency optimisation, emission abatement technologies, and digital services. Wärtsilä's fleet optimisation solutions manage voyage performance with real-time decision support, helping our customers achieve optimised routing and port operations with tangible fuel savings.

Wärtsilä is developing an unprecedented range of engine and fuel gas supply systems to help ship owners navigate the route to reduced greenhouse gas emissions – fuel flexibility and efficiency being at the centre of our development activities. With our multi-fuel technology, ranging from transitional fuels to sustainable, 100% green fuels, our customers have a viable upgrade path for the future.

Today, Wärtsilä has the most comprehensive development programme for sustainable fuel technologies in the industry, with proven 4-stroke technology enabling the use of LNG, LPG, methanol, and ammonia. In 2025, we launched the maritime sector's first commercial carbon capture solution following world-first full-scale installation success. Also, we expanded our methane slip reduction solutions to two engine types and advanced our 4-stroke ammonia fuel solution to deliver greater than ever efficiency and performance.

Sustainable fuel uptake scenario for net zero in 2050

Total energy consumption, EJ



1) Source: DNV Maritime Forecast 2050

2) HFO (Heavy Fuel Oil), LSFO (Low Sulphur Fuel Oil), MGO (Marine Gas Oil), MDO (Marine Diesel Oil), LNG (Liquefied Natural Gas)

Highlights 2025 | Wärtsilä Marine delivering customer value



Pioneering carbon capture at sea

Wärtsilä has launched the industry's first full-scale on-board carbon capture solution (CCS). The launch follows the successful pilot installation onboard Solveng ASA's Clipper Eris, where the technology captures emissions from all exhaust gas sources and is able to capture over 70% of the vessel's CO₂ emissions. The solution enables ships to immediately meet stringent environmental regulations.

[Read more](#)

Powering the first fully electric high-speed ferries in the US

Wärtsilä will supply the electric propulsion systems for the first three fully electric, high-speed ferries to be built and operated in the United States. Wärtsilä has supplied more battery power to the industry than any other electric propulsion provider, and this proven experience was a key partnering criteria for All American Marine. The vessels will form part of San Francisco Bay Ferry's Rapid Electric Emission Free (REEF) Ferry Program, which aims to transition the agency's fleet to zero-emissions propulsion technology.

[Read more](#)



© San Francisco Bay Ferry



Ammonia engine testing confirms 90% emissions cut

In 2025, Wärtsilä's 4-stroke ammonia engine underwent extensive testing to optimise its performance. The results prove breakthrough efficiency: the engine demonstrated a reduction of up to 90 percent in greenhouse gas emissions, compared to equivalent diesel engines. The innovation reinforces Wärtsilä's leadership in developing future-ready engine technologies that support the industry's decarbonisation goals.

[Read more](#)

Wärtsilä hybrid propulsion solution to optimise efficiency and enable zero emissions for four new Dutch vessels of Vertom Group.

[Read more](#)



Smart innovation to cut methane slip by 75%

In 2025, a new solution for reducing methane emissions was launched for the Wärtsilä 50DF dual-fuel engine. The technology converts the engines to spark gas operation and can cut methane slip by up to 75% while also saving fuel.

[Read more](#)

Delivering customer value in energy

Wärtsilä offers flexible engine power plant and advanced energy storage solutions, delivering balancing power, grid flexibility, and primary power, supported by lifecycle services for an optimised transition towards 100% renewable energy. Given the intermittency of solar and wind power, the transition requires flexible balancing solutions. Our market-leading technologies enable greater renewable integration into power systems, to future-proof our customers' assets, enabling reliable, affordable and sustainable power. With our deep expertise in power systems and generation technologies, we help decarbonise our customers' operations. Our solutions are also an optimal choice for powering data centres, a fast-growing market with unique needs.

Flexible balancing power capacity, with engines and energy storage working together, can respond instantly to fluctuations in the volatile energy system, ensuring grid stability and the maximum utilisation of renewables. Our engine power plants can already run on 100% synthetic and carbon-neutral methane and methanol, and on hydrogen-natural gas blends with up to 25% hydrogen.

In 2024, we introduced the world's first large-scale 100% hydrogen-ready engine power plant concept, and we now offer a solution ready for future hydrogen conversion. In 2025, we initiated tests of the world's first ethanol-fuelled engine for large-scale electricity generation.

Our 200+ power system studies have shown that careful planning of power systems can save billions, while rapidly reducing CO₂ emissions. We create value through our extensive knowledge of power systems and from integrating different energy solutions and assets. With our leading digital energy platform, GEMS, we optimise storage and generation assets in real time to deliver the lowest overall energy cost and highest system efficiency.



Data centres – a rising market with unique power requirements

Data centres are essential to the development of today's digital economy and they demand substantial amounts of power with high requirements on uptime and reliability. As data centres continue to increase in size, accelerated by the AI boom, consistent power from the grid is not guaranteed and conventional power supply systems often struggle with capacity constraints. Therefore, many data centre developers are increasingly turning to off-grid power solutions, realising the benefits of flexible generation technologies – engine technology and energy storage.

For Wärtsilä, data centres represent a significant growth opportunity in both newbuild and services

Wärtsilä's energy solutions are an optimal choice for powering data centres, delivering quick access to power, high reliability, fuel efficiency, scalability and exceptional heat resilience. Using significantly less fuel and water than other technologies, and with no thermal de-rating in hot climates, Wärtsilä's solutions also support our customers to reach their sustainability targets while developing cost-effective, resilient, and future-ready data centres. The GEMS microgrid controller can enable flexible engine power plants and energy storage to become assets to the grid by reducing and stabilising loads, delivering capacity, and providing crucial grid stability.

In 2025, Wärtsilä announced two orders to provide power to US data centres, in addition to an order in Europe in 2024. The US is one of the global leaders in the data centre market, which offers Wärtsilä further growth opportunities in both equipment and lifecycle sales.

Flexible engines delivering primary power for a new US data centre

Wärtsilä will deliver 27 Wärtsilä 50SG engines to provide 507 MW of continuous primary power for a new data centre in the United States. Running on natural gas, the engines can be converted to sustainable fuels in the future.

The customer chose us for our ability to provide reliable full-capacity operation in temperatures above 37.8°C (100°F), along with market-leading fuel efficiency, and low emissions – supporting both their performance needs and long-term sustainability targets.

[Read more](#)

Reliable power to a US data centre

Wärtsilä will supply 282 MW of flexible engines to power a new data centre in the United States. Quick access to power with high reliability, fuel efficiency, and strong heat resilience made Wärtsilä engines the ideal choice, while their low water consumption helps further reduce environmental impact and operating costs.

[Read more](#)



Highlights 2025 | Wärtsilä Energy delivering customer value



Next-generation technology paving the way for 100% renewable energy

In 2025, Wärtsilä launched its next-generation 46TS engine, designed to balance renewable energy, deliver highly efficient baseload power, and operate on sustainable fuels. Built on 85 years of engine expertise, the 46TS represents Wärtsilä's most advanced solution to date.

[Read more](#)

First-of-its-kind hybrid power project in Kazakhstan

Wärtsilä will supply six Wärtsilä 46TS-SG gas-fuelled large-bore engines, along with mechanical and electrical auxiliary equipment, for a new 120 MW power plant in Kazakhstan. The plant forms part of a major hybrid power project that also includes 77 MW of wind and 50 MW of solar power.

The fast-starting Wärtsilä engines will provide the necessary stable and secure electricity supply to balance fluctuations in renewable generation.

[Read more](#)



World-first trial to convert sugarcane into clean power

Wärtsilä partnered with Energetica Suape II S.A. to conduct a world-first trial using engines running on ethanol – a biofuel mainly produced from sugarcane – for large-scale clean electricity generation.

As Brazil is the world's largest producer of sugarcane ethanol, the partnership holds strong local significance. The trial underscores Wärtsilä's commitment to developing future-proof engines capable of running on a wide range of sustainable fuels.

[Read more](#)

Strengthening grid capacity in Kentucky

Wärtsilä will supply the engineering and equipment for a 217 MW power plant in Kentucky, supporting the East Kentucky Power Cooperative as it meets rising electricity demand. The plant will operate with 12 Wärtsilä 50DF dual-fuel engines, running primarily on natural gas with the ability to switch to alternative fuels when needed.

Operating around 5,000 hours per year, the plant will provide fast, flexible grid-balancing power on demand – making it one of the largest Wärtsilä dual-fuel installations in the United States.

[Read more](#)

Wärtsilä will provide a 204 MW power plant solution for a significant mining initiative in Pakistan.

[Read more](#)



Highlights 2025 | Wärtsilä Energy Storage delivering customer value



Increasing performance through analytics

In 2025, Wärtsilä launched GEMS Pulse, a breakthrough predictive analytics solution designed to increase the financial and operational performance of energy storage facilities.

Batteries generate thousands of data points every second. GEMS Pulse converts this complex data flow into actionable insights, enabling smarter operational decisions throughout the energy storage system's lifecycle.

[Read more](#)

Delivering a market-changing hybrid storage solution

Wärtsilä will deliver Australia's largest DC-coupled hybrid battery system for Octopus Australia, marking a major step towards hybridising storage with co-located renewables. Once operational, the system can power up to 120,000 homes and businesses, contributing directly to the country's Net-Zero by 2045 target.

The DC-coupled design improves project economics, efficiency, and grid stability. The project has secured Generator Performance Standards approval – a key milestone for large-scale renewables integration. Wärtsilä will also support the site under a 20-year service agreement.

[Read more](#) [here](#) and [here](#)



One of the world's best inventions in 2025

TIME recognised Wärtsilä's work on a first-of-its-kind energy storage system in the UK. The Blackhillock site is one of Europe's largest grid-scale energy storage systems, and the first in the world to provide stability services to Great Britain's National Energy System Operator (NESO).

The system balances supply and demand while supporting the UK's renewable energy transition, enabling greater wind integration and reducing wasted renewable energy. Over the next 15 years, it is expected to cut carbon emissions by 2.6 million tonnes.

[Read more](#) [here](#) and [here](#)

Leading paradigm shift in energy storage safety

Wärtsilä's Active Ignition Mitigation System (AIMS) is an integrated explosion control system within battery energy storage systems (BESS). In 2025, Wärtsilä successfully completed the industry's first large-scale testing of this type of explosion control solution, demonstrating AIMS's effectiveness and ability to maintain safety and functionality under extreme conditions. These tests, together with our continued investments in safety innovation, underscore Wärtsilä's commitment to exceeding safety and regulatory standards.

[Read more](#)

Wärtsilä to build the largest energy storage system in the Southern Hemisphere with the expansion of Origin's Eraring battery to 700 MW / 3,160 MWh.

[Read more](#)

Delivering customer value through our services

Wärtsilä's industry-leading service network is a key enabler for maximum uptime, reliability, and total lifecycle solutions, all of which ensure customer success. Our network provides preventive, responsive, and optimised service, as well as lifecycle upgrades and remote support throughout the lifecycle of an installation. With our over 3,500 quality field service professionals and technical experts around the globe, we can provide our customers with timely support wherever needed.

Wärtsilä has significant growth opportunities in all steps of the service value ladder. In transactional services, we support our customers by leveraging digital solutions for customer intelligence and automated lead management. In 2025, we decided to expand our main spare parts distribution centre by 40% to support the global growth of our services and enhance customer service efficiency.

Moving up the service value ladder, we deliver enhanced performance through optimised maintenance and performance-based service agreements, where we guarantee agreed performance levels by leveraging connectivity, big data, and analytics. The green transition is expected to represent a clear growth path for Wärtsilä.

In the Marine and Energy businesses, the agreement coverage rate of our installed base is around 30%, and in the Energy Storage business it is above 75%. We continue to identify clear opportunities for future growth. The renewal rate of service agreements for our Marine and Energy businesses exceeds 90%, demonstrating the value our lifecycle agreements create for our customers. Energy Storage's renewal-rate reporting will become feasible as the business' existing service agreements mature.



Highlights 2025 | Delivering customer value through our services



© Seagems

Long-standing partnership renewed

Wärtsilä's Lifecycle Agreement with Seagems has been renewed and expanded to cover the company's fleet of offshore support vessels. The updated agreement deepens the strategic partnership and supports improved efficiency, reliability, and a reduced carbon footprint. With Wärtsilä's Data Collection Unit and Expert Insight now included, Seagems can gain greater cost savings and peace of mind.

[Read more](#)

AI-driven maintenance planning to boost uptime for CMA Ships

Wärtsilä has signed a Lifecycle Agreement to ensure operational reliability for 14 CMA Ships vessels. The agreement includes Wärtsilä's unique Expert Insight service, which leverages AI technology for predictive maintenance. This helps improve asset efficiency and cut operating costs. Parts and maintenance services, dynamic maintenance planning, and 24/7 remote support are also included in the agreement.

[Read more](#)

Accelerating the UK's transition to clean power by 2030

Wärtsilä has expanded its long-term partnership with EDF Renewables UK and Ireland. The eight sites, providing 404.5 MW / 709 MWh of energy storage capacity, are all covered by Wärtsilä's long-term service agreements, ensuring reliable performance, operational efficiency, and cost predictability.

By harnessing data through Wärtsilä's GEMS control and optimisation software, the partnership maximises battery performance, stabilises the grid, and enables EDF Renewables to optimise revenue through market trading and frequency response services.

[Read more](#)

Breakthrough deal to decarbonise Caribbean island

Wärtsilä has signed an innovative decarbonisation services agreement with Aqualectra, the energy utility company of Curaçao. Under the five-year agreement, Wärtsilä's payments are tied to key performance indicators: maximising renewable energy use, reducing CO₂ emissions intensity, lowering costs, and enhancing energy reliability. Wärtsilä will leverage energy storage, grid-balancing engines, and the GEMS Digital Energy Platform to optimise energy across the island.

This partnership is a major step toward Curaçao achieving its target of 50 percent renewable energy by 2025 and 70 percent no later than 2027.

[Read more](#)


Wärtsilä and Ambar Energia in Brazil have entered into an outcome-based O&M partnership to drive shared performance goals across three power plants.

[Read more](#)

Global spare parts distribution centre expansion supports service growth

In 2025, we decided to expand our main spare parts distribution centre in Kampen, the Netherlands, by 40% and to consolidate nearby leased storage facilities into the site. This strategic move supports the global growth of our services and enhances customer service efficiency. The construction is set to begin in early 2026 with commissioning scheduled for 2027.

[Read more](#)

Delivering customer value through leading R&D and partnerships

At Wärtsilä, we believe that there will be a need for a broad array of solutions to decarbonise marine and energy. Different solutions will be used in different applications and in different geographies. There will be a gradual shift to new technologies, blending different types of fuel. Our in-house focus will remain on the development of core technologies. By partnering with technology providers in areas such as fuel cells, we can ensure a broad solution offering for our customers.

We continue to see strong synergies between marine and energy in research and development (R&D) and the manufacturing of new technologies. Throughout the decarbonisation transformation, we continue to invest ~4% of net sales in R&D. In 2025, we announced an expansion of Wärtsilä's R&D testing capabilities at the Sustainable Technology Hub in Vaasa, Finland, thereby strengthening our capacity to test more sustainable fuels and meet the growing demand for sustainable technologies.

Our decarbonisation go-to-market approach

- Proactive dialogue on our customers' specific technology roadmap
- The competence and experience to engage in a credible customer dialogue on all technologies
- Solution offering for most technologies
- Leveraging leadership in core technologies and partnering for complementary technologies



Sustainability



Sustainability at Wärtsilä

Wärtsilä is a purpose-driven organisation, with sustainability at the core of its purpose and strategy. Together, our company values, principles, and sustainability objectives, create the framework for a strong drive towards decarbonisation and responsible business practices.

Our sustainability efforts are driven by economic, environmental, and social performance. We aim to deliver a profitable growth as a company and, as a forerunner in advanced solutions, we enable sustainable societies while upholding high ethical, and health and safety standards. With our strong focus on decarbonising the marine and energy industries, innovations in technology and services play a central role in contributing to a low-carbon future. We set measurable targets, promote a strong safety culture, embrace diversity, and enhance responsible business practices.

Sustainability targets reflect our focus areas

Our sustainability targets are approved by our Board of Management and their implementation is monitored on a regular basis. Each target has a designated owner responsible for preparing action plans, overseeing their implementation, and reporting on progress. The management teams of the businesses and global functions oversee the execution of target actions.

Sustainability targets

Target	Year	Progress
Set for 30: Provide a product portfolio that will be ready for zero-carbon fuels.	2030	The development of hydrogen, ammonia, and methanol technologies progressed significantly in 2025, with hydrogen moving to prototype testing and the first ammonia delivery passing factory acceptance testing. Methanol research continued alongside intensive customer support for the industrialised W32M technology.
Set for 30: Be carbon neutral in our own operations.	2030	By the end of 2025, Scope 1 and 2 emissions reduced by 53% compared to the baseline value (3 years average, 2019–2021).
Set for 30: 25% reduction of suppliers' GHG emissions by 2030 compared to the 2024 baseline.*	2030	In 2025, Wärtsilä collected Scope 1 and 2 GHG emissions data from its Tier 1 direct suppliers to establish the 2024 baseline.
Reduce energy consumption by at least 7% (29.9 GWh) from 2015 levels in terms of absolute consumption.	2025	By the end of 2025, energy savings of 34 GWh were achieved, enabling Wärtsilä to exceed its final 2025 target. Going forward, Wärtsilä remains committed to its energy-saving efforts and has established a new target for the period 2026–2035.
Reach the long-term goal of zero injuries.	Continuous target	In 2025, the corporate total recordable injury frequency rate (TRIF) was 2.44, which was 11% higher than in 2024.
Zero injuries to contractors: we aim to reduce the total recordable injury frequency on a yearly basis.	Continuous target	In 2025 the contractor total recordable injury frequency rate (Contractor TRIF) was 4.05, which was 19% lower than in 2024.
Achieve long-term goal of 100% individual development plan coverage for eligible population.	Continuous target	At the end of 2025, the plan coverage was 82.1% for eligible population.
Achieve a Code of Conduct training coverage of 100%.	Continuous target	At the end of 2025, the training coverage was 94.3% of all employees.
Achieve an anti-corruption training coverage of 100%.	Continuous target	At the end of 2025, the training coverage was 94.2% of all employees.

* The target covers Tier 1 direct suppliers of Wärtsilä and their Scope 1 and 2 greenhouse gas (GHG) emissions related to deliveries to Wärtsilä. This is a relative target, which baseline is defined by Wärtsilä-allocated GHG emissions and spend.

Responsible business practices

At Wärtsilä, we strive to have ethics and compliance at the core of our business. We are committed to conducting our business responsibly as required by our group and business-level policies, procedures, and practices. Our Code of Conduct sets joint ethical principles to be applied in our business. We implement the Code through support material and processes, with a group-wide mandatory e-learning programme and other training events, management systems, reporting, and by investigating misconduct incidents, monitoring, and communicating related activities. Our suppliers and business partners are also required to follow at least the same level of legal and ethical standards and business practices.

Everyone at Wärtsilä can voice their concerns about any potential violations of the Code of Conduct and its underlying policies and instructions. Suspected misconduct can be reported to line management, to the Legal or Compliance functions, or anonymously via an externally hosted whistleblowing channel. The channel is also open to our suppliers, consultants, and others who have a working relationship with Wärtsilä. All reported incidents are investigated, and appropriate corrective actions are taken as necessary.

We are committed to supporting the United Nation's Global Compact and its principles regarding human and labour rights, environment, and anti-corruption. Additionally, we are dedicated to advancing the UN Sustainable Development Goals, particularly those related to clean energy, a low-carbon marine ecosystem, and responsible business conduct.

Wärtsilä is fully committed to complying with legislation and internationally recognised principles for combatting corruption and bribery. We are aware that the risk of corruption and fraud can be high in some markets where we operate. Therefore, we carry out anti-corruption risk assessments as part of our continuous anti-corruption efforts. We also run an extensive training programme that

is mandatory for all employees. By the end of 2025, 94.2% of our employees had completed the anti-corruption e-learning.

Implementation of our renewed Code of Conduct

In 2024, we renewed our Code of Conduct with a stronger focus on climate, trade compliance, data protection, and cyber resilience to align with today's stakeholder expectations and business environment.

In 2025, we organised a series of virtual events, training sessions, and coaching opportunities to enhance learning and promote a deeper understanding of our renewed Code. To further support its implementation, we updated our Code of Conduct e-learning, which is now available globally in 18 languages.

This e-learning provides information about the Code of Conduct and its themes, as well as guidance on making the right decisions in everyday work. Employees are required to retake the mandatory training every two years. By the end of 2025, 94.3% of our employees had completed the updated e-learning, marking a clear improvement from the previous year's completion rate of 86.7%.



Driving towards decarbonisation

Wärtsilä is shaping the decarbonisation of the marine and energy industries by supporting its customers on their decarbonisation journeys. To achieve this, we continuously invest in innovation and product development to deliver sustainable technologies and solutions. Furthermore, as an organisation, we strive to minimise our environmental footprint.

Our primary contribution to enhanced environmental performance lies in providing reliable and safe technologies and services for our customers. Our product and solutions portfolio includes technologies related to, for example, efficiency optimisation, fuel flexibility, energy savings, and carbon capture, as well as flexible energy storage systems, engine and hybrid power plant solutions, and lifecycle services. With the help of intelligent digital solutions and services, data can be collected, analysed, monitored, and reported, allowing us to optimise operations and reduce greenhouse gas (GHG) emissions.

Our products and solutions are designed to operate reliably for up to 30 years. Therefore, focusing our R&D efforts on improving product or system level performance is crucial, as is adopting a lifecycle approach to performance optimisation. In addition to enhancing the environmental performance of our products and solutions, we continuously monitor the GHG emissions of our own activities. We drive decarbonisation in the marine and energy sectors together with our customers and stakeholders, but we also participate in several initiatives and sustainable business coalitions, such as the [Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping](#) initiative and the [Getting to Zero Coalition](#).

Set for 30 – our decarbonisation targets

Wärtsilä's target position of shaping the decarbonisation of marine and energy is supported by our 'Set for 30' commitment. Our target is to provide a product portfolio ready for wide usage of zero-carbon fuels, such as ammonia and hydrogen, by 2030. Carbon-neutral fuels can already be used today.

We are also committed to becoming carbon neutral in our own operations by 2030. As part of our decarbonisation efforts, we make action plans annually and monitor their execution throughout the year. In 2025, our GHG emissions decreased by 53% (53,192 tCO₂e) compared to the baseline (3-year average from 2019–2021), which is aligned with our carbon neutrality pathway. Our efforts in 2025 focused on low- and medium-cost measures, such as electrification and energy efficiency across our operations, reducing GHG emissions from engine testing, and increasing the share of self-generated and purchased renewable electricity.

For reducing supply-chain emissions, we target a 25% reduction in GHG emissions from Tier 1 suppliers by 2030, focusing on their Scope 1 and 2 emissions related to Wärtsilä deliveries. It is a relative target, for which the baseline is defined by Wärtsilä-allocated GHG emissions and spend. In 2025, we established a structured framework for reporting the suppliers' emissions, including data collection processes, governance measures, and baseline definition. We enhanced supplier engagement by clear communication, onboarding, and integrating progress reviews into our internal systems. We also deployed digital tools and reporting structures to support monitoring and transparency.

Read more about our decarbonisation performance and actions from the [Environmental information section of the Sustainability Statement](#).

Core elements of Wärtsilä's decarbonisation actions



Products and services

Offering innovative technologies and lifecycle solutions with high efficiency and low emissions



R&D

Developing sustainable and future proof technologies



Operational measures

Targeting carbon neutrality and continual environmental improvements



Collaboration

Joining forces with stakeholders in promoting climate and environmental actions



System level solutions

Improving and optimising overall efficiency and lowering emissions at system level

Highlights of our decarbonisation efforts in 2025



Our ammonia engine cuts greenhouse gas emissions by up to 90%

Since its commercial introduction, Wärtsilä's 4-stroke ammonia engine has undergone extensive testing to optimise its performance parameters. Assessed against the FuelEU Maritime reference and measured on both a Well-to-Wake and Tank-to-Wake basis, results show that with a 95% ammonia energy share, the engine achieves up to a 90% reduction in greenhouse gas emissions compared to equivalent diesel engines – a further 18% improvement in emissions performance.

Ammonia has emerged as a promising alternative fuel as the shipping industry looks for more sustainable fuel options and will play a significant role in enabling the shipping industry to reduce its emissions.

[Read more](#)

Cutting methane slip by up to 75% with Wärtsilä 50DF innovation

Our new solution for reducing methane slip for the Wärtsilä 50DF dual-fuel engine converts the engine to spark gas operation, optimising combustion for higher efficiency and lower methane emissions. Optimised for operation with liquefied natural gas (LNG), the Spark Gas Conversion can cut methane slip by up to 75% compared to the standard engine, while also delivering fuel gas savings of up to 4.6%.

[Read more](#)

Reducing emissions in engine testing

Several initiatives to cut greenhouse gas emissions from engine testing are underway, with results already visible. In 2025, Wärtsilä piloted the use of liquified biogas (LBG) in engine testing activities. This initiative contributes to reducing Wärtsilä's Scope 1 GHG emissions.

In addition, the expansion of Wärtsilä's R&D testing capabilities at the Sustainable Technology Hub in Vaasa, Finland, will further strengthen our capacity to test a broader range of sustainable fuels and meet the growing demand for sustainable technologies. This investment, including the latest type of testing equipment, is expected to accelerate product development, reduce testing time and costs, and lower related emissions. The nearly 8,000 m² extension is scheduled for commissioning in 2028.

[Read more](#)

Reducing greenhouse gas emissions in our supply chain

In 2025, Wärtsilä finalised its baseline assessment of greenhouse gas emissions for selected suppliers, using 2024 data as the reference point. This baseline will serve as a foundation for tracking progress and driving further action toward our target of a 25% reduction in supplier emissions by 2030. We are already seeing encouraging steps from our suppliers to reduce their emissions.

These efforts not only support our decarbonisation goals, but also enable the sharing of best practices throughout the supply chain. Going forward, we will continue to actively engage and support our suppliers in adopting effective carbon reduction methods.

[Read more](#)



Wärtsilä strengthens its supply chain with sustainable castings

Wärtsilä has strengthened its strategic partnership with Siempelkamp Giesserei, a leading supplier of large engine cast components. The collaboration ensures that Wärtsilä has reliable access to high-quality engine parts, while the collaboration also enables us to increase production volumes and advances our journey toward sustainable technologies.

Siempelkamp Giesserei's automated, digitalised foundry runs on renewable energy and advanced energy management systems, enabling us to reduce greenhouse gas emissions of our products and direct suppliers. With Siempelkamp Giesserei as our partner, we can also launch new engine designs faster and reduce material waste.

[Read more](#)

Being a responsible employer

For Wärtsilä, social responsibility is strongly connected to being a responsible employer. We strive to offer our employees an engaging and dynamic workplace where openness, respect, trust, equal opportunities, and personal development prevail. Wärtsilä is a signatory to the UN Global Compact initiative and upholds the work-related rights defined by the International Labour Organization. We develop people management processes, tools, and ways of working to ensure consistency and transparency between all Wärtsilä locations. We also aim to provide a safe working environment for our employees and contractors and minimise health and safety risks associated with the use of our products and services.

Creating an inclusive culture that drives engagement and performance

In our people strategy, we focus on four priorities: creating an inclusive culture that drives engagement and performance, fostering continuous learning to build capabilities for success, building impactful leadership, and effectively matching talent to roles. Pursuing these priorities is critical in our aim to be an attractive employer for current and future employees. With over 3,000 hires annually in a competitive talent market, standing out is crucial to establishing Wärtsilä as an employer of choice.

Diversity and inclusion, providing equal opportunities, and upholding high ethical standards are integral to our purpose. At Wärtsilä, we embrace all genders, ages, personalities, and educational backgrounds, and we take pride in the diverse representation of nationalities and cultures across all levels, departments, and functions. Currently, our people represent 123 nationalities.

Wärtsilä's Performance and Development Dialogue process connects our strategy and business priorities with

both team and individual performance and development. Performance goals that are aligned to strategic goals drive business success, create a sense of purpose and help maintain a balanced workload, whereas development goals ensure everyone is entitled to learn new skills and competences that help them succeed in their current role and progress in their career. Continuous dialogue and feedback strengthen collaboration, create a sense of belonging and build trust.

In 2025, further enhancements to the Performance and Development Dialogues were made to promote conversations focused on forward-looking and professional growth between line managers and employees. We introduced a renewed Performance Evaluation to foster collaboration, learning and continuous improvement. A new Development Focus assessment was introduced to support transparent career conversations and to help our people articulate their professional growth aspirations. This will help our people stay relevant, engaged and to grow within Wärtsilä.

At Wärtsilä, we see learning as a continuous process, and a significant portion of learning occurs during the everyday flow of work. The 70-20-10 learning principle supports us in understanding how to learn effectively: 70% by doing, 20% by sharing, and 10% by studying.

Our Leadership Model enables impactful leadership and supports Wärtsilä's strategic growth. It guides leaders to energise and lead the way, develop people and teams, challenge and support change. We have continued to actively build our coaching and mentoring capabilities. Our aim is to nurture an open culture where growth and development are valued, and to deliberately invest in it. In 2025, our efforts were recognised by the International Coaching Federation at the Coaching Impact Awards.



One of the world's best employers

We operate in 78 countries and 199 locations, and therefore a holistic messaging framework towards current employees and new talent is essential. Our global Employee Value Proposition (EVP), Fuel your power™ is built around two core pillars: growth and impact. These pillars highlight real stories of professional development, an inclusive culture, international opportunities, and the transformative impact our technologies have on society.

Our employee advocacy programme amplifies our employer branding. By the end of 2025, we had around 270 advocates, with 75% of them working in our businesses.

As of 2025, we have started to embed our EVP into HR processes, including wellbeing, recruitment, learning, and diversity & inclusion, transforming it into an operational framework that shapes how we work.

In 2025, this systematic work gained momentum:

- Our global success in employer branding was recognised at the Magnet Employer Branding Awards ceremony
- Fuel your power was officially registered as an EU trademark, making us one of the few companies in Europe with legally protected EVP
- We won the Talent Attraction & Corporate Culture category at the international Digital Communication Awards ceremony
- For the first time, Wärtsilä was included on [Forbes' World's Best Employers list](#)

Interest in Wärtsilä as an employer reached record heights in 2025. We are positioned as a company that attracts top talent, with strong employee engagement at the heart of our story.

Our strong commitment to safety is visible in our daily operations

Wärtsilä is committed to creating and maintaining a safe and healthy work environment for its employees, contractors, and other partners. This commitment underpins our long-term ambition of zero injuries, and drives the implementation of high standards in occupational health and safety. Our strategic programme, Success Through Safety, focuses on employee, contractor, and product safety, as well as occupational health, and promotes a proactive safety culture across all operations.

Health, safety, and wellbeing responsibilities are embedded at all organisational levels. At Wärtsilä, every individual contributes to maintaining a safe and healthy workplace by proactively identifying hazards, reporting near misses and safety observations, and sharing ideas for improvement. All employees and contractors are empowered to intervene and stop work in unsafe situations.

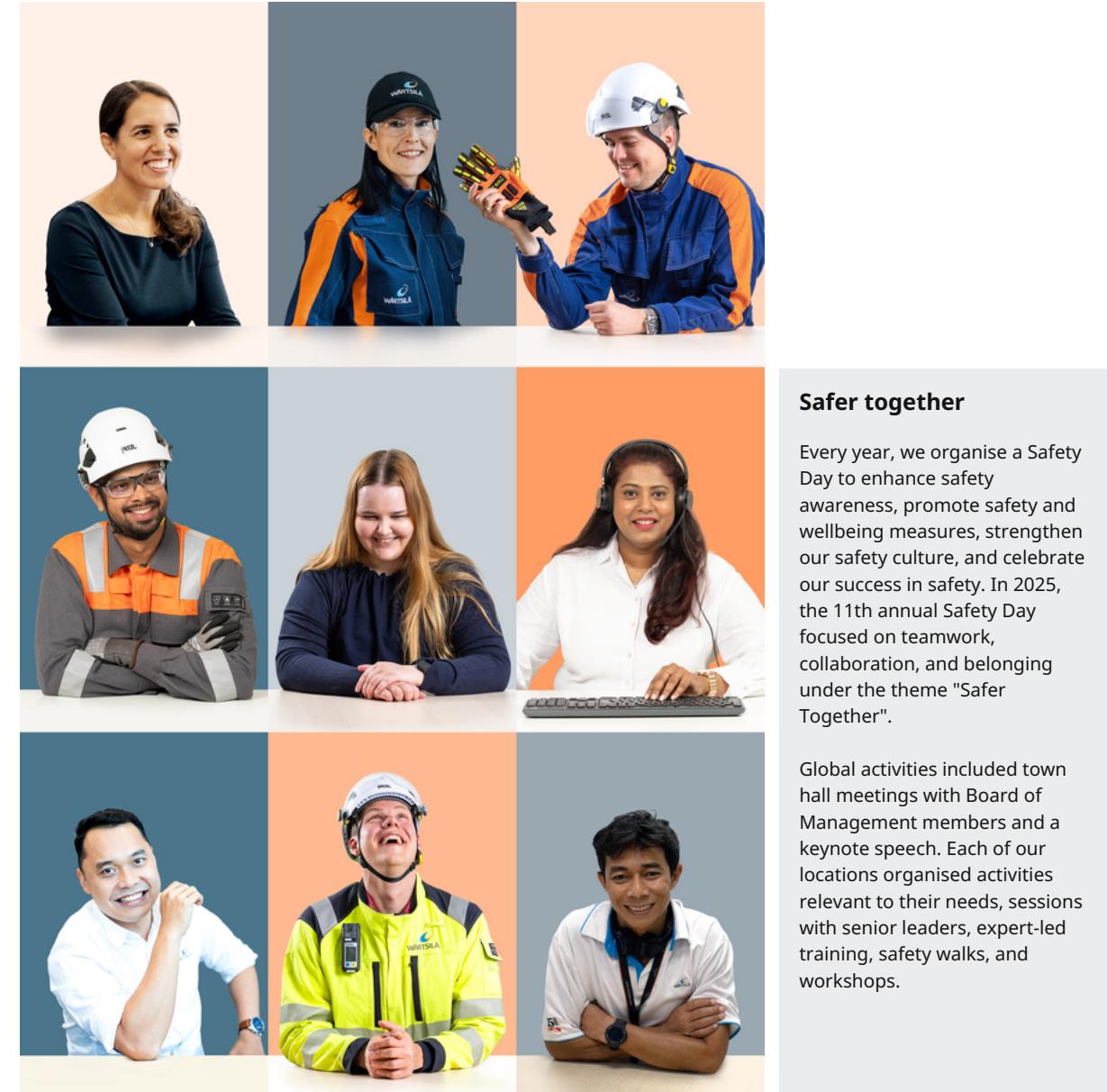
In 2025, Wärtsilä advanced several initiatives, including a global learning event and updated training materials to strengthen frontline engagement during safety walks and wellbeing talks. A marine battery safety training programme was introduced to address risks associated with the growing use of battery systems on vessels. The 'One Winning Team' safety awareness programme progressed, with 86% of frontline employees trained by the year-end.

We aim to provide a healthy working environment to support growth, wellbeing, and a work-life balance. In 2025, our wellbeing efforts focused on mental health and continued implementation of the six wellbeing elements defined in our global Wellbeing Framework. A key initiative was fostering regular wellbeing talks within teams to promote psychological safety, strengthen team cohesion, and proactively identify support needs.

Wärtsilä has set a long-term corporate target of zero injuries, reflecting our commitment to employee safety. In 2025, the Total Recordable Injury Frequency (TRIF) was 2.44, compared to 2.20 in 2024. This increase prompted a comprehensive review of work practices and conditions, with employee-submitted improvement ideas integrated into updated safety plans.

For contractors, Wärtsilä pursues a continuous long-term target, introduced in 2024, to reduce TRIF annually. In 2025, contractor TRIF decreased to 4.05 from the 2024 baseline of 5.01.

Read more about the performance and actions related to occupational health and safety, as well as skills and career development, from [the Social information section of the Sustainability Statement](#).



Safer together

Every year, we organise a Safety Day to enhance safety awareness, promote safety and wellbeing measures, strengthen our safety culture, and celebrate our success in safety. In 2025, the 11th annual Safety Day focused on teamwork, collaboration, and belonging under the theme "Safer Together".

Global activities included town hall meetings with Board of Management members and a keynote speech. Each of our locations organised activities relevant to their needs, sessions with senior leaders, expert-led training, safety walks, and workshops.

Governance

Corporate governance statement 2025

Wärtsilä Corporation complies with the guidelines and provisions of its Articles of Association, the Finnish Limited Liability Companies Act, and the rules and regulations of Nasdaq Helsinki Ltd. Wärtsilä also applies the Global Reporting Initiative's G4 Sustainability Reporting Guidelines and complies with the Finnish Corporate Governance Code 2025 (the "Code") issued by the Finnish Securities Market Association. The Code is publicly available at cgfinland.fi/en. Wärtsilä has not deviated from any of the Code's recommendations.

Wärtsilä's Corporate Governance Statement is published as a separate statement on Wärtsilä's website, as well as in this Annual Report.

Wärtsilä applies a single-tier governance model. The General Meeting of shareholders, the Board of Directors, and the President & CEO are responsible for the management of the Wärtsilä Group. Their duties are, for the most part, defined by the Finnish Limited Liability Companies Act. The General Meeting of shareholders elects the Board of Directors, the auditor, and the sustainability auditor. The Shareholders' Nomination Board prepares proposals to the General Meeting relating to the composition and remuneration of the Board of Directors. The Board of Directors is responsible for the strategic management of the company and is assisted in its work by the Board Committees. The Board appoints the President & CEO, who is in charge of the operative, day-to-day management of the company, with support from the Board of Management.

Wärtsilä Governance model

External Audit

Elected by the Annual General Meeting to audit Wärtsilä Corporation's financial statements, including the consolidated financial statements, accounting records, and the administration of the company

Sustainability Auditor

The sustainability auditor is elected by the Annual General Meeting. The sustainability auditor assures Wärtsilä Corporation's Corporate Sustainability Reporting

Internal Audit

Independently evaluates and verifies the effectiveness and quality of Wärtsilä's risk management, control, and governance processes. The function reports to the Audit Committee.

Annual General Meeting

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

Board of Directors

The Board of Directors consists of 5-10 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 statements and sustainability reporting processes, as well as 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's deputy, if any, and the members of the Board of Management

Annual General Meeting

Wärtsilä's ultimate decision-making body is the General Meeting of shareholders. It resolves issues as defined for General Meetings in the Finnish Limited Liability Companies Act and the company's Articles of Association. The agenda items for the General Meeting of shareholders include the following:

- approving the financial statements
- deciding on the distribution of dividends
- discharging the company's Board of Directors and President & CEO from liability for the financial year
- electing the company's Board of Directors, auditor and the assurance firm for corporate sustainability reporting, and deciding on their remuneration

A General Meeting of Wärtsilä Corporation is held at least once a year, at a time no later than the end of June. If needed, the company may also hold Extraordinary General Meetings. An invitation to the General Meeting is published on the company's website or a minimum of two daily newspapers, which are commonly distributed in Finland, as decided by the Board of Directors. The invitation shall be published no earlier than two months and no later than three weeks prior to the General Meeting. It shall, however, be published at least nine days prior to the General Meeting's record date. Wärtsilä also publishes the invitation to its General Meetings as a stock exchange release. The documents and draft resolutions to be submitted to the General Meeting can be found on Wärtsilä's website.

Shareholders have the right to add items falling within the competence of the Annual General Meeting to the meeting's agenda. The request must be submitted to the Board of Directors in writing sufficiently in advance of the meeting, so that the item can be added to the Notice of the General Meeting. Wärtsilä publishes on its website the date by which a shareholder must notify the company's

Board of Directors of an issue that he or she demands to be addressed at the General Meeting. This information is given no later than by the end of the financial period preceding the General Meeting and includes the postal or email address to which the demand shall be sent. The demand is always deemed to have arrived in time, if the Board is notified of the demand no later than four weeks before the delivery of the Notice of the General Meeting.

All shareholders registered by the record date in the company's list of shareholders maintained by Euroclear Finland Ltd have the right to attend the Annual General Meeting. Each share entitles the holder to one vote. The Chair of the Board of Directors, the members of the Board of Directors, and the President & CEO are normally present at the General Meeting. The auditor-in-charge also attends the Annual General Meeting. Director candidates shall also be present at the General Meeting that decides upon their election.

Annual General Meeting

Wärtsilä's Annual General Meeting was held on 13 March 2025, with shareholders having the possibility to follow the meeting via a video stream.

The Meeting approved the financial statements for the year 2024, approved the Remuneration Report 2024 for Governing Bodies and the Remuneration Policy for Governing Bodies, and discharged the members of the Board of Directors and the company's President & CEO from liability for the financial year 2024.

The audit firm PricewaterhouseCoopers Oy was elected as the auditor of the Company for the year 2025 and the same firm was elected as the sustainability auditor.

The Meeting approved the Board of Directors' proposal to pay a dividend of EUR 0.44 per share in two instalments. The first instalment of EUR 0.22 per share was paid on 24 March 2025 and the second instalment of EUR 0.22 per share on 24 September 2025.

The Board of Directors was authorised to resolve to repurchase a maximum of 57,000,000 of the company's own shares. In addition, the Board of Directors was authorised to resolve to issue a maximum of 57,000,000 shares in the company. The shares can be issued for consideration or without consideration. They can also be issued in deviation from the shareholders' pre-emptive rights by way of a directed issue, if there is a weighty financial reason for the Company to do so.

The Annual General Meeting approved the proposed changes to the Articles of Association. The changes reflect the prevailing regulatory requirements for an audit firm, as well as being in preparation for the upcoming mandatory auditor tendering process, as per the requirements of the EU Audit Regulation.

The minutes of the meeting and other related documents can be found on Wärtsilä's website at: www.wartsila.com/agm

Shareholders' Nomination Board

The Shareholders' Nomination Board prepares and presents to the General Meeting proposals relating to the composition and remuneration of the Board of Directors. In addition, the Nomination Board reviews and adjusts the diversity principles of the Board of Directors, as necessary, and carries out director successor planning.

The Nomination Board consists of five members. Four representatives are nominated by the company's four largest shareholders, with the fifth member being the Chair of Wärtsilä's Board of Directors. The four largest shareholders are determined on the basis of the shareholders' register maintained by Euroclear Finland Ltd. as of 1 June preceding the Annual General Meeting of shareholders. In case a shareholder does not wish to use its appointment right, the right transfers to the next largest shareholder who would not otherwise have such right. The members are elected annually. Their term of office ends when the proposed composition of the Nomination Board for the following period is determined.

The Shareholders' Nomination Board's proposal for the composition of the Board of Directors is included in the Notice of the General Meeting. The same applies to a proposal for the composition of the Board of Directors made by shareholders with at least 10% of the votes carried by the company shares, provided that the candidates have given their consent to the election, and the company has received information on the proposal sufficiently in advance as to be included in the Notice of the General Meeting. The candidates proposed after the disclosure of the Notice of the General Meeting shall be disclosed separately. Wärtsilä publishes the biographical details of the candidates for the Board on its website in connection with the publication of the Notice of the General Meeting.

Shareholders' Nomination Board 2025

In June 2025, the following members were appointed to Wärtsilä's Shareholders' Nomination Board:

Petra Hedengran

Born 1964, Master of Law. General Counsel, Head of Corporate Governance, Investor AB, appointed by Invaw Invest AB

Markus Aho

Born 1980, M.Sc. (Eng.). Chief Investment Officer, Varma Mutual Pension Insurance Company.

Annika Ekman

Born 1977, M.Sc. (Econ.). Head of Equities, Ilmarinen Mutual Pension Insurance Company.

Carl Pettersson

Born 1979, B.Sc. (Econ.), EMBA. CEO, Elo Mutual Pension Insurance Company

Tom Johnstone CBE

CBE Born 1955, Master of Arts, Honorary Doctorate in Business Administration and Honorary Doctorate in Science. Chair of the Board of Directors of Wärtsilä Corporation.

The Nomination Board consists of two female (40% of total) and three male (60% of total) members. The Nomination Board convened 4 times with an attendance rate of 100%.

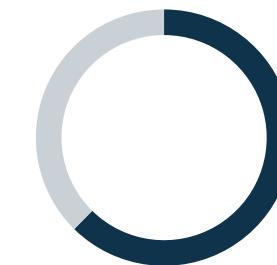
Diversity principles

For the Board of Directors to discharge its duties in the most effective manner, the Board must be highly qualified and sufficiently diverse. When preparing its proposal for the Board's composition, the Shareholders' Nomination Board considers the educational and professional background of the individual candidates, as well as their international experience, so that the composition of the Board represents a wide variety of competencies and qualifications. The Shareholders' Nomination Board also considers the candidates' age, as having different seniority levels on the Board is considered beneficial in terms of ensuring a mutually complementary experience.

With regards to gender, Wärtsilä's objective is to have a balanced representation of both genders in the Board. In December 2025, Wärtsilä had three female (38% of total) and five male (62% of total) board members.

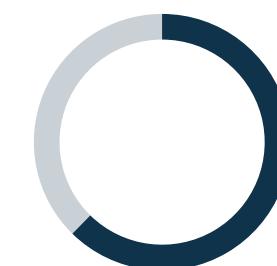
The Shareholders' Nomination Board assesses the potential candidates not only in terms of their individual qualifications and characteristics, but also in terms of their ability to effectively work together and jointly support and challenge the company management in a proactive and constructive way.

Gender Diversity



Male
Female

Tenure



1-5 Years
6-10 Years

Nationality



Sweden
Finland
United States
United Kingdom
Denmark

Applicable to the Board of Directors elected by the Annual General Meeting 2025.

Board of Directors

Responsibility for the management of the company and the proper organisation of its operations lies with the company's Board of Directors, which is composed of five to ten members. Board members serve for one year at a time and are elected by the General Meeting.

According to the Corporate Governance Code's recommendation 10, the majority of the Board members shall be independent of the company, and at least two of the members representing this majority shall be independent of significant shareholders of the company. The Board evaluates the independence of its members annually and re-evaluates it as necessary.

The Board elects a chair and a deputy chair from among its members. The Board steers and supervises the company's operations and decides on policies, goals, and strategies of major importance. The principles applied by the Board to its regular work are set out in the Board Charter. The Board also approves the rules of procedure applied by the Board's committees setting out their main tasks and working principles. In addition to matters requiring its decision, the Board is given updates on the Group's operations, financial position, and risks at its meetings.

The Board conducts an annual self-evaluation of its operations and working methods. The purpose of this evaluation is to assess how the Board has executed its tasks during the year and to act as a basis for developing Board functions.

The Board of Directors convenes from eight to eleven times a year, following a pre-determined schedule. In addition to these meetings, the Board convenes as necessary. All board meetings are documented.

Responsibilities of the Board of Directors

The Board considers all matters stipulated to be the responsibility of a board of directors by legislation, other regulations, and the company's Articles of Association.

The most important of these are:

- the annual and interim financial statements
- matters to be put before the General Meetings of shareholders
- the appointment of the President & CEO, the Executive Vice Presidents, and the CEO's deputy, if any
- the organisation of financial supervision within the company

The Board is also responsible for considering any matters that are so far-reaching with respect to the area of the Group's operations that they cannot be considered to fall within the scope of the Group's day-to-day administration.

Examples of such matters include:

- approval of the long-term goals of the Group and its businesses, as well as the strategies to achieve them
- monitoring the developments, opportunities, and threats in the external environment, as well as their impact on goals and strategy
- approval of the annual business plan and target setting for the Group
- approval of risk management principles
- monitoring and assessing the performance of the President & CEO
- approval of the remuneration and pension benefits of the President & CEO,
- approval of the corporate governance principles

Board of Directors in 2025

As of 13 March 2025, the Board comprised the following eight members: Mr Tom Johnstone (Chair), Mr Mika Vehviläinen (Deputy Chair), Ms Karen Bomba, Mr Henrik Ehrnrooth, Mr Morten H. Engelstoft, Ms Karin Falk, Mr Johan Forssell, and Ms Tiina Tuomela.

All eight Board members were determined to be independent of the company. Six members were determined to be independent of significant shareholders. Mr Tom Johnstone was determined to be dependent of significant shareholders due to his position in the board of Investor AB. Mr Johan Forssell was determined to be dependent of significant shareholders due to his position as the Senior Advisor of Investor AB.

Until 13 March 2025, the Board comprised the following eight members: Mr Tom Johnstone (Chair), Mr Mika Vehviläinen (Deputy Chair), Ms Karen Bomba, Mr Morten H. Engelstoft, Ms Karin Falk, Mr Johan Forssell, Mr Mats Rahmström, and Ms Tiina Tuomela.

In 2025, Wärtsilä's Board of Directors held 15 meetings with a 99% attendance rate. Key topics included company strategy execution and creation of a platform for future demand growth. The strategic review of the Energy Storage and Optimisation business was concluded. The Board focused on external factors such as geopolitical, regulatory, technological, and market developments. Other priorities included organisational development and sustainability, included health and safety.

Board members' meeting participation in 2025

	Number of meetings	% of meetings
Tom Johnstone, Chair	15/15	100
Mika Vehviläinen, Deputy Chair	15/15	100
Karen Bomba	15/15	100
Henrik Ehrnrooth	11/12	92
Morten H. Engelstoft	15/15	100
Karin Falk	15/15	100
Johan Forssell	15/15	100
Mats Rahmström (until 13 March 2025)	3/3	100
Tiina Tuomela	15/15	100

- overseeing that the company complies with legal and regulatory requirements, its Code of Conduct, and other established values and ethical principles in its operations
- discussing and monitoring the research and product development plans of the company
- appointing the Board committees
- granting charitable donations
- approval of other matters that are strategically or financially important, such as significant investments, acquisitions, or divestments

The Boards' committees

The Board of Directors appoints annually an Audit Committee and a People Committee. It may also nominate other committees, if considered necessary in its constitutive meeting following the Annual General Meeting. The Board appoints the members of these committees and their chairs, taking into consideration the expertise and experience required for the duties of the committee. The Board also has the right to remove a member from a committee. The members of each committee are appointed for the same term of office as the Board itself. In addition to the committee members, other Board members may participate in committee meetings, if they so wish. The purpose of the Board's committees is to prepare matters to be put before the Board for its decision. The committees have no decision-making authority of their own.

Audit Committee

The Board of Directors appoints an Audit Committee to assist it in performing its supervisory duties. The Board appoints from among its members at least three members to the Committee. These members shall have the qualifications necessary to perform the responsibilities of the Audit Committee. The majority of the members of the Audit Committee shall be independent of the company, and at least one member

shall be independent of the company's significant shareholders.

The Board defines the duties of the Audit Committee in the charter confirmed for the Committee. The Audit Committee monitors the financial statement and sustainability reporting processes, as well as the efficiency of the internal control, internal audit, and risk management systems. Furthermore, the Committee reviews the description of the main features of the internal control and risk management systems pertaining to the financial and sustainability reporting processes, monitors the statutory audit, evaluates the independence of the statutory audit firm, and prepares the proposal for resolution on the election of the statutory audit firm and the sustainability auditor. Other duties of the Audit Committee include reviewing the accounting principles of the company and approving any amendments to them, reviewing the interim and financial statements of the company and the reports prepared by the statutory audit firm and the sustainability auditor for the Audit Committee, evaluating the processes aimed at ensuring compliance with laws and regulations, and monitoring the company's credit position and taxation. The Audit Committee also reviews the company's Corporate Governance Statements and reviews and resolves any special issues raised by the Board of Directors that fall within the competence of the Audit Committee. The Chair of the Audit Committee convenes the Committee as required. The Chair reports to the Board of Directors on the Committee's meetings and proposals.

People Committee

The Board appoints a People Committee to assist it in its work. The Board appoints at least three of its members to sit in the Committee. The majority of the members of the Committee shall be independent of the company.

The Board defines the duties of the People Committee in the charter confirmed for the Committee. The People Committee prepares for the Board of Directors, as

necessary, matters concerning the appointment of the President & CEO, the CEO's deputy, if any, and other members of the Board of Management. The Committee prepares for the Board of Directors proposals concerning the remuneration principles, incentive schemes, and remuneration that apply to the President & CEO and the members of the Board of Management. Furthermore, the People Committee reviews the organisation's development needs and corporate culture alignment with strategy, monitors talent management processes and strategies, as well as reviewing leadership development strategies and succession plans. External consultants used by the Committee are independent of the company and the management. The Chair of the People Committee convenes the Committee as required. The Chair reports to the Board of Directors on the Committee's meetings and proposals.

Audit Committee in 2025

Chair Tiina Tuomela, members Karen Bomba and Morten H. Engelstoft. All members are independent of the company and significant shareholders. The Audit Committee met five times in 2025 with an attendance rate of 100%.

People committee 2025

Chair Tom Johnstone, members Karin Falk and Mika Vehviläinen. All members are independent of the company, and two independent of significant shareholders. The People Committee met six times in 2025 with an attendance rate of 100%.

Board members' committee meeting participation in 2025

	Audit Committee	People Committee
Tom Johnstone	-	6/6
Mika Vehviläinen	-	6/6
Karen Bomba	5/5	-
Henrik Ehrnrooth	-	-
Morten H. Engelstoft	5/5	-
Karin Falk	-	6/6
Johan Forssell	-	-
Mats Rahmström (until 13 March 2025)	-	-
Tiina Tuomela	5/5	-

Members of the Board of Directors

	Primary working experience	Other positions of trust	Shares
 <p>Tom Johnstone CBE, Chair of the Board Independent of the company, dependent of significant shareholders. Born 1955, Master of Arts, Honorary Doctorate in Business Administration and Honorary Doctorate in Science. Member of the Board of Wärtsilä Corporation since 2015, Chair of the Board since 2020.</p>	<ul style="list-style-type: none"> SKF Group, several management posts, of which the most recent was President and CEO of AB SKF, 2003-2014 	<ul style="list-style-type: none"> Combient AB, Chair of the Board Collegial AB, Chair of the Board Investor AB, Member of the Board 	Holdings in Wärtsilä Corporation on 31.12.2025: 51,181 shares
 <p>Mika Vehviläinen, Deputy Chair of the Board Independent of the company and significant shareholders. Born 1961, M.Sc. (Econ.). Deputy Chair of the Board since 2023.</p>	<ul style="list-style-type: none"> Cargotec Oyj, President and CEO, 2013-2023 Finnair Oyj, President and CEO, 2009-2013 Nokia Siemens Networks, COO, 2007-2009 Nokia Corporation, various managerial positions, 1991-2007 	<ul style="list-style-type: none"> Danfoss A/S, Member of the Board MacGregor AB, Member of the Board 	Holdings in Wärtsilä Corporation on 31.12.2025: 8,754 shares
 <p>Karen Bomba Independent of the company and significant shareholders. Born 1964, B.Sc. Mechanical Engineering. Member of the Board of Wärtsilä Corporation since 2020.</p>	<ul style="list-style-type: none"> Smiths Interconnect, President, 2017-2020 Morpho Detection, Inc., President & CEO, 2013-2017 Labinal SA, Chairman and CEO, 2010-2013 Zoltek Companies, Inc., Chief Operating Officer, 2008-2010 Messier-Bugatti USA LLC, Chairman and CEO, 2004-2008 Messier-Bugatti USA LLC, Executive Vice President and General Manager, 2000-2004 Hitco Carbon Composites, Inc., Business Line Manager and Focused Factory Manager, 1993-2000 Northrop Corporation, Manufacturing Engineering Manager, 1986-1993 	<ul style="list-style-type: none"> Ultra Electronics Holdings Plc, Member of the Board Ceres Power Plc, Member of the Board Idemia Identity and Security USA LLC, Advisor 	Holdings in Wärtsilä Corporation on 31.12.2025: 17,153 shares

	Primary working experience	Other positions of trust	Shares
	<p>Henrik Ehrnrooth Independent of the company and significant shareholders. Born 1969, M.Sc. (Econ.). Senior Industrial Partner at CVC. Member of the Board of Wärtsilä Corporation since 2025.</p> <ul style="list-style-type: none"> ▪ Kone Corporation, President and CEO, 2014-2023 ▪ Kone Corporation, Executive Vice President and CFO, 2009-2014 ▪ Goldman Sachs, various roles in the Investment Banking Division, 1998-2009 ▪ UBS, Corporate Finance, 1994-1998 	<ul style="list-style-type: none"> ▪ UPM-Kymmene Corporation, Chair of the Board ▪ SIBS AB, Chair of the Board ▪ SGL Group ApS, Member of the Board ▪ Odevo Group, Member of the Board ▪ European Round Table for Industry, Member 	Holdings in Wärtsilä Corporation on 31.12.2025: 1,889 shares
	<p>Morten H. Engelstoft Independent of the company and significant shareholders. Born 1967, EMBA. Member of the Board of Wärtsilä Corporation since 2022.</p> <ul style="list-style-type: none"> ▪ A.P. Møller - Mærsk A/S, APM Terminals, Denmark, CEO & EVP, 2016-2022 ▪ A.P. Møller - Mærsk A/S, APM Shipping Services, Denmark, CEO, 2014-2016 ▪ A.P. Møller - Mærsk A/S, Maersk Tankers, Denmark, CEO, 2014-2016 ▪ A.P. Møller - Mærsk A/S, Maersk Line, Denmark, COO, 2007- 2014 ▪ A.P. Møller - Mærsk A/S, Maersk Container Business, South East Asia, Chief Executive, 2006-2007 ▪ A.P. Møller - Mærsk A/S, Maersk Container Business, East Mediterranean, Chief Executive, 2003-2006 ▪ A.P. Møller - Mærsk A/S, Maersk Line, Singapore, Managing Director, 2001-2003 ▪ A.P. Møller - Mærsk A/S, various positions, 1986-2001 	<ul style="list-style-type: none"> ▪ Svitzer Group, Chairman of the Board, 2014-2020, 2024- ▪ TT Club Mutual Insurance, Chairman of the Board 	Holdings in Wärtsilä Corporation on 31.12.2025: 10,356 shares
	<p>Karin Falk Independent of the company and significant shareholders. Born 1965, B.Sc. (Econ.). President, Husqvarna Construction Division. Member of the Board of Wärtsilä Corporation since 2017.</p> <ul style="list-style-type: none"> ▪ Volvo Group, Senior Vice President, Volvo Trucks Services & Customer Quality, 2016-2020 ▪ Volvo Group, Executive Vice President, Corporate Strategy & Brand Portfolio, 2012-2016 ▪ Volvo Group, President, Non-Automotive Purchasing, 2008-2012 ▪ Volvo Car Corporation, Vice President, Volvo Car Customer Service, 2006-2008 ▪ Volvo Car Corporation, President, Volvo Car Special Vehicles, 2001-2006 ▪ Volvo Cars and Volvo Group, various positions, 1988-2001 		Holdings in Wärtsilä Corporation on 31.12.2025: 22,226 shares

	Primary working experience	Other positions of trust	Shares
 Johan Forssell Independent of the company, dependent of significant shareholders. Born 1971, M.Sc. (Economics and Business Administration). Senior Advisor, Investor AB and Wallenberg Investment AB. Member of the Board of Wärtsilä Corporation since 2017.	<ul style="list-style-type: none"> Investor AB, President and CEO, 2015-2024 Investor AB, Head of Core Investments and Member of the Management Group, 2006-2015 Aleris AB, Project Director, 2014 Investor AB, Head of Research, 2003-2006 Investor AB, Head of Capital Goods and Healthcare sector, 2001-2003 Investor AB, Head of Capital Goods sector and Analyst, 1995-1999 	<ul style="list-style-type: none"> ABB, Member of the Board Atlas Copco, Member of the Board Epiroc AB, Member of the Board The Royal Swedish Academy of Engineering Sciences, Member 	Holdings in Wärtsilä Corporation on 31.12.2025: 22,226 shares
 Tiina Tuomela Independent of the company and significant shareholders. Born 1966, MBA, M.Sc. (Engineering). CFO, Fortum Corporation. Member of the Board of Wärtsilä Corporation since 2021.	<ul style="list-style-type: none"> Uniper SE, CFO, 2021-2023 Fortum Corporation, Executive Vice President, Generation Division, 2016-2021 Fortum Corporation, Executive Vice President, Nuclear and Thermal Power Division, 2014-2016 Fortum Corporation, various positions in finance, 2003-2014 Imatran Voima Oy, various positions in finance, 1991-2003 	<ul style="list-style-type: none"> The Finnish Foundation for Technology Promotion, Member of the delegation Teollisuuden Voima Oyj, Member of the Board Lappeenranta University of Technology, Member of the Advisory Board TÜV Rheinland, member of the Supervisory Board 	Holdings in Wärtsilä Corporation on 31.12.2025: 12,937 shares

Group Management

The President & CEO

The Board of Directors appoints a President for the Group, who is also its Chief Executive Officer. The President & CEO is in charge of the day-to-day management of the company and its administration in accordance with the company's Articles of Association, the Finnish Companies Act, and the instructions of the Board of Directors, and is assisted in this work by the Board of Management. The President & CEO's service terms and conditions are specified in writing in the service contract.

The President & CEO of the company is Mr Håkan Agnevall.

Board of Management

At the end of the reporting period, Wärtsilä's Board of Management comprised nine members: the President & CEO, the Chief Financial Officer, the Executive Vice Presidents of the businesses Wärtsilä Energy, Wärtsilä Marine and Wärtsilä Energy Storage, as well as the Executive Vice Presidents heading the Marketing and Communications; Public Affairs & Sustainability; Legal & Compliance; and Human Resources functions. Four of the members were female (45% of total) and five were male (55% of total).

The members of the Board of Management are appointed by the company's Board of Directors.

The Board of Management is chaired by the President & CEO. It considers strategic issues related to the Group and its businesses, as well as investments, product policy, and the Group's structure and corporate steering systems. It also supervises the company's operations.

The Chief Financial Officer's main areas of responsibility include group accounting and control, treasury (including project and customer financing), taxation, process

development, corporate planning, and investor relations. The Executive Vice Presidents of the businesses are each responsible for the sales volumes and profitability of their respective global business, deploying the capabilities of the Group's worldwide subsidiaries. The main areas of responsibility of the Executive Vice President, Public Affairs & Sustainability are public affairs and sustainability, environmental and occupational health and safety, as well as security, including cyber security. The main areas of responsibility of the Executive Vice President, Legal & Compliance, are legal affairs, compliance and intellectual asset management. The Executive Vice President, Human Resources is responsible for people-related processes. The main areas of responsibility of the Executive Vice President, Marketing and Communications are external and internal communications, as well as branding and marketing.

Information on the members of the Board of Management and their areas of responsibility and holdings can be found in the Board of Management CVs.

Business management teams

Each business head is supported by a business management team. The business management teams comprise the heads of business units and business lines, as well as business specific support function heads. They are responsible for executing the respective business strategies and for ensuring that the business' performance is in line with agreed targets.

Managing Directors of subsidiaries

The Managing Directors of the Group's subsidiaries are responsible for ensuring that the subsidiaries are positioned to meet the needs of the businesses, and that the development needs of the subsidiary's personnel are met. The Managing Directors are also responsible for ensuring that the subsidiary's operations fulfil the requirements stipulated in the Group processes, including

the quality system, that these operations comply with the respective country's legal requirements and with good business practices, and that communication within the subsidiary is conducted in accordance with the practices of the Group.

The Board of Management in 2025

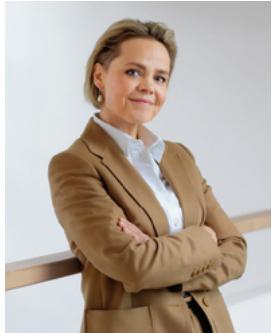
The Board of Management held 12 monthly meetings in 2025, alongside several topic-specific sessions.

Its focus areas were aligned with those of the Board of Directors.

Members of the Board of Management

	Primary working experience	Other positions of trust	Shares
 Håkan Agnevall President & CEO of Wärtsilä Corporation since 2021. Born 1966, M.Sc. (Tech.), MBA, Honorary Doctor of Technology. Joined the company in 2021.	<ul style="list-style-type: none"> Volvo Bus Corporation, President, 2013-2020 Bombardier Transportation, Vice President, 2010-2013 ABB Robotics, Senior Vice President, 2007-2009 ABB High Voltage Cables, Vice President, 2003-2006 	<ul style="list-style-type: none"> Technology Industries of Finland, Member of the Board Aptiv PLC, Member of the Board 	Holdings in Wärtsilä Corporation on 31.12.2025: 238,700 shares
 Arjen Berends Executive Vice President and Chief Financial Officer since 2018. Born 1968, MBA. Joined the company in 1988	<ul style="list-style-type: none"> Wärtsilä Corporation, Vice President, Finance & Business Control, Marine Solutions, 2012-2018 Wärtsilä Corporation, Vice President, Finance & Business Control, Wärtsilä Industrial Operations, 2010-2012 Wärtsilä Corporation, Finance Director, Wärtsilä Industrial Operations, 2007-2010 Wärtsilä Propulsion Netherlands B.V., Finance Director, and Wärtsilä Corporation Propulsor Business Finance Director, 2002-2007 Wärtsilä Corporation, various roles, 1988-2002 		Holdings in Wärtsilä Corporation on 31.12.2025: 18,435 shares
 Tamara de Gruyter President, Energy Storage Business, and Executive Vice President since 2025. Born 1972, B.Sc. Shipbuilding Engineering. Joined the company in 1998	<ul style="list-style-type: none"> Wärtsilä Corporation, President, Wärtsilä Portfolio Business, 2023-2025 Wärtsilä Corporation, President, Wärtsilä Marine Systems, Executive Vice President and Head of Portfolio Business, 2020-2023 Wärtsilä Corporation, Chief Transformation Officer and Head of Portfolio Business, 2019-2020 Wärtsilä Corporation, Vice President, Marine Business Europe & Africa, 2019 Wärtsilä Corporation, Vice President, Services North Europe, 2017-2018 • Wärtsilä Corporation, Vice President, Propulsion System Services, 2015-2018 Wärtsilä Corporation, various roles, 1998-2015 	<ul style="list-style-type: none"> Nexans A.S., Member of the Board 	Holdings in Wärtsilä Corporation on 31.12.2025: 18,408 shares

	Primary working experience	Other positions of trust	Shares
	<p>Kari Hietanen Executive Vice President, Public Affairs and Sustainability since 2025. Born 1963, LL.M. Joined the company in 1989.</p> <ul style="list-style-type: none"> Wärtsilä Corporation, Executive Vice President, Corporate Relations and Legal Affairs, 2011-2025 Wärtsilä Corporation, Executive Vice President, Human Resources and Legal Affairs, 2002-2011 Wärtsilä Corporation, Power Divisions, Group General Counsel, 2000-2002 Wärtsilä Diesel Group, General Counsel, 1994-1999 Metra Corporation and Wärtsilä Diesel Group, Legal Counsel, 1989-1994 	<ul style="list-style-type: none"> Confederation of Finnish Industries (EK), President of the Trade Policy Committee European Engine Power Plants Association, EUGINE, President German-Finnish Chamber of Commerce, Member of the Board East Office of Finnish Industries Ltd, Deputy Member of the Board International Trade Committee, Finland Chamber of Commerce / ICC Advisory Board, ICC Finland, Member Industrial Forum of the European Commission, Member Disciplinary Committee of Nasdaq Helsinki Ltd, Member Takeover Board of the Securities Market Association, Member 	Holdings in Wärtsilä Corporation on 31.12.2025: 31,842 shares
	<p>Roger Holm President, Wärtsilä Marine and Executive Vice President since 2024. Born 1972, M.Sc. (Econ.). Joined the company in 1997.</p> <ul style="list-style-type: none"> Wärtsilä Corporation, President, Marine Power and Executive Vice President, 2020-2023 Wärtsilä Corporation, President, Marine Business and Executive Vice President, 2019-2020 Wärtsilä Corporation, President, Marine Solutions and Executive Vice President, 2015-2019 Wärtsilä Corporation, Senior Vice President, Engines, 2013-2015 Wärtsilä Corporation, Vice President, Seals & Bearings, 2011-2013 Wärtsilä Corporation, various roles, 1997-2011 	<ul style="list-style-type: none"> Hanken School of Economics, Member of the Board 	Holdings in Wärtsilä Corporation on 31.12.2025: 31,229 shares
	<p>Anders Lindberg President, Wärtsilä Energy and Executive Vice President since 2023. Born 1965, MBA, M.Sc. (Eng.). Joined the company in 2023.</p> <ul style="list-style-type: none"> Dellner Couplers AB, CEO & President, 2021-2023 Ørsted, Executive Vice President EPC and QHSE, 2015-2021 Bombardier Transportation, various roles, last position President Rolling Stock Division, 2001-2014 Adtranz, various roles, last position General Manager Propulsion & Controls, 1997-2001 ABB Traction, various roles, last position Manager Converter Engineering Electrical Division, 1991-1996 	<ul style="list-style-type: none"> Winded AB, Member of the Board 	Holdings in Wärtsilä Corporation on 31.12.2025: no shares

	Primary working experience	Other positions of trust	Shares
	<p>Teija Sarajärvi Executive Vice President, Human Resources since 2022. Born 1969, MA. Joined the company in 2022.</p> <ul style="list-style-type: none"> • Huhtamaki Oyj, various roles, last position as Executive Vice President, Human Resources and Safety, 2015-2021 • OP Financial Group, Executive Vice President, Human Resources, 2012-2015 • Metso Oyj, various roles, last position as Senior Vice President, Human Resources, 2009-2012 • Nokia Oyj, various roles, last position as Director, Human Resources, Nokia Markets, 1998-2009 • ABB Oyj, various roles, 1993-1998 	<ul style="list-style-type: none"> • Terveystalo Oyj, Member of the Board 	Holdings in Wärtsilä Corporation on 31.12.2025: 10,086 shares
	<p>Anu Sirkia Executive Vice President, Marketing and Communications since 2024. Born 1974, BBA, MBA. Joined the company in 2024.</p> <ul style="list-style-type: none"> • Amer Sports, Senior Vice President, Communications, Member of the Executive Board, 2021-2024 • KONE, Communications Director, Internal Communications, 2018-2021 • Aalto University, various roles, last position as Head of New Ventures and Partnership, 2012-2018 • Lemminkäinen Corporation, Director, Shared Communications Services, 2011-2012 • Citycon Oyj, Senior Manager, Communications, 2007-2009 • Infor Consulting Oy, Founding Partner, Senior Consultant, 2001-2007 • Kreab Oy, Consultant, 1999-2001 		Holdings in Wärtsilä Corporation on 31.12.2025: 1,026 shares
	<p>Nora Steiner-Forsberg Executive Vice President, Legal and Compliance since 2025. Born 1973, LLM and Master of European Law. Joined the company in 2025.</p> <ul style="list-style-type: none"> • Fortum Oyj, Executive Vice President, Legal, General Counsel, Fortum Leadership Team, 2023-2024 • Fortum Oyj, General Counsel, Fortum Leadership Team, 2021-2023 • Fortum Oyj, Vice President, Generation Legal, 2019-2021 • Fortum Oyj, Head of Generation Legal, 2015-2019 • Fortum Oyj, Legal Counsel/Senior Legal Counsel 2011-2015 • Market Court Finland, Judge, 2009-2011 • Hannes Snellman Attorneys Ltd, Senior Associate, 2005-2009 • Van Bael & Bellis, Associate Lawyer, 2001-2005 • Environment and Business Lawyers Ltd, Associate Lawyer, 1998-2000 	<ul style="list-style-type: none"> • Nammo AS, Member of the Board 	Holdings in Wärtsilä Corporation on 31.12.2025: 400 shares

Internal control environment

Wärtsilä has defined its objectives for internal control according to the international COSO framework. Wärtsilä defines internal control as a process implemented by Wärtsilä's Board of Directors, the management, the Boards of Directors of Group companies, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives.

Internal control covers all the policies, processes, procedures and organisational structures within Wärtsilä that help the management, and ultimately the Board, to ensure that Wärtsilä is achieving its objectives, that the business conduct is ethical and in compliance with all applicable laws and regulations, that the company's assets, including its brand, are safeguarded, and that its financial reporting is correct. Internal control is not a separate process or set of activities but is embedded in Wärtsilä's operations.

The tone from Wärtsilä management and emphasis on management and employee integrity and control awareness is the starting point for the structure of the internal control framework in Wärtsilä. Entity-level controls ensure clear standards of behaviour, accountability, adequacy of corporate policies, manuals and instructions and clearly defined oversight roles.

Wärtsilä's management performs monitoring as part of its regular supervisory activities. Business management is responsible for ensuring that all relevant laws and regulations are complied with in their respective responsibility areas. The Legal and Compliance function monitors adherence to the compliance policies of the Group

The system of internal control operates at all levels of Wärtsilä. Wärtsilä maintains and develops its internal control system with the ultimate aim of improving its business performance and, at the same time, complying with laws and regulations in the countries where it operates.

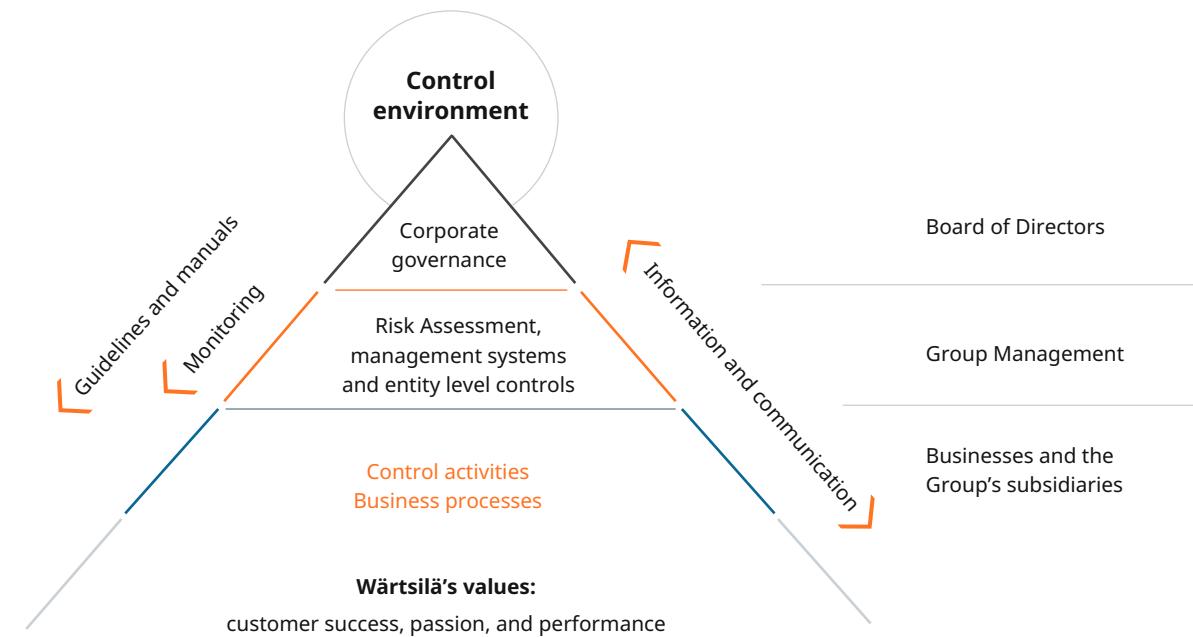
The control environment in Wärtsilä is the foundation for the internal control processes and control activities over financial and sustainability reporting. The Wärtsilä internal control environment over financial and sustainability reporting is based on the COSO framework structure:

1. Risk assessment
2. Control activities
3. Information and communication
4. Monitoring

Roles and accountabilities are structured according to the COSO framework three lines of defence:

1. Business processes, management control measures
2. Corporate governance, risk management, management systems, and internal control
3. Internal audit

Main components of Wärtsilä's internal control



Values and the control environment

The foundation of Wärtsilä's internal control system lies with the company's values: customer success, passion, and performance. Wärtsilä's values are reflected in its day-to-day relations with its suppliers, customers, and investors, as well as in internal guidelines, policies, manuals, processes, and practices. The control environment sets the tone for internal control within Wärtsilä and influences the control awareness of its people. It provides discipline and structure for all the other components of internal control. The elements of Wärtsilä's control environment are included in the corporate culture; in the integrity, ethical values and competence of Wärtsilä's personnel; as well as in the attention and direction provided to the personnel by the Board of Directors.

Wärtsilä's values and control environment provide Wärtsilä's Board of Directors and management the basis for reasonable assurance regarding achievement of the objectives of internal control. The President & CEO and the Board of Management define Wärtsilä's values and ethical principles, which are reflected in the Code of Conduct approved by the Board of Directors, and set an example for the corporate culture, which together create the basis for the control environment. They, together with the business management, are responsible for communicating Wärtsilä's values to the organisation.

Management systems

The Board of Management is responsible for developing and implementing Wärtsilä's management systems, continuously improving their performance and ensuring that they operate effectively. Wärtsilä's management systems cover all global processes and management procedures within Wärtsilä related to fulfilling customer requirements. The proper functioning of the management systems ensures, for their part, the attainment of Wärtsilä's internal control objectives.

Guidelines and manuals

The components of Wärtsilä's internal control system, including for example corporate governance, management systems, the performance management process, as well as business and other processes, are described in various guidelines and manuals. The essential Group level policies and guidelines are compiled in Wärtsilä's Corporate Manual. Wärtsilä's Group level Accounting Manual and Sustainability Accounting Manual contain instructions and guidance on accounting and reporting to be applied in all Wärtsilä Group companies. These manuals support the achievement of objectives related to the reliability of Wärtsilä's financial reporting. Wärtsilä's Group level policies, and any changes to them, shall be approved by a member of the Board of Management.

In addition to the Group level guidelines and manuals, the businesses have issued related guidelines and instructions for their own, specific purposes. The business level guidelines and manuals are aligned with, and do not contradict, the Group level guidelines and manuals.

Business processes

The controls embedded in Wärtsilä's business processes play a key role in ensuring effective internal control within the company. Controls in the business processes help ensure the achievement of all the objectives of internal control within Wärtsilä, especially those related to the efficiency of operations and safeguarding the company's profitability and reputation.

The business management is responsible for ensuring that, within its area of responsibility, the defined Group level processes and controls are implemented and complied with. Where no Group level processes and controls exist, the business management is responsible for ensuring that efficient business level processes with adequate controls have been defined and implemented.

Internal control over financial and sustainability reporting

1. Risk assessment

Wärtsilä applies a risk-based approach to identifying and securing an adequate control environment. The risk identification is based on analysis of the end-to-end financial and sustainability reporting processes and their relation to risk for material misstatements in the reporting. Risk assessments are performed on a regular basis to ensure adequate risk identification in existing processes as well as identification of new possible risks.

Control activities are designed to mitigate identified key risks and thus ensure correctness and compliance of financial and sustainability reporting. The control structure is also designed to support the company in achieving its targets. The risks related to the achievement of targets need to be identified and evaluated in order for them to be managed. Thus, the identification and assessment of risks is a prerequisite for internal control within Wärtsilä.

2. Control activities

The internal control activities are designed to support the company in achieving its objectives. Wärtsilä's internal control mechanisms and procedures provide assurance to the management, that the risk management activities are carried out as intended. Wärtsilä has defined and implemented entity level and process level control activities, as well as information system controls. Control activities at different levels are implemented to directly mitigate risks at the respective levels.

The Wärtsilä's finance and control processes are essential for the functioning of internal control over financial and sustainability reporting. The performance of control activities is the responsibility of business and support functions. They are responsible to ensure control activities adhere to the control requirements set out by Corporate Finance & Control. Control and process owners in the

business and support functions are responsible for the implementation, quality, efficiency and adequate documentation of the relevant controls.

The controls are designed as an integrated part of the finance and control as well as business processes to both add value to the business controlling and finance processes as well as to serve the purpose of adequate risk mitigation. The control activities are performed as integral parts of the process, as automated solutions, as part of the monthly reporting and controlling tasks and as part of the quarterly reporting. The control activities, review and analytical procedures performed ensure correctness and reliability of the financial reporting.

The Board of Directors regularly assesses the adequacy and effectiveness of Wärtsilä's internal controls and risk management. It is also responsible for ensuring that the internal control of accounting and financial administration is arranged appropriately. The Audit Committee of Wärtsilä's Board of Directors is responsible for overseeing the financial reporting process.

A more comprehensive description of Wärtsilä's risk management principles, as well as of Wärtsilä's most important strategic, operational, and financial risks, can be found in the Risks and risk management section of this report.

3. Information and communication

An effective internal control system needs sufficient, timely, and reliable information to enable the management to assess the achievement of the company's objectives. Both financial and non-financial information is needed, relating to both internal and external events and activities.

Wärtsilä's financial reporting is carried out in a harmonised way in all major Group companies, using a single instance ERP system and a common chart of accounts. Internal control activities related to financial

and sustainability reporting are performed and documented in a harmonised way. Regular and structured communication between Corporate Finance & Control, businesses and other support functions, as well as control owners and performers, is essential to continuously uphold the quality of control procedures.

4. Monitoring

Monitoring is a process that assesses the quality of Wärtsilä's internal control system and its performance over time. Monitoring is performed both on an ongoing basis and through separate evaluations that include internal, external, and quality audits.

Management monitoring includes review of financial performance against targets, follow up of control performance and effectiveness as well as analysis of key performance indicators.

The Corporate Finance & Control function oversees the financial reporting processes and controls to ensure that they are followed. Corporate Finance & Control, together with businesses, monitors the control performance on monthly basis to ensure the required level of internal control procedures. Corporate Finance & Control also monitors the correctness of all external and internal financial reporting.

The Audit Committee of the Board of Directors assesses and assures the adequacy and effectiveness of Wärtsilä's internal controls and risk management. The Corporate Internal Audit function assists the Audit Committee in this work. Wärtsilä's external auditor audits Wärtsilä's financial statements, which includes the consolidated financial statements. In addition, Wärtsilä's external auditor and other assurance providers, such as quality auditors, conduct their evaluations of Wärtsilä's internal controls.

Internal audit

Wärtsilä has an independent and objective Corporate Internal Audit unit, which functionally reports to the Audit

Committee and administratively to the Chief Financial Officer. The purpose of the Internal Audit function is to evaluate and verify the effectiveness and quality of Wärtsilä's supervision mechanisms, including risk management, internal control, and governance.

The Internal Audit scope covers all the company's organisational levels, processes, functions, legal entities, Businesses, and other topics based on risk assessment. Internal audits are undertaken in the subsidiaries and Business Units at regular intervals, ranging from one to four years. Internal Audit may also undertake audits in conjunction with acquisitions or carry out special tasks when needed.

The Internal Audit function prepares a risk-based annual audit plan, under which it audits different parts of the company. The annual plan is approved by the Audit Committee. The function reports regularly to the Audit Committee and if needed, it may also be in direct contact with the Audit Committee or members of the Board of Directors. Reports are also shared with External Audit.

Related party transactions

Wärtsilä's related parties comprise the members of the Board of Directors, the President & CEO, other members of the Board of Management and persons related to them as per IAS 24, as well as the associated companies and joint ventures. The Group Finance & Control function evaluates, and monitors transactions concluded between the company and its related parties to ensure that any conflicts of interest are considered appropriately in Wärtsilä's decision-making process.

Insider management

Wärtsilä manages inside information and insiders in accordance with all applicable laws and regulations regarding insiders and insider trading.

The most important statutory provisions are contained in the Market Abuse Regulation (EU) 596/2014 ("MAR"). Wärtsilä complies with EU regulations, Finnish laws, Nasdaq Helsinki Ltd.'s Stock Exchange Rules and Insider Guidelines, as well as the regulations issued by the Finnish Financial Supervision Authority (FSA) and other authorities, as applicable, as well as the Finnish Corporate Governance Code.

The company draws up insider lists for projects containing inside information. Insiders are given written notification of their status as insiders and instructions on the obligations that apply to insiders. The members of Wärtsilä's Board of Directors and Board of Management and certain other Wärtsilä personnel are prohibited from trading Wärtsilä's financial instruments during the 30 days prior to the publication of a financial statements bulletin, a half-year report, or an interim report.

Wärtsilä publishes notifications on transactions conducted by persons discharging managerial responsibilities and persons closely associated with them in accordance with the provisions of the MAR. The term "persons discharging managerial responsibilities" refers exclusively to the members of the Board of Directors and the Board of Management of Wärtsilä. These notifications are available on Wärtsilä's website.

Whistleblowing and external communication

Employees can provide feedback to the management and communicate suspected misconduct via a whistle-blower channel that secures anonymous reporting, or directly to the Compliance or Internal Audit functions.

All external communications are carried out in accordance with the Group Policy.

External Control

External audit

The company has one auditor, which shall be an audit firm. The auditor is elected by the Annual General Meeting to audit the accounts for the ongoing financial year. Its duties cease at the close of the subsequent Annual General Meeting.

Following the closing of annual accounts, the external auditor submits a statutory auditor's report to the company's shareholders. In addition, the auditor regularly reports its findings to the Board of Directors' Audit Committee. The auditor, in addition to fulfilling general competency requirements, must comply with certain legal independence requirements guaranteeing the execution of an independent and reliable audit.

Sustainability audit

The company has a sustainability auditor for corporate sustainability reporting. The sustainability auditor is elected by the Annual General Meeting to assure the Corporate Sustainability Reporting for the ongoing financial year. Its duties cease at the close of the subsequent Annual General Meeting.

Auditor in 2025

The Annual General Meeting appointed the audit firm PricewaterhouseCoopers Oy (PwC) as Wärtsilä Corporation's auditor for the year 2025.

The auditor-in-charge was Mr Lauri Kallaskari.

Auditing fees paid to PwC amounted to EUR 4.2 million in 2025. Audit related services amounted to 0.4 million. Fees for non-audit services totalled EUR 0.2 million. The latter fees paid to the auditor concerned tax advisory and other services.

Sustainability Auditor in 2025

The Annual General Meeting appointed the assurance firm PricewaterhouseCoopers Oy (PwC) as Wärtsilä Corporation's assurance firm for the Corporate Sustainability Reporting for the year 2025.

Remuneration Report 2025

2025 Remuneration at a Glance

The Board fees approved by the Annual General Meeting for 2025 remained unchanged.

Incentive plan pay-outs

In the short-term incentive plan (STI), the CEO and Board of Management's focus was on group and business financial targets for 2025.

The STI for 2024 resulted in a pay-out (paid in 2025).

The STI for 2025 resulted in a pay-out (will be paid in 2026).

In our Performance Share Plan (PSP), in addition to Economic Value Added (EVA), we have also included sustainability performance metrics, which are linked to our strategic target of providing a product portfolio that will be ready for zero carbon fuels by 2030.

The 2022-2024 PSP resulted in a pay-out (paid in 2025).

The 2023-2025 PSP resulted in a pay-out (will be paid in 2026).

Remuneration policy at a glance

According to the **Remuneration Policy for Governing Bodies of Wärtsilä** (the "Remuneration Policy" or "Policy"), remuneration at Wärtsilä shall follow the **'Pay for Performance'** principles of being responsive, transparent, and competitive, while aligning relevant interests. These principles are used for structuring the reward approach throughout the organisation, and are designed to align employee rewards with the interests of the company and its shareholders.

Remuneration for the Board of Directors

(the "Board") consists of annual fees for Board membership, attendance fees, and committee fees. Fees vary based on position, workload, and responsibility. Annual fees are paid in shares and cash, attendance and committee fees in cash. The Annual General Meeting ("AGM") decides on the fees for each term of office.

Remuneration of the Chief Executive Officer

(the "CEO") consists of a base salary, pension, and benefits, as well as short- and long-term incentives. The objective is to have a good balance of rewarding elements, and to guarantee a competitive level of fixed remuneration. This is supplemented with short- and long-term incentive schemes aimed at providing an appropriate reward for driving company performance.

The Board may deviate from the Policy in extraordinary circumstances. To read the full Policy, please visit Wärtsilä's website at www.wartsila.com/investors/governance

The Remuneration Report outlines the remuneration for Wärtsilä's Governing Bodies as required by the Finnish Securities Market Act, the Finnish Limited Liability Companies Act, the Decree of the Ministry of Finance on the remuneration policy and remuneration report of a share issuer (608/2019), and the Finnish Corporate Governance Code 2025 (the "Code") issued by the Securities Markets Association. The report presents information on the remuneration of the Chief Executive Officer and the Board of Directors during the financial year 2025. It also presents the development of average employee remuneration and company performance over the past five financial years, in comparison to the CEO and Board members' remuneration.

1. Introduction

Letter from the Chair of the People Committee

Dear Shareholders,

I am pleased to present Wärtsilä's 2025 Remuneration Report, approved by our Board of Directors. In 2025, the People Committee focused on and ensured the application of our Remuneration Policy within the company, and actively supported the implementation of our People strategy and priorities. Our goal with the strategy is to create an engaging work environment with a strong emphasis on safety, sustainable performance, and wellbeing for our approximately 17,900 employees.

Our Pay for Performance approach is built on responsiveness, transparency, and competitiveness, aligning employee remuneration with the interests of the company and its shareholders. It ensures that remuneration is directly linked to measurable business results, while rewarding individuals and teams for achieving agreed goals aligned with company priorities. This approach motivates high performance, supports talent retention, and reinforces Wärtsilä's strategic objectives.

Based on earlier feedback, we recognised the need for greater transparency in our short-term and long-term incentive plans, which we addressed in our 2024 Remuneration Report. In this Remuneration Report for 2025, we continue with this approach to disclose achievement rates for each STI and PSP performance measure.

The 2025 Short-Term Incentive (STI) plan was based on group and business financial and strategic individual goals for the CEO and Board of Management. In 2025, we saw very positive progress across all four financial targets – net sales, EBIT, order intake, and operating cash flow. In line with our Pay for Performance principles, this strong

result has earned a good pay-out under the 2025 STI plan, recognising the great performance of our employees.

To ensure that remuneration drives Wärtsilä's best interests, our Performance Share Plan (PSP) aligns incentive schemes, not only with financial performance, but also with the company's sustainability goals. It focuses on CO₂ reduction and supports Wärtsilä's decarbonisation strategy, which includes achieving carbon neutrality in our own operations, developing a product portfolio ready for zero-carbon fuels, and – as the latest target introduced in 2025 – reducing our direct suppliers' greenhouse gas emissions by 25% by 2030. We achieved great results on both the financial and sustainability targets, and the 2023 – 2025 PSP resulted in a good pay-out.

In 2025, I am very pleased to inform you that Wärtsilä strengthened its position as a global employer of choice and advanced its cultural transformation through continuous improvement. The company earned recognition as one of Forbes' World's Best Employers, reflecting its commitment to creating an engaging workplace. At the same time, Wärtsilä expanded its Continuous Improvement framework, introducing new learning modules for employees in blue-collar roles and equipping line managers with tools to foster collaboration and performance excellence. These achievements exemplify The Wärtsilä Way – a strategy that combines our values of customer success, passion, and performance – by embedding a culture of learning and innovation, while ensuring people practices support sustainable growth and excellence in our operations.

Our purpose is to enable sustainable societies through technological innovation and services – a mission that has set a clear path for us on our way to decarbonising the marine and energy sectors. By fostering an inclusive workplace and embedding a learning culture and continuous improvement, we empower our teams to continue delivering industry-leading innovation and contributing to Wärtsilä's long-term success.

People Committee annual clock 2025

- Remuneration decisions for the Board of Management
- STI 2024 achievement review
- STI 2025 goal setting
- PSP 2022-2024 achievement review
- PSP 2025-2027 planning
- 2024 Remuneration Report finalization
- Annual planning and priorities
- 2024 Remuneration Report feedback
- PSP 2025-2027 launch
- Status of ongoing variable pay plans
- Review of number of shares needed for the upcoming payments
- Target setting framework for the next year
- Update on HR development projects



Tom Johnstone
Chair of the people committee

People Committee members' meeting participation in 2025

	Number of meetings
Tom Johnstone, Chair	6/6
Mika Vehviläinen	6/6
Karin Falk	6/6

1.1 Remuneration and company performance

2025 was a strong year for Wärtsilä. Despite increased uncertainty, the global economy showed greater resilience than anticipated. We continued steady progress in both the marine and energy markets. Order intake for Marine and Energy increased, and we delivered all-time high order intake, net sales, operating profit and cash flow for the year.

Wärtsilä's Remuneration Principles set by the Policy are applicable to all employees, in all countries and in all businesses. These principles guide the development of remuneration and related practices, including for the CEO. The short-term incentive scheme (STI) is designed to provide incentives for the achievement of, and to reward the delivery of, the short-term business plan. Over the past years, the STI has been consistently based on financial targets. Long-term incentive (LTI) schemes are approved by the Board of Directors. They annually introduce individual Performance Share Plans (PSP), each with a three-year performance period, designed to align the interests of participants with those of Wärtsilä's shareholders. The current Performance Share Plan, which is launched annually, measures Economic Value Added (EVA) and sustainability targets connected to our decarbonisation strategy, namely, to become carbon neutral in our own operations, and to have a product portfolio ready for zero carbon fuels. By aligning the incentive schemes with the goals of the Company, we can ensure that remuneration drives the best interests of the Company.

As Wärtsilä is a global company, the remuneration markets in which Wärtsilä operates vary significantly. Nevertheless, the People Committee considers that the most transparent means for comparing the development of remuneration over time, is to compare the CEO and Board's remuneration with that of employees globally. Therefore, the figures shown for average employee

remuneration are based on data for all Wärtsilä employees.

In line with the Pay for Performance principle, a substantial part of the CEO's remuneration is based on variable pay, i.e., short- and long-term incentives. As our performance targets for short- and long-term incentives are linked to business results, this development is reflected in the CEO's remuneration. Employee remuneration is less volatile than that of the CEO, since a smaller portion of their total remuneration is based on variable pay elements. However, as all short-term incentive schemes are connected to the same performance indicators to a varying degree, employee remuneration is also impacted by Company performance.

1.2 Any deviations or clawbacks made

No deviations from the Remuneration Policy were made during 2025 and the Company has not exercised any rights to reclaim or cancel any paid or unpaid incentives.

Five-year development of remuneration and Company performance

	2025	2024	2023	2022	2021
Total Board remuneration, TEUR	1,021	1,006	910	946	794
Change compared to previous year, %	1.5	10.5	-3.8	19.1	
CEO base + benefits, TEUR*	1,083	1,056	1,021	980	915
Change compared to previous year, %	2.0	3.4	4.2	7.1	
CEO total remuneration, TEUR*	3,504	2,230	1,322	1,712	1,812
Change compared to previous year, %	57.1	68.7	-22.8	-5.5	
Average employee remuneration, TEUR**	88.6	76.3	73.1	68.2	62.9
Change compared to previous year, %	16.1	4.4	7.2	8.4	
Comparable operating result, MEUR	829	694	497	325	357
Cash flow from operating activities, MEUR	1,598	1,208	822	-62	731

*The Company had a new CEO as of 1 February 2021. The 2021 total remuneration combines the previous CEO's earnings including STI earned 2020 and paid 2021, as well as the new CEO's total remuneration. The CEO's fixed base salary did not increase in 2025, table reflects change in taxable benefits.

**Average employee remuneration comprises personnel expenses without other compulsory personnel costs divided by the average number of personnel during the year.

The comparison figures show the remuneration paid out during each financial year. Pay-outs for the STI and LTI are always made during the year following the performance period. This means that, for example, remuneration figures presented for 2025 are based on the STI performance period 2024 and the LTI performance period of 2022–2024.

2. Remuneration of the board of directors for 2025

The 2025 Annual General Meeting approved the payment to the members of the Board of Directors for 2025 as presented in the table on the right.

The members of Wärtsilä's Board of Directors were paid altogether EUR 1,020,500. Approximately 40% of the annual Board remuneration is paid in Wärtsilä Corporation shares, and the remainder in cash. In addition, the meeting fees for Board meetings will be paid as follows: The Chair will be paid EUR 1,500 per Board meeting attended, and the other Board members will be paid EUR 1,000 per Board meeting attended. These meeting fees are applied to the Board meetings in Finland for those members resident in the Nordic countries, to all Board meetings held outside of Finland, and to all board meetings held by teleconference or per capsulam. In the case of a board member being domiciled in a European country other than the Nordic countries, a meeting fee of EUR 2,000 per Board meeting attended in Finland will be paid. In the case of a board member being domiciled in a country outside Europe, a meeting fee of EUR 3,000 per Board meeting attended in Finland will be paid. In addition, Board members are reimbursed for their travel costs in accordance with Wärtsilä's travel policy. Members of the Board are not covered by incentive schemes and do not receive performance-based remuneration, nor do they have a pension scheme arranged by Wärtsilä. All payments to members of the Board during the financial year 2025 were in compliance with the Remuneration Policy.

Fees paid to the Board in 2025		2025
(TEUR)		
Annual Fixed compensation		
Chair of the Board		200
Deputy Chair		105
Ordinary members		80
Fixed compensation for committee members (per term)		
Chair of the Audit Committee		28
Members of the Audit Committee		15
Chair of the People Committee		22
Members of People Committee		11
Meeting fees (per meeting)		
Chair of the board / Committee		1.5
Member (Nordic)		1
Member (Europe)		2
Member (Global)		3

Fees paid to the members of the Board in 2025

	Attendance fees, TEUR*	Annual fees, TEUR	Total remuneration, TEUR**
Tom Johnstone, Chair	44.5	200	244.5 (4,722 shares)
Mika Vehviläinen, Deputy Chair	27	105	132 (2,479 shares)
Karen Bomba	36	80	116 (1,889 shares)
Morten H. Engelstoft	33	80	113 (1,889 shares)
Karin Falk	26	80	106 (1,889 shares)
Johan Forssell	15	80	95 (1,889 shares)
Henrik Ehrnrooth	11	80	91 (1,889 shares)
Tiina Tuomela	43	80	123 (1,889 shares)

* Attendance fees also include committee fees.

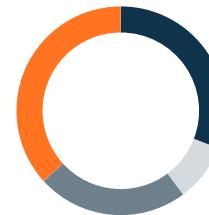
** Total remuneration includes the number of shares. The value of the share portion is approximately 40% of the annual fees.

3. Remuneration of the CEO for 2025

In 2025, CEO Håkan Agnevall was paid a total remuneration of EUR 3,510,297. The relative proportion of fixed pay was 40% and variable pay 60%. The fixed pay includes a base salary, benefits, and supplementary pension contributions, while variable pay includes short- and long-term incentives and other temporary payments. The composition of the CEO's remuneration for 2025 is further illustrated in the graph below and the CEO's remuneration details are shown in the table on the right.

The CEO's numerical achievement rates per short- and long-term incentive plan specific performance measures are shown in the tables on the following page.

Actualized CEO remuneration 2025



- Base Salary + benefits
- Supplementary pension
- Short-term incentives
- Long-term incentives

Remuneration element	Paid	Description	Compliance with the Policy
Salary and short-term benefits	Paid EUR 1,083,052	The CEO has the following short-term benefits: phone, car, medical insurance.	Complies with the Policy
Short-term incentives	Paid EUR 821,727 Accrued EUR 1,345,869	For the financial year 2024, paid in 2025: EUR 821,727. For the financial year 2025, paid in 2026 ('accrued'): EUR 1,345,869	Complies with the Policy
	Policy maximum	The short-term incentive for year 2026 will measure EBIT, Cash Flow, Order Intake, Net Sales and individual strategic targets.	
	For the financial year 2024 an amount equalling to 100% and for the financial year 2025 an amount equalling to 130% of the annual fixed pay.		
Long-term incentives	Paid EUR 1,290,039/75,455 shares Accrued 177,475 shares (gross)	For PSP 2022-2024, the CEO was granted 86,136 shares, with a value at target of EUR 963,000 and with a maximum earning opportunity of 175% of the base pay at grant. The performance measure in the PSP is Economic Value Added (weighted 85%) and sustainability targets (weighted 15%). The plan resulted in a gross award equivalent to 75,455 shares. The gross value of the transfer was EUR 1,290,039. For PSP 2023-2025, the CEO was granted 122,735 shares, with a value at target of EUR 1,001,520 and with a maximum earning opportunity of 175% of the base pay at grant. The performance measure in the PSP is Economic Value Added (weighted 85%) and sustainability targets (weighted 15%). The plan resulted in a gross award equivalent to 177,475 shares. The final taxable value of the award is dependent on the share price at the time of transfer.*	Complies with the Policy
	Policy maximum	Ongoing schemes: For PSP 2024-2026, the CEO was granted 81,779 shares, with a value at target of EUR 1,065,582 and with a maximum earning opportunity of 175% of the base pay at grant. The performance measure in the PSP is Economic Value Added (weighted 85%) and sustainability targets (weighted 15%). For PSP 2025-2027, the CEO was granted 76,476 shares, with a value at target of EUR 1,331,978 and with a maximum earning opportunity of 218.75% of the base pay at grant. The performance measure in the PSP is Economic Value Added (weighted 80%) and sustainability targets (weighted 20%). For PSP 2026-2028, the performance measures are Economic Value Added (weighted 80%) and sustainability metrics (weighted 20%).	
Pension	Paid EUR 315,479		Complies with the Policy
Severance benefits	N/A	Remuneration paid to the CEO if dismissed by the company corresponds to 18 months' salary plus a six months' period of notice salary	Complies with the Policy

*On the basis of the January 2026 volume-weighted average share price, the estimated gross payout value would be around MEUR 5,8.

The CEO's numerical achievement rates per short-term incentive plan

STI PLAN	STI 2024 - paid in 2025		STI 2025 - accrued (to be paid in 2026)	
	Weighting	Performance outcome %	Weighting	Performance outcome %
Group EBIT before IAC	50%	163%	40%	200%
Group Operating Cash Flow	25%	200%	20%	200%
Group Net Sales	25%	91%	20%	188.4%
Group Order Intake			10%	200%
Individual Strategic Goals			10%	166.3%
Total weighted outcome	100%	154%	100%	194.3%
Pay-out to CEO based on STI, EUR	821,727			1,345,869

Threshold 0%, target 100% and maximum 200%

The CEO's numerical achievement rates per long-term incentive plan

LTI PLAN: PSP 2022-2024	LTI pay-out to CEO in 2025			
	Weighting	Performance outcome % ¹	Gross number of shares	Gross value in euros
Group Economic Value Added (EVA) 2022-2024	85%	76.6%		
Sustainability metrics	15%	150%	75,455	1,290,039
Total weighted outcome	100%	87.6%		

¹Threshold 25%, target 100% and maximum 175%. Performance period is in the total three years (including years 2022,2023,2024).

² Includes own emission reduction and R&D roadmap (ammonia and hydrogen engine readiness).

LTI PLAN: PSP 2023-2025	LTI pay-out to CEO in 2026			
	Weighting	Performance outcome % ¹	Gross number of shares	Gross value in euros
Group Economic Value Added (EVA) 2023-2025	85%	143.6%		
Sustainability metrics	15%	150%	177,475	To be defined at the time of transfer in 2026
Total weighted outcome	100%	144.6%		

¹Threshold 25%, target 100% and maximum 175%. Performance period is in the total three years (including years 2023,2024,2025).

² Includes own emission reduction and R&D roadmap (ammonia and hydrogen engine readiness).

Risks and risk management

The aim and principles

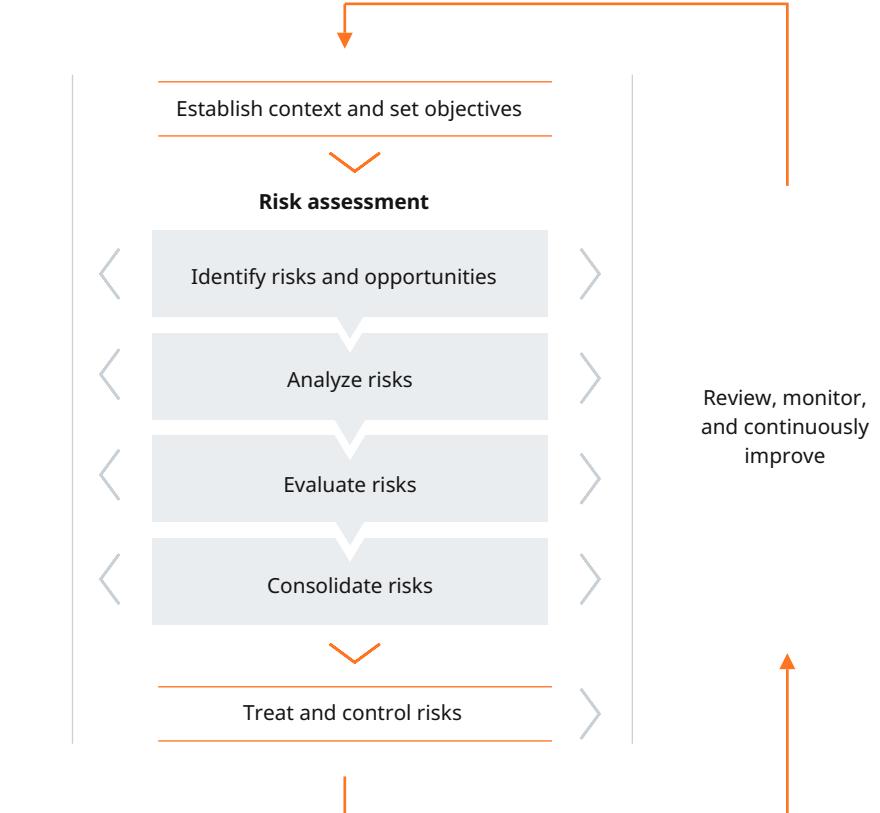
Like any business, Wärtsilä faces risks as part of its everyday operations. Accepting some level of risk is a natural part of running a company. By promoting awareness of these risks and taking proactive steps to manage them, Wärtsilä aims to execute its strategy effectively, run its operations smoothly, reach its goals, meet financial targets, and stay prepared for possible external challenges.

Risk represents an element of uncertainty regarding objectives, which, if realised, can lead to deviations from anticipated outcomes, posing either threats or opportunities. Thus, risk management activities are primarily focused on identifying significant risks that could hinder the company from achieving its objectives and determining their acceptability. If such risks are deemed unacceptable, corrective actions are undertaken to avoid, mitigate, transfer, or monitor them. Conversely, where feasible, risks may be converted into opportunities.

At Wärtsilä, the following statements apply:

- Risk management is a fundamental part of Wärtsilä's strategic and operational management, seamlessly integrated with the company's management systems and embedded within its organization culture.
- The company's risk management process is a systematic, continuous loop of repetitive steps of context establishment, risk identification, risk assessment, risk mitigation, communication and consultation, and finally monitoring and review.
- Wärtsilä businesses are accountable for achieving their strategic objectives and financial targets. Accordingly, business management teams and individual managers must proactively manage risks and implement effective mitigation plans. However, risk awareness is a matter for everyone at Wärtsilä.
- Wärtsilä continuously improves its risk management in response to changes, both within the organization and in the external environment where it operates. Risk management practices are regularly reviewed for maturity and effectiveness.

Risk Management Principles



Risk management framework and governance

Wärtsilä's over-arching risk management framework, and the associated practices, adheres to the ISO 31000:2018 standard, and is focused on continuous improvement and verification. The risk framework and guidelines are documented in the Group's Enterprise Risk Management policy.

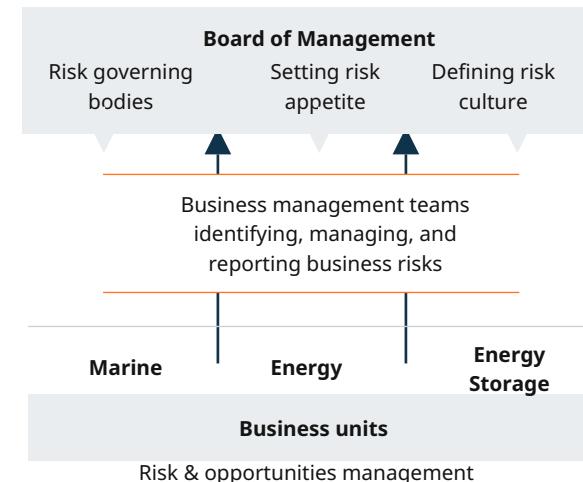
Wärtsilä's Board of Directors sets the company's risk appetite and tolerance limits, monitoring the overall risk profile through frequent reviews. The President & CEO and the Board of Management are responsible for fostering a culture of risk awareness throughout Wärtsilä, making sure risk management is integrated into all major processes with the appropriate tools and resources. The Board of Management quarterly assesses the Group's risk profile—which highlights the most significant risks and their mitigation strategies—providing guidance and setting priorities as needed to ensure that risk management measures and controls are sufficient.

Wärtsilä's businesses are tasked with adhering to their strategies and achieving their operational and financial targets. Additionally, the businesses and their management teams are responsible for implementing ongoing risk management actions to identify, manage, and address all significant risks. This responsibility extends to the business unit level and beyond within the organization. Each business quarterly presents its risk profile to the President & CEO, the Chief Financial Officer, and the rest of the Board of Management.

The Corporate Risk Management function within Corporate Treasury oversees the risk reporting process, and supports the businesses and their underlying organizations in risk management. This function also leads the internal risk management peer group with business representatives to ensure proper alignment, knowledge sharing, and the continuous improvement of risk management practices. Wärtsilä's Internal Audit

function regularly evaluates and verifies the effectiveness of the risk management framework and process.

Risk reporting



Risk categorization

Within Wärtsilä's comprehensive risk management framework, risks are classified into strategic, operational, hazard, and financial categories. Generally, the potential impact of strategic and operational risks is the greatest, while hazard and financial risks pose a lower potential impact. These impacts can be both positive and negative, except in the case of hazard risks, which exclusively have negative consequences.

Strategic Risks

Wärtsilä's strategic positioning is centered on driving the decarbonisation of the marine and energy markets. As a technology leader in this transformation, Wärtsilä possesses substantial value creation potential as both a pioneer, and a leading partner in the field of decarbonisation.

Strategic risk assessment is a critical component of the strategic planning process. It plays a pivotal role in the Group's risk management framework by promptly identifying and evaluating threats to long-term value drivers.

General market environment

Business cycles and global megatrends influence Wärtsilä's product demand, financial stability, and overall performance. To ensure resilience in a cyclical market, the company employs a flexible, assembly-based manufacturing model, maintains a diverse customer base across both the energy and marine sectors, and relies on a substantial portion of its revenue from services—an area with considerable growth potential.

In 2025, the global economic growth rate remained relatively stable but volatile amid ongoing trade tensions and heightened geopolitical uncertainty. The moderation in inflation in most regions, along with a pivot towards lower interest rates by central banks, has offered some support for financial conditions, though investment sentiment remains cautious in light of persistent risks and policy uncertainty.

In 2025, elevated and persistent geopolitical tensions—including the continuing war in Ukraine, further escalation of conflict across the Middle East, and the growing risk of confrontations in Asia—alongside sweeping shifts in US trade policy and newly imposed global tariffs, have further heightened risks of global fragmentation and contributed to an exceptional uncertainty in the macroeconomic outlook. Business operations worldwide are increasingly exposed to altered trade flows and volumes, disruptions in supply chains, volatile financial conditions, intensified geopolitical unpredictability, and the expansion of both existing and new sanctions. The acceleration of economic rivalry, protectionist measures, and aggressive trade policies—such as the US administration's tariff hikes, are rapidly reshaping the global economic landscape, with pronounced sectoral effects in energy, technology, and manufacturing. These changes present acute challenges

for business operations, and are likely to further hinder global economic growth in the short to medium term, with persistent policy and regulatory uncertainty amplifying long-term risks.

Shifts in climate policies and regulatory frameworks can introduce considerable market uncertainty, which may influence customer decisions regarding energy technology investments. Additionally, increasing geopolitical tensions and the rise of trade barriers could create significant obstacles for global demand, with the United States market being particularly sensitive to such changes. For Wärtsilä's Energy and Energy Storage business in the USA, these factors could lead to delays in investment decisions, and increased and changing competition as local content requirements and tariffs evolve. Nevertheless, Wärtsilä lowers its exposure to risks associated with reliance on any single market by maintaining a diversified presence across all geographic regions. In addition, the service business provides Wärtsilä with resilient sales and profits, plus good future growth potential.

Wärtsilä, together with its customers and suppliers, is indirectly affected by various economic developments. These include environmental regulations, the liquidity and solvency of financial institutions, including their ability and willingness to extend credit, capital costs, and the counter cyclical stimulus programmes introduced by governments – particularly in the power and infrastructure sectors. Other influencing factors include the activities of multilateral financial institutions, and the availability of export credit and guarantee schemes.

Decarbonisation is anticipated to significantly reshape global markets and present new business opportunities for Wärtsilä in the marine and energy sectors. However, any substantial delays or unexpected changes in the enactment of environmental policies and regulations could have a direct or indirect effect on customer decision-making.

Marine markets

The maritime industry, including the shipping and shipbuilding sectors, is under increasing regulatory, financial, and consumer pressure to decarbonise its operations. Factors such as the EU taxonomy, Poseidon principles, and Environmental, Social, and Governance (ESG) criteria are influencing access to capital. Furthermore, the cost of carbon, driven by regulations such as the EU's Fit for 55 initiative, the International Maritime Organization's (IMO) carbon levy, and local green policies, is expected to significantly increase the overall cost of conventional fuels. This, coupled with longer trade distances resulting from increased geopolitical tensions and disruptions at key waterways, may lead to increased costs for shipowners and operators that cannot be fully passed on to end customers.

In 2023, the International Maritime Organization (IMO) set a goal of achieving net zero greenhouse gas emissions from ships by 2050. This alignment, together with other regulations already in place, guides and incentivizes stakeholders on necessary investments. In 2025, 18% of all contracted vessels and 37% of contracted capacity were alternative-fuel capable. Overall, about half of the total orderbook can run on alternative fuels.

In October 2025, the vote to adopt the IMO's Net Zero Framework was postponed by one year, opening the door to a fragmented landscape of carbon pricing mechanisms introduced by individual regions and countries. The EU already has its system in place, while China is signalling plans for its own programmes, thus adding complexity to global shipping.

Shipping companies should update their decarbonisation plans, invest in newbuilds to replace non-compliant vessels, and enhance existing fleets with efficiency upgrades and fuel conversions. The focus is on fuel flexibility and upgradeability. Transitioning to carbon-neutral and zero-carbon fuels will involve drop-in fuels, hybrid solutions, and abatement technologies for short-

term goals, while long-term targets will necessitate sustainable fuels and abatement solutions. With its existing comprehensive product offering for decarbonisation, Wärtsilä can enable its customers to reach their intermediate and 2050 targets.

Seaborne trade growth moderated in 2025 with an ease in ordering following the extraordinary activity seen in 2024. Improved market sentiment could be seen in Q4 2025. Wärtsilä focuses on the most high-value, performance driven key segments where, notably, activity continued to be healthy. Geopolitical risks have altered global trade flows, resulting in longer shipping routes that increased transportation costs and caused supply chain delays. Market sentiment improved towards the end of 2025 as uncertainty eased and a truce in the Middle East raised prospects for increased Suez Canal usage, although actual transit volumes remained below 2023 levels.

Personal travel interest continued to increase, thereby supporting growth in global cruise passenger volumes, as well as passenger traffic volumes in the ferry segment. The momentum in cruise newbuild market continued with both European and Chinese yards taking new orders, while ferry operators also continue to make further investments in fleet renewals.

China has solidified itself as the world's unrivaled shipbuilding giant. As of December 2025, Chinese shipyards command 67% of the global orderbook by vessel count. Even with actions to increase capacity and output—particularly in China and South Korea—shipyards are still highly utilised and have lengthy orderbooks, underlining the sector's persistent supply-side constraints.

Limitations in shipyard capacity, advancements and implementation of sustainable future technologies, uncertainties at the global level regarding decarbonisation-related financial incentives, and the necessity to determine optimal investment timing and pace based on financial viability and regulatory

compliance may influence the willingness of ship owners and operators to invest. These factors are relevant to both newbuild initiatives and the effective management of current fleets.

In addition, ship owners, operators, and shipyards, may face risks to their business profitability due to the limited ability or desire of people to travel, a lower demand for goods because of persistent high inflation or economic slowdown, as well as higher voyage, operating, and financing costs. Highly indebted shipowners, operators, or shipyards may not withstand the potential risk of slower than expected growth in demand, higher financing costs, or a lowered credit rating.

Energy markets

In 2025, energy markets continued to be impacted by protectionism and elevated risks in the geopolitical environment. Despite a reduced climate ambition in some countries, the global energy transition is progressing, with agencies, such as IEA and BloombergNEF, maintaining positive wind and solar growth forecasts. Strong economics and supportive policies continue to drive renewables, while electrification across sectors and data centre investments have increased the overall power demand—including that for gas. Tariff and regulatory uncertainty, which is expected to persist into 2026, challenges supply chains and lengthens delivery times. Improved macroeconomic conditions have enhanced the investment climate; natural gas and LNG prices fell in 2025 and are expected to drop further as supply grows, while lithium prices slightly recovered from recent lows.

The energy sector is moving towards a 100% renewable future, with policies and regulations accelerating the overarching trend towards renewable energy sources, such as wind and solar. The pace of this shift is the principal driver in the growth of battery energy storage and thermal balancing technologies. At the same time, there is a growing demand for energy. Many countries have set ambitious and more progressive climate pledges,

supportive market reforms are developing, and old, inflexible coal and gas plants are being retired. However, more targets, policy changes, and market redesigns are needed to encourage flexibility, and accelerate the shift to high renewable power systems. Reciprocating engines remain to be important providers of baseload generation, particularly in remote locations and other locations where access to grid power is uncertain or time sensitive. Demand for baseload generation is expected to remain stable, with further growth opportunities in data centres.

Going forward, the increasing levels of intermittent renewable energy in power systems are expected to further accelerate the need for various flexible balancing solutions. At the same time, power systems are becoming increasingly complex with different types of generation assets. Sustainable fuels, together with flexible engine power plants, balance the grids in an affordable and sustainable way, including for extended shortages in intermittent renewable generation supplies.

In battery energy storage, demand is closely linked to the increasing share of intermittent renewables in the energy system, which continues to progress strongly. The annual market for utility-scale battery storage is expected to have surpassed 200 GWh in 2025, and is expected to exceed 400 GWh before the end of the decade, according to BloombergNEF. The US market is facing headwinds in the regulatory environment, though several drivers remain solid, with data centres as a potential new opportunity. Globally, competition has tightened up as battery manufacturers, for example, have expanded downstream, putting pressure on profitability.

New technology innovations, as well as the price and availability of fuels and raw materials, affect Wärtsilä's business. Volatile gas prices directly impact the relative competitiveness of the portfolio against other generating technologies, especially in thermal baseload plants. Similarly, policies related to the energy and electricity

markets have direct and indirect impacts on future energy capacity and the generation mix.

Political and regulatory risks

Geopolitical fragmentation, trade tensions and the enforcement of sanctions or embargos, pose a risk to Wärtsilä's scope of international business activities, since the company operates in 199 locations in 78 countries, and has delivered power plants to 180 countries. Political developments and changes in legislation can, therefore, have a significant impact on Wärtsilä's business.

The company actively monitors these political, regulatory, and legal changes in its markets, and engages in dialogue with various official bodies on projects pertinent to its operations. Much of this engagement occurs through interest groups and trade organizations. Wärtsilä ensures rigorous monitoring of political and legislative changes at both corporate and subsidiary levels.

Governments worldwide are increasing regulatory activity. Wärtsilä ensures regulatory compliance and awareness, as appropriate. For instance, ongoing and changing trade sanctions are closely monitored and complied with as required.

Policies related to the energy and electricity markets have direct and indirect impacts on future energy capacity and the generation mix. For example, energy and climate policy may accelerate or delay the energy transition. Recent years have highlighted the role of geopolitics in energy market policy and investment decisions.

New regulations may have a material impact on Wärtsilä's operations, strategy, resourcing and cost base. To ensure compliance, Wärtsilä is meticulously evaluating all relevant regulatory changes with early involvement from its business units and support functions.

For more information, please refer to the [Sustainability statement](#).

Sustainability risks

Wärtsilä is a purpose-driven organization, with sustainability at the core of both its purpose and strategy. Wärtsilä is advancing towards its "Set for 30" goal to achieve carbon neutrality in its operations, and to provide a zero-carbon fuel product portfolio by 2030. Wärtsilä's sustainability strategy is based on three closely interrelated pillars: economic, environmental, and social performance. Wärtsilä businesses focus on developing and providing solutions and services that optimise the environmental and economic performance of fleets and individual vessels, power plants, and entire energy systems.

Rapidly evolving environmental regulations are driving the demand for decarbonisation enablement. Risks are mainly related to the complexity of the overall landscape of emissions in the marine and energy sectors, the balance between commercially available fuels and their resulting emissions, available abatement technologies, and the financial feasibility of the various alternative ways to meet regulatory demands for decarbonisation. Wärtsilä has thousands of suppliers in its global supply chain. This means that there may be potential sustainability and reputational risks related to, for example, non-compliance with human and labour rights obligations, occupational health and safety requirements, and environmental management aspects. Wärtsilä has clear expectations, policies, and procedures for managing these risks.

In general, Wärtsilä's risks related to sustainability, including climate change risks, are identified, evaluated and mitigated in accordance with the Enterprise Risk Management (ERM) framework and practices defined therein. Altogether, sustainability risks, both strategic and operational, are assessed to be low for Wärtsilä.

Wärtsilä prepares its Sustainability Statement in alignment with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD). As regards the practices needed to deliver the sustainability statement,

all relevant sustainability risk areas were assessed in cooperation with the Corporate Risk Management function, by using the same evaluation scales as in the Enterprise Risk Management system. Risks identified in the ERM were also taken into consideration in the double materiality assessment. For annual validation, material topics for the double materiality assessment are also separately maintained in the Enterprise Risk Management system with linkages to supportive documentation.

For more information, please refer to the [Sustainability Statement](#).

Technology risks

As a large corporation, Wärtsilä has the capability to invest in various technologies, thereby mitigating the risk of obsolescence. While research and development and innovation present significant opportunities, competitors who commercialize similar technologies more rapidly or efficiently than Wärtsilä, as well as emerging disruptive technologies, pose potential risks.

The company enhances the competitiveness of its solutions and manages technology risks and opportunities through ongoing R&D efforts and innovation. To advance the development of decarbonisation technology, Wärtsilä has increased its R&D investments. In 2025, the company's R&D investment amounted to 4.8% (4.6% in 2024) of net sales, with a significant focus on decarbonising the marine and energy sectors.

The company is committed to optimising lifecycle value for its customers and reducing the environmental impact of their operations. This is achieved with Wärtsilä's range of engines, digital technologies, propulsion systems, hybrid technology, and integrated powertrain systems that are designed to provide efficiency, reliability, safety, and environmental performance for marine customers during the transformation and beyond. In the energy sector, Wärtsilä supports its customers in their

decarbonisation efforts with future-fuel enabled balancing power plants, hybrid solutions, as well as energy storage and optimisation technology. For both industries, Wärtsilä aims to have a product portfolio ready for zero carbon fuels by 2030.

For more information on Wärtsilä's technology and research and development, please see the [This is Wärtsilä](#) section.

Operational Risks

Operational risk management is part of the daily work of the businesses. Opportunities and risks are identified, assessed, and managed daily and reported to the appropriate management level.

The status of these opportunities and threats is reviewed periodically, and appropriate further actions are taken.

Manufacturing risk

Wärtsilä constantly analyses its manufacturing costs and the associated supply cost of raw materials and components, while maintaining a suitable manufacturing footprint with adequate capacity. Manufacturing risk is mitigated by subcontracting and having a reduced scope for in-house manufacturing. Wärtsilä's Sustainable Technology Hub in Vaasa, Finland, is a modern, state-of-the-art R&D and manufacturing facility with a high level of flexibility and automated logistics. It also provides a partnering campus for collaboration and innovation. In April 2025, Wärtsilä released its plan to expand the Sustainable Technology Hub, adding nearly 8,000 square meters to the site.

Regular risk assessments have been made for all the main delivery centres, and significant safety, environmental impact, and risk mitigation investments have been completed. Risk identification, assessment, and mitigation actions are executed regularly as part of operational management. Management systems for quality,

environmental, occupational health and safety, and other systems are utilised to improve productivity, while safety and business continuity plans have been implemented for the key delivery centres.

Organisational capability

Wärtsilä's target position is to shape the decarbonisation of marine and energy. Reaching the target position requires the right organisational capabilities and competences. Accelerating the energy transition generates interesting job opportunities globally, both internally and outside Wärtsilä. An inability to attract and retain skilled and experienced staff will hamper the execution and timeline of the company's strategic priorities. Through various actions, Wärtsilä aims to be a preferred employer, able to recruit and retain qualified talent that matches business needs, and that is committed to the company's values, goals and objectives.

Risk management key elements

Protective

- Financial reporting systems
- Risk-based environment management ISO 14001:2015
- Internal control systems
- Occupational health and safety management, ISO 45001:2018
- Supplier assessment systems
- CSRD Sustainability reporting
- Risk-based quality management ISO 9001:2015
- Risk-based Information Security Management ISO/IEC 27001:2022
- Other management systems
- Global and local insurance schemes

Reactive

- Business agility
- Crisis management
- Execution of business continuity plans
- Compensation under Global and local insurance schemes
- Risk reporting following ISO 31000

Cost inflation and supply risk

Wärtsilä and its suppliers are exposed to inflation risk, which could result in increased costs for raw materials, transportation, energy, and labour, thereby affecting the profitability of business operations. In 2025, inflation generally continued to ease toward, or stabilise around, the 2% target in major economies, allowing central banks to initiate or continue a gradual reduction of interest rates from their peaks.

To mitigate the risk of cost inflation, the company has, to the extent possible, implemented raw material indexation and other cost-related indices into the pricing of contracts. Furthermore, Wärtsilä is ready to execute price realisation in its transactional business and services, if needed. In addition, continuous improvement measures are taken to improve profitability. There is close monitoring and cooperation between supply management and the sell-side pricing departments in the businesses to react swiftly to cost increases.

Preventive

- Quality systems
- Contract policies & payment terms
- Credit control
- Insurance risk surveys
- R&D risk elimination process
- Supplier audits
- WeCare near miss reporting system with corrective measures
- Risk management evaluation and mitigation planning

Proactive

- Risk mapping
- Business risk assessment
- Business continuity planning
- Code of Conduct
- Policies and guidelines
- Safety instructions
- Sales contract policy
- Supplier information monitoring
- Continuous improvement methodology
- Mandatory training programmes

Ongoing events, such as the war in Ukraine, and geopolitical tensions—along with possible sanctions and new regulations—can further disrupt trade routes and supplies of essential materials. Additionally, as the green transition speeds up, there may be growing challenges with production capacity and rising costs unless the output of critical materials increases at the same pace.

Furthermore, regulatory development may impact Wärtsilä's material costs through, for example, the Carbon Border Adjustment Mechanism (CBAM) initiated by the EU.

Wärtsilä's supply management is integrated into the businesses and works in partnership with the supplier base to create value for Wärtsilä's customers by ensuring quality, on-time delivery, and the lowest total cost of ownership. Category management is applied to ensure coordinated interfaces and synergies for the cross-business supplier base. Indirect Procurement is a centralized function responsible for managing strategic sourcing activities for indirect materials and services in all businesses and support functions.

Wärtsilä has a process for managing and controlling its supplier network, and for verifying that the suppliers' performance meets expectations. Regular assessment of business interruption risk is a key activity in maintaining business continuity plans. This includes risk audits of critical suppliers.

Wärtsilä has established close collaboration and long-term relationships with its main suppliers, and follows their credit worthiness and financial condition. Wärtsilä uses an online solution for supply chain risk identification, assessment, and monitoring. Sourcing risks around the key components and materials are mitigated through partnerships, diversification and dual- or multi-sourcing where possible. In December 2025, Wärtsilä and Siempelkamp Giesserei formed strategic partnership to secure the supply chain of large cast components to support Wärtsilä's continued growth. In addition, in November 2025, Wärtsilä announced a plan to expand its main spare parts distribution centre in Kampen, the Netherlands by 40%, to support the continued global service growth and to strengthen its ability to serve customers with greater efficiency and ensured availability.

In 2025 Wärtsilä divested its business unit Automation, Navigation and Control Systems (ANCS) and Marine Electrical Systems, and, in December 2025, announced divestment of its Gas Solution business. Streamlining the company's overall structure also brings advantages for its sourcing operations.

Lifecycle quality of products and product liability risk

Wärtsilä's quality framework focuses on preventive and proactive actions to deliver increased customer satisfaction, shorter lead times, and a reduced number of non-conformity claims. This is delivered by effective project risk management and strengthened awareness and ownership, supported by a streamlined product improvement process.

Several risk management techniques are applied in R&D, including the risk elimination tool FMEA (Failure Modes and Effects Analysis) and in-house validation testing. Wärtsilä seeks to control quality risks by monitoring the incoming quality of the supply chain, and by designing and manufacturing its products with all due care. A non-destructive robotic ultrasonic data analysis procedure enhances the probability of detecting imperfections in key components with a complex geometry.

Wärtsilä applies a GATE model to control the product development process. Initially, only a limited release of new products is allowed, and full release authority is given to the sales organizations only after testing and further validation has been completed.

Wärtsilä controls its manufacturing quality risks by applying several assurance and quality control principles. The level of quality assurance and control requirements are determined based on component criticality, and are applied throughout the delivery chain.

Requirement management is used to assess components systematically, enabling the allocation of resources and efforts according to component criticality. The ranking criteria indicates the consequence if a component fails. The objective is to improve quality proactively within product development, supply management, and the entire delivery process.

Non-conformity management focuses on developing and improving operations by registering and handling detected non-conformities, and by ensuring that the products and services received by customers are according to the agreed scope and specifications. Efficient handling, monitoring, and reviewing of non-conformities is crucial for proper risk management and mitigation.

Product improvement management (issue resolution) projects are prioritised based on risk and importance. Such a project is initiated when Wärtsilä identifies a technical issue according to claim statistics, customer feedback, or internal analysis, and the case fulfils the risk categorisation for a non-isolated case.

The businesses support customers in all warranty issues. This offers a feedback loop from the field to production and R&D, while taking care of customer installations throughout their lifecycle. Warranty provisions are made to cover any costs that may arise after product delivery. The company's product liability insurance covers unexpected damages.

Best industry practices and good governance are adopted to continuously improve quality. Each business is responsible for the quality of its products, its way of working, and its services. Management at all levels are responsible for the quality output from their organizations, and are accountable for ensuring that appropriate review and feedback mechanisms are in place.

Wärtsilä's business level quality, environmental management, and occupational health and safety systems are ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certified, with an emphasis on proactive risk and opportunity management. In addition, Wärtsilä's GridSolv Quantum battery module qualifies under the 2023 revision of NFPA 855. It is also compliant with NFPA 69 and certified to UL 9540 and UL 9540A unit-level performance requirements.

Contractual risks

Wärtsilä's equipment business includes projects and deliveries of various sizes requiring extensive coordination, efficient risk management, and the seamless integration of all contracted systems and solutions. Energy has EEQ (Engineered Equipment) as the preferred offering, whereas EPC (Engineering, Procurement, and Construction) is only considered in selected markets. In 2025, more than 90% of the equipment net sales (80% in 2024) in Energy consisted of extended equipment supply (EEQ) deliveries, compared to less than 50% in 2022. The company continues to maintain a stronger order book risk/reward profile for 2026 and onwards.

Wärtsilä provides lifecycle services to its customers in the form of transactional sales of spare parts and field service work, long-term service agreements, and service projects, such as engine upgrades, retrofits, and modifications to the installed base.

Wärtsilä places strong emphasis on having project management competences, proper technical assessment controls, time schedule and cost controls, supplier approval routines, and internal training programmes in place. With these measures, Wärtsilä aims to ensure the quality and performance of its contractual obligations during execution, and the upfront identification of specific risks and opportunities.

Product liability claim risk is reduced through maintaining a high level of lifecycle quality in the company's products and work. This applies from the initial design and continues through all stages of the production process to the eventual field service activities. In addition, Wärtsilä has adequate insurance in place to cover product liability risk.

The Group is involved as a defendant in number of legal cases that have emerged from its regular business activities or are related to them. Most of these lawsuits pertain to matters such as contractual obligations, various

forms of liability, labour relations, property damage, and regulatory matters. From time to time, the Group receives claims of different amounts and with varying degrees of substantiation. At present, there is one unusually large claim. The Group's policy is to make provisions for claim-related expenses, litigation, and arbitration whenever an adverse result is likely and the potential loss can be reasonably estimated.

Risk of non-compliance, corruption, and fraud

Wärtsilä complies with the law and its own internal policies and procedures everywhere the company operates. Wärtsilä's Code of Conduct is the key guideline for all employees globally, demanding high ethical standards and integrity.

Wärtsilä is fully committed to complying with anti-corruption laws and regulations. Wärtsilä acts to prevent corruption and does not accept violations of the principles set forth in the Code of Conduct, or in Wärtsilä's Anti-Corruption and Compliance Reporting policies. The company forbids any kind of corruption and bribery and has a strict zero tolerance policy. There is a whistleblowing channel in place for reporting misconduct incidents. Anti-Corruption risk assessments are carried out regularly as part of our continuous anti-corruption improvement efforts. In 2025, no instances of substantiated corruption or bribery were identified.

Compliance processes are embedded in all businesses, and the responsibility for compliance and awareness of ethics and integrity is that of all Wärtsilä employees. The Compliance function promotes Group-wide compliance and continuously strives to raise awareness of the risk of corruption, bribery, and other misconducts. Wärtsilä consistently aims to ensure that all employees complete Code of Conduct and anti-corruption training as an ongoing part of its sustainability targets.

While being aware of the risk of being subject to fraud by external business parties, and that the risk of corruption and fraud is heightened in several markets where the company operates, Wärtsilä consistently maintains its highly ethical practices.

Commodity price risk

Oil and gas

In 2025, oil markets were marked by significant volatility and price swings, primarily driven by escalating geopolitical tensions and supply risks. Brent crude prices declined about 20% year-on-year, fluctuating between \$58 and \$83 per barrel, with a rebound near year-end due to heightened fears over supply disruptions. Downward price trends were fuelled by weak global economic conditions—especially in China and the eurozone—unstable OPEC+ production policies, and increased output from non-OPEC producers, resulting in a surplus and generally suppressed prices.

The 2025 natural gas market is characterised by significant price volatility resulting from fluctuating supply-demand dynamics, weather patterns, and geopolitical events. Despite strong U.S. production, high storage levels, and robust LNG exports stabilizing supply, the market remains highly reactive to weather extremes and policy changes, with prices experiencing sharp swings. While availability disruptions have been limited, ongoing risks from geopolitical tensions and potential supply chain issues continue to pose challenges.

The direct effect of oil and gas price changes on Wärtsilä's operations is limited and mostly related to fuel costs for engine testing, R&D activities, and the heating of some premises.

In general, higher oil and gas prices represent a risk for global economic growth and increased operating costs, especially in the shipping markets. On the other hand, higher oil and gas prices increase interest in our energy

efficiency offering, and increase the demand for alternative green fuels as they become more cost-competitive against conventional fuels. Wärtsilä is a global company involved in various shipping and power plant segments where oil and gas price changes can have an opposing impact on demand drivers.

In the marine markets, high gas prices, or their volatility, are not expected to reduce the appetite for LNG as a fuel in the long run. Higher demand and supply volumes, and investments in expanding LNG liquefaction capacity, are driving demand for additional LNG carrier capacity. However, shipyards capable of building LNG carriers have few to no slots available during the coming years. Persistent high gas prices may encourage ship operators to switch temporarily from LNG to low-sulphur fuel, which most modern vessels can use in dual-fuel engines. In the energy markets, gas price volatility and increasing prices can have a negative impact on the competitiveness of our portfolio, especially in thermal baseload plants, and may lead to more running hours of coal-fired and nuclear power plants. Higher fuel prices may have an impact on project viability and customer decision making. However, these are expected to have less of an impact on thermal balancing power plants operating with fewer running hours.

Metals

Metal prices have an indirect effect on component costs for Wärtsilä's products. Some key components are sourced with long-term contracts, which limits raw material price volatility during the validity of contracts. However, concentrated supply chains of some raw materials, and the tight competitive situation to secure supplies, impose direct risks to the Energy business.

The battery industry continues to suffer from raw material price volatility, characterised by a complex interplay of demand, supply, technological, and geopolitical factors. The year 2025 marked a pronounced shift in the dynamics of battery energy storage system (BESS) material pricing,

especially for lithium and its associated components, such as cobalt, nickel, and graphite. Early in the year, lithium prices remained under pressure from surplus inventory and weaker-than-anticipated electric vehicle (EV) demand. Lithium carbonate prices in North Asia fell to their lowest since 2021—leading to production cuts and delayed projects, most notably in Australia and China. This persistent oversupply capped price recovery throughout H1 2025. In H2, supply disruptions, such as curtailments at major Chinese mines, drove lithium carbonate considerably up by December—a 34% rise from October—indicating growing volatility. Western dependency on Chinese battery materials is recognised as a profound strategic and commercial risk, especially for AI, defense, and energy independence, which is likely to trigger further tariff actions and legislative moves.

Energy and electricity

High electricity prices, in general, support investments in new capacity by utility customers in the energy markets. High volatility, however, may have a negative impact on new investments.

Wärtsilä's annual total energy consumption in 2025 was 254,116 MWh. This includes the electricity, heat and fuels used in Wärtsilä's companies. Fuels are used mainly in engine testing and for R&D purposes, as well as in heating, production, and transportation.

Electricity is needed for manufacturing operations, but electricity prices have no substantial direct impact on Wärtsilä's production capacity costs. In the new Sustainable Technology Hub facility in Vaasa, the heat generated in engine test runs is used for heating, whereas any excess electricity produced is sold to the grid at prevailing market prices. For further information, refer to the [Sustainability statement 2.2.3](#)

Financial risks

Wärtsilä's financial risks are presented in the notes to the [financial statements, Note 5.8](#).

Hazard risks

Risks related to health, safety, and environmental hazards

Wärtsilä is committed to creating and maintaining a safe and healthy work environment for its employees, contractors, and other partners, wherever it operates. Wärtsilä believes all accidents can be prevented by promoting a strong safety culture, improving our performance, and by applying high-level occupational health and safety standards. Please refer to the Sustainability Statement 3.2.

Wärtsilä has implemented occupational health and safety systems, training programmes, travel health and security instructions, and crisis management guidelines to safeguard its employees. Personnel are covered by appropriate insurance policies. To emphasise the importance of employee safety, the Board of Management has established a corporate-level target of zero lost time injuries, which is part of the company's sustainability programme. Every year Wärtsilä organises a Safety Day to enhance safety awareness, promote safety and wellbeing measures, strengthen our safety culture, and celebrate our success in safety.

Environmental management systems are in place to mitigate environmental hazard risks. Wärtsilä maintains a register of all properties used and provides guidelines for the acquisition, sale, disposal, rental, and security of premises. Additionally, the company engages external advisors to conduct environmental audits.

Wärtsilä's approach to preventing environmental risks from its own operations involves strict adherence to its

public policies, the Code of Conduct, and the Quality, Environmental, Health and Safety policy, all of which emphasise continuous environmental improvement. The company requires all suppliers to have an environmental management system compliant with ISO14001 or the Eco-Management and Audit Scheme (EMAS), and to comply with regulations by eliminating or restricting hazardous substances. Cooperation with suppliers is essential for managing environmental risks and ensuring compliance with substances of concern. Wärtsilä utilises a "Black & Grey list" to classify restricted and prohibited substances, which is updated continuously in order to meet regulatory requirements. Please refer to the [Sustainability statement 2.3](#).

Climate change poses a variety of impacts on Wärtsilä throughout our supply chain, our own operations, and our customers' needs. These include potential physical risks to our sites and employees, mainly as a result of increased global average temperatures, and the increased frequency, as well as intensity, of heatwaves and flooding due to extreme precipitation events.

Wärtsilä assumes a modest climate change impact risk on its main production facility in Finland and its warehousing facility in the Netherlands as these are not located in the natural disaster areas of extreme weather events, earthquakes, or wildfires. Certain smaller sites have a higher risk of physical effects, although they do not represent an overall major financial risk to Wärtsilä.

More information can be found in the [Sustainability statement of the Annual Report](#).

Catastrophic peril scenarios are identified and, where necessary, risks are mitigated through measures such as elevating sites above flood risk levels, or constructing flood dikes. Comprehensive business impact analyses and continuity plans have been implemented for major sites to address property damage and business interruption risks. When delivering customer projects in locations prone to

extreme weather events, Wärtsilä prioritises the safety and wellbeing of its employees and subcontractors, and meticulously plans operations to ensure their protection.

Cyber and information security-related risks

With the rapidly growing use of data in shipping, shipbuilding, and in the energy markets, cyber threats can potentially result in various forms of financial, operational, or reputational damage to the business.

The digital era has brought a constantly evolving cyber threat landscape. New attack vectors and advanced techniques are emerging, challenging traditional defences. The sophistication and frequency of threats, such as ransomware and state-sponsored intrusions, have notably increased. Managing advanced attacks requires a proactive approach with continuous monitoring, threat intelligence, and rapid response. The NIS2 Directive, now in force across the EU, significantly enhances requirements for the security of critical infrastructure and digital service providers. For corporates, such as Wärtsilä, this means implementing stricter requirements for incident reporting, risk management, and the adoption of advanced cybersecurity measures.

Wärtsilä has an internal organisation dedicated to the effective management of cyber security risks throughout the Wärtsilä Group. This organisation, in cooperation with Wärtsilä's businesses, delivers strategic and operational support for cyber security. It also provides the associated governance, risk management, and assurance required to support and enable safe and secure internal operations, while aiming to ensure that the businesses' customer offerings are aligned with all relevant current and future regulations and applicable standards.

The Wärtsilä cyber security governance model is closely aligned with overall business risk management, and supports the businesses and support functions in identifying and prioritising their respective cyber security risks. The cyber security team works with security

colleagues across Wärtsilä to ensure the effective and coordinated delivery of holistic security solutions, for both the cyber and physical domains.

Information security risks related to Wärtsilä's internal operations are continuously identified, analysed, and evaluated. The attendant mitigation activities are executed throughout Wärtsilä's networks, endpoints, systems, and services. The 24/7 Wärtsilä Security Operations Center continuously monitors the perimeter to internal systems and closely observes the external threat exposure level, while providing a coordinated response to identified information security incidents, as and when they may occur.

The effective mitigation of risks associated with cyber security hygiene throughout Wärtsilä is continuously and progressively reinforced through coordinated and complementary cyber security training, awareness initiatives, and extensive communication. This involves all Wärtsilä businesses and corporate functions. Wärtsilä has identified the need to mitigate the cyber security risks associated with its supply chain. The company has addressed this need through a comprehensive risk-based third-party risk management programme, involving both increased opportunities for the remote and objective assessment of suppliers, as well as the continuous monitoring of the supply chain cyber security risk.

It should be noted that Wärtsilä has achieved numerous cyber security certifications, and is in the process of further aligning with international standards and certifying the cyber security of its processes, products, and solutions. Wärtsilä maintains ISO 27001 certification on the protection of its information assets and enhancement of its overall information security posture.

Privacy and data protection risks

The EU's General Data Protection Regulation (GDPR) sets out the general framework for Wärtsilä's data protection, which is applied both inside and outside the European

Economic Area. Data protection implementation is supported by, and aligned with, Group-wide privacy policies and processes.

Wärtsilä applies a risk-based approach to privacy and data protection and continues to take further actions to strengthen privacy and data protection implementation to mitigate risks by accountability, privacy by design, data minimisation, and transparency.

Wärtsilä continuously improves employee data protection awareness with mandatory data protection (GDPR) training, targeted training sessions, communication activities, as well as comprehensive guidance materials.

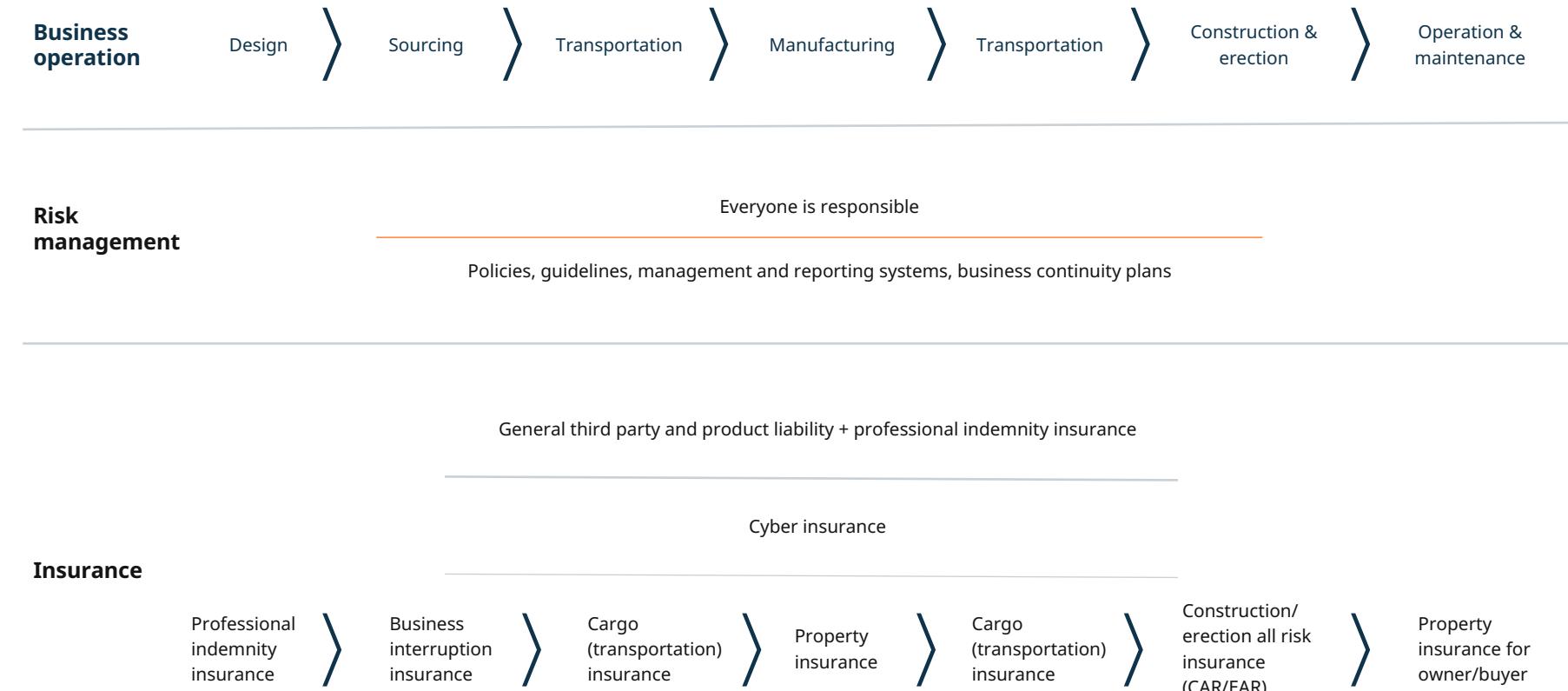
Wärtsilä continues to invest in the development of data protection platforms to support data protection management and implementation.

Insuring of risks

Wärtsilä mitigates risks outside its direct control by transferring them to insurance providers whenever it is practical and appropriate. For a risk to be insurable, any occurring damage must be abrupt, sudden, and unforeseen.

Wärtsilä employs suitable insurance policies to cover indemnity risks pertaining to personnel, assets, and business interruptions—including those induced by suppliers—as well as third-party and product liability. Wärtsilä owns a captive insurance company, Vulcan Insurance PCC Ltd, to insure its own risks. For re-insurance purposes, this company is based on the island of Guernsey. The financial results of Vulcan Insurance PCC Ltd are consolidated into Wärtsilä's corporate accounts and are subject to standard taxation in Finland.

Which insurances cover our business?



Both risk management work and casualty insurance cover Wärtsilä's products over their entire lifecycle. Wärtsilä's insurances are not limited to those listed here.

Risk Profiles and responsibilitiesLow  High

Risks	Risk Profile	Policy or other guidelines	Responsible body
Strategic risks		Wärtsilä's strategy and business plans	Wärtsilä's Board of Directors (BoD), Board of Management (BoM), and businesses
Business and market risk		Wärtsilä's strategy and business plans	BoM and businesses
Competitive situation and price risk		Wärtsilä's strategy and business plans	BoM and businesses
Political, geopolitical, and legislative risk		Various guidelines and risk management policy	Businesses, R&D, Risk management (RM) and Legal functions
Climate change and sustainability risk		QEHS policy, Code of Conduct, management systems (ISO 14001 & OHSAS 18001), CSRD Sustainability reporting	Businesses, R&D and Sustainability function
Technology risk		Patents and industrial rights, product guarantees	Businesses and R&D function
Operational risks		Wärtsilä's strategy and business plans	BoM and businesses
Manufacturing risk		Production systems, business continuity plan	Manufacturing and businesses
Supplier and subcontractor risk		Supplier requirement and supplier management system, business continuity planning, Wärtsilä Supplier Handbook	Businesses and Supply Management
Lifecycle quality of products and products liability risk		Management system (ISO 9001), safety instructions and manuals, risk management policy, R&D risk elimination instructions	Manufacturing, R&D, businesses, RM, Quality, and Legal functions
Contractual risks		Standard contracts, corporate and business sales contracting policies	Legal function and businesses
Commodity price risk, direct		Production cost control, sourcing policy, sales contract policy	Businesses
Commodity price risk, indirect		Production cost control, sourcing policy, sales contract policy	Businesses
Non-compliance risk		Code of Conduct, Anti-Corruption policy, Compliance policy, whistle-blowing channel	Businesses and Compliance function

Low  High

Risks	Risk Profile	Policy or other guidelines	Responsible body
Hazard Risks			
Personnel risk		Risk management policy and guidelines Management system (OHSAS 18001), travel safety instructions, crisis management guidelines, near-miss reporting and premises safety plans	Businesses and RM function Businesses, Human Resources, RM, as well as Environment, Health and Safety and Security functions
Natural catastrophes		Crisis management guidelines, business continuity planning	Businesses, RM and Security functions
Fire, cargo, and other accidents		Management systems (ISO 14001 & OHSAS 18001), premises safety plans	Businesses, RM and Real Estate functions
Data security risk		Data security principles and cyber security strategy, Information Security Management ISO 27001	Businesses and Information Management & Cyber Security function
Data protection, privacy		Data protection principles and policy	Businesses and Data Protection function
Financial Risks			
Foreign exchange risk		Wärtsilä's strategy and business plans Treasury policy	Businesses and Treasury function Businesses (own) and Treasury function (Group)
Interest rate risk		Treasury policy	Treasury function
Liquidity and refinancing risk		Treasury policy	Treasury function
Credit risk		Credit and treasury policy	Businesses and Treasury function

Financial review

Board of Directors' Report

Business model

Wärtsilä provides the marine and energy markets with innovative technologies and lifecycle solutions. Wärtsilä delivers customer value through two set of value streams: equipment and services. The equipment value stream encompass the delivery of new installations to customers including shipyards, ship owners, power producers and utilities. In the energy industry, Wärtsilä offers power system optimisation with a portfolio of future fuel enabled thermal balancing and baseload power solutions, as well as energy management and storage systems, primarily on an equipment only basis. The marine offering includes power and propulsion systems, voyage optimisation solutions, as well as exhaust treatment applications and shaft line solutions. Our service value stream delivers customer value over the lifetime of the Wärtsilä solutions. Wärtsilä's portfolio of services include spare parts, field service, retrofits and upgrades and lifecycle agreements, including performance-based agreements under which Wärtsilä operates the customer assets, such as power plants, for them. The company aims to deliver maximised

environmental and economic performance by emphasising innovation in sustainable technology and services.

To support its geographically dispersed customer base, Wärtsilä's sales and service network covers 199 locations in 78 countries around the world. Wärtsilä operates primarily through its subsidiaries and strategic joint ventures. The company's manufacturing model is assembly-based, thus emphasising the importance of developing long-term relationships. Wärtsilä's global network of suppliers includes approximately 5,500 direct procurement suppliers. Wärtsilä's personnel is made up of approximately 17,900 employees comprising 123 nationalities. By recruiting and retaining the best talent, Wärtsilä can be the most valued business partner to its customers, and the employer of choice for current and future employees. Wärtsilä is committed to conducting its business in a responsible manner, and requires its suppliers and business partners to follow the same high legal and ethical standards and business practices.

Targets	Development in 2025	Development in 2024
Marine and Energy combined		
5% annual organic net sales growth	15%	13%
14% operating margin	13.8%	12.8%
Energy Storage		
Low double-digit annual organic net sales growth	-11%	-15%
3-5% operating margin	3.3%	4.1%
Group		
Gearing below 0.50	-0.70	-0.31
Dividend at least 50% of earnings per share*	99.7%	51.5%

*proposal of the Board of Directors

Strategy

Strategy implementation in 2025

Our strategy, the Wärtsilä Way, remains intact. The company's value creation potential is based on two strategic themes: Transform and Perform. Transform refers to attractive growth opportunities arising from the decarbonisation transformation. It involves leveraging growth in electricity generation, balancing and baseload power, green marine transport, and related service businesses. Perform centres around a clear path for operational improvements and increased profitability, as well as the company's commitment to both financial and sustainability targets. Wärtsilä's purpose to enable sustainable societies through innovations in technology and services, is well connected to the themes of Transform and Perform. The company's five strategic priorities emphasise customer value, high-performing teams, decarbonisation, service growth, and continuous improvement. Wärtsilä is proceeding towards its target to become a more stable, focused and profitable company.

At the end of March 2025, Wärtsilä concluded the strategic review of the Energy Storage and Optimisation business that was started in Autumn 2023. Following the conclusion, the Energy business was separated into two independent segments: Energy, focusing on the power plants business and related lifecycle business, and Energy Storage, focusing on the battery storage business and related lifecycle business. Effective from 1 April 2025, Wärtsilä has now three reporting segments: Wärtsilä Marine, Wärtsilä Energy, and Wärtsilä Energy Storage. Portfolio Business continues to be reported as other business activities. In the same connection, Wärtsilä introduced new financial targets to better reflect the new organisational structure.

Wärtsilä has continued its journey to become a more focused and profitable company, and concluded the divestment of two business units reported under Portfolio Business during the year. The sale of the Automation, Navigation and Control System (ANCS) business was announced in December 2024 and was completed on 1 July 2025. Furthermore, the divestment of Marine Electric Systems was announced in July 2025 and completed on 31 October 2025. Additionally, Wärtsilä announced the divestment of Gas Solutions business in December 2025, expected to be completed in the second quarter of 2026, subject to approvals.

Wärtsilä remains committed to R&D activities and continues to invest around 4% of net sales in R&D. Wärtsilä has a comprehensive development programme for sustainable fuel technologies, with proven 4-stroke technology enabling the use of LNG, LPG, methanol, and ammonia. In 2025, Wärtsilä launched the maritime sector's first commercial carbon capture solution following its world-first full-scale installation success. Also, we expanded our methane slip reduction solutions to two engine types and advanced our 4-stroke ammonia fuel solution to deliver greater than ever value and performance. During the year, Wärtsilä also launched the new Wärtsilä 46TS engine, which is designed to balance intermittent renewable energy output, provide highly efficient baseload power, and be able to run on sustainable fuels in the future.

While much of the decarbonisation work still lies ahead, Wärtsilä already has solutions and technologies that enable 100% renewable power systems and fuel flexibility to support decarbonisation. Wärtsilä's engine power plants can already use 100% synthetic and carbon-neutral methane and methanol. They are also capable of using hydrogen/natural gas blends containing up to 25% hydrogen. Wärtsilä also offers a 100% hydrogen-ready

engine power plant concept ready for future hydrogen conversion.

During 2025, Wärtsilä continued its growth in the data centre segment. Wärtsilä announced two deals with US data centre customers, providing them with a total of 789 MWs of reliable power. The data centre market offers Wärtsilä further growth opportunities, both in equipment and lifecycle sales.

Wärtsilä has announced several measures during the year to support its ability to meet the growing demand for developing and delivering sustainable technologies and services. In April, Wärtsilä announced the expansion of its R&D testing and manufacturing capacity at its state-of-the-art Sustainable Technology Hub in Vaasa, Finland with a EUR 50 million investment. Additionally, Wärtsilä announced in November a 40% expansion of its main spare parts distribution centre in Kampen, the Netherlands. In December, Wärtsilä announced that it will strengthen its supply chain through a strategic partnership with Siempelkamp Giesserei, a key supplier of large components for Wärtsilä engines.

Moving up the service value ladder plays an important role in Wärtsilä's strategy, with significant growth opportunities on all steps of the service value ladder. During the year, Wärtsilä signed several new service agreements, and the renewal rate of service agreements continues to exceed well the 90% levels, both in Marine and Energy.

Wärtsilä has ambitious climate targets. The company's goal is that by 2030 it will become carbon-neutral in its own operations, and be able to provide a product portfolio ready for zero-carbon fuels. In 2025, Wärtsilä also committed to a target of reducing its suppliers' greenhouse gas emissions by 25%. In the reporting year, the company's efforts focused on low- and medium-cost measures, such as electrification and energy efficiency across the operations, reducing GHG emissions from

engine testing, and increasing the share of self-generated and purchased renewable electricity. In addition, Wärtsilä continued to advance sustainable fuel product development in line with its decarbonisation roadmap. The company was focused on building the necessary infrastructure to enhance engine testing capabilities for sustainable fuels. For reducing supply chain emissions, Wärtsilä established a structured framework for reporting supplier GHG emissions, including data collection processes, and baseline definition.

The health and safety of personnel is a high priority for Wärtsilä, and the company's long-term target continues to be zero injuries. In 2025, the Total Recordable Injury Frequency (TRIF) was 2.44, compared to 2.20 in 2024. This increase prompted a comprehensive review of work practices and conditions, with employee-submitted improvement ideas integrated into updated safety plans. In 2025, the 11th annual Safety Day focused on teamwork, collaboration, and belonging under the theme "Safer Together".

Financial targets and outcome in 2025

Wärtsilä introduced new combined financial targets for Marine and Energy, and separate new financial targets for the Energy Storage businesses in April 2025. Marine and Energy, which have strong operational synergies, share a combined target of 5% annual organic growth and a 14% operating margin. The targets for Energy Storage are low double-digit annual organic growth and a 3-5% operating margin. Wärtsilä will continue its firm strategy execution and has a clear path to reach the updated targets. Group financial targets continue to be gearing below 0.5, and a dividend distribution of at least 50% of earnings.

Marine and Energy combined reached 15% annual organic net sales growth and a 13.8% operating margin. Energy Storage reached -11% annual organic net sales growth and a 3.3% operating margin. Gearing resulted at -0.70. The Board of Directors proposes a base dividend of

EUR 0.54 per share and extraordinary dividend of EUR 0.52 per share, totalling EUR 1.06 per share.

The year 2025

Operating environment

General macro environment

The global economy proved to be more resilient and robust in 2025 than initially expected. The OECD stated in its December economic outlook report that despite mixed activity indicators globally and ongoing policy uncertainty, global trade volumes remained strong. This was primarily driven by the front-loading of production and trade ahead of tariffs, strong AI-related investments, and supportive fiscal and monetary policies. As the front-loading of consumption and investment spending started to unwind later in the year, industrial production eased in places like Germany and Japan, but remained steadier in China and the USA. However, signs of slowing momentum emerged, particularly in industrial production in major economies, while consumer confidence remained subdued. Furthermore, the impact of higher effective tariff rates became increasingly visible, especially in the USA, impacting both prices and business costs.

Marine market

The marine market in 2025 was impacted by geopolitical tensions, shifting trade patterns, and the IMO decision to delay the adoption of global carbon pricing mechanism. The announced tariff policies, the growing national interests in shipbuilding, concerns on security of supply, and the disruptions to critical shipping routes have led to increasing uncertainty, especially among shipowners. Market sentiment remained on a good level. The uncertainty caused by the tariff policies eased towards the end of the year, along with a truce to hostilities being established in the war in the Middle East, raised the prospects of more widespread use of the Suez canal. In October, the vote to adopt the IMO's Net Zero Framework was postponed by one year. This outcome opens the door

to a fragmented landscape of carbon pricing mechanisms being introduced by individual regions and countries.

Ordering eased across most segments compared to the extraordinary activity seen in 2024, but activity was seen to pick up especially in Q4. Meanwhile, ordering has continued to be strong in some segments, notably containerships, cruise vessels, and LNG bunkering ships. In total, 2,029 newbuild contracts were reported in January-December, compared to 2,386 contracts reported in 2024, excluding late reporting of contracts. A total of 366 orders for new alternative fuel capable ships were reported in January-December, accounting for 18% (27) of all contracted vessels and 37% (50) of the capacity of contracted vessels.

With moderating ordering volumes, increasing shipyard capacity and high delivery output, average newbuild ship prices declined modestly throughout the year. Despite this, the shipyards' forward cover remains largely unchanged at 3.9 years globally, the highest level since 2009.

In the cruise segment, market sentiment continues to be positive, driven by growth in demand for cruises. This momentum has enabled cruise operators to firm up plans for acquiring additional ship capacity to support their long-term expansion objectives. Additionally, service demand is being bolstered by the growth in active fleet capacity, interest in efficiency enhancements required for regulatory compliance, and efforts to reduce operational costs.

In the ferry segment, market sentiment remained positive with fleet renewal being the key driver for solid newbuild activity in 2025. However, high newbuild prices and limited yard slots continued to limit the near-term investment appetite for newbuilds. The demand for service was supported by improving fleet utilisation rates, and operator interest in maintaining and improving the efficiency of their ageing fleets.

In the offshore segment, capex commitments to oil & gas projects picked up in late 2025, supporting the demand especially for mobile oil and gas production units. This uptick indicates that oil companies have moved past some of the earlier uncertainty. Newbuild activity continued to be limited by high prices, the availability of finance, a shortage of yard capacity, and moderating day rates. Sentiment in the offshore wind sector was impacted by uncertainty in political support across countries, as well as by ongoing cost pressures impacting investor confidence. This has resulted in project delays and a more limited interest in newbuilds. The demand for service across both offshore sub-segments was driven by relatively high asset utilisation rates.

In the LNG carrier segment, market conditions were challenging despite a seasonal uptick in Q4. Increased short-haul trade constrained demand for ships, while strong fleet capacity growth continued, putting significant pressure on spot and utilisation rates for mostly the older ships. Newbuild activity has moderated significantly from prior years, due to strong orderbooks and delays to LNG export projects. Newbuild ordering for LNG bunkering vessels reached a new annual record as the current fleet capacity struggles to keep pace with the increase in use of LNG as fuel. The demand for service was negatively affected by the higher idling of ships, and by owners seeking to cut costs in adverse market conditions.

In the containership segment, market sentiment remained mixed and uncertain. Freight market conditions continued to soften, while the timecharter market was more balanced. Geopolitics and the Red Sea rerouting remain key sources of uncertainty to the demand outlook for containerships. Despite this, the investment appetite for newbuilds remained very strong as liner operators and tonnage providers have progressed with their fleet renewal plans. The high uncertainty over demand for ship capacity affected demand for service, but overall service demand remained healthy and was supported by high ship utilisation rates.

Energy market

The global energy transition continues to move forward despite certain countries having a reduced climate ambition. Most research agencies, such as IEA and BloombergNEF, have kept their global forecasts for wind and solar similar to previous levels, highlighting continued short- and long-term growth and annual capacity additions of hundreds of gigawatts. Favourable economics shield wind and solar from changes in policy, while at the same time, in most countries, policies continue to be supportive of renewables.

Two key themes stood out in energy-related macroeconomic development in 2025: load growth and tariff-related uncertainty. Accelerated load growth from the electrification of industry, transport, and heating, as well as from data centre investments, have led to high demand for all power-producing assets, including gas-fuelled power. The uncertain tariff and regulatory situation poses challenges to all actors due to its impact on global energy technology supply chains, and is expected to continue in 2026. This situation has led to longer delivery times, and industry participants have responded by expanding manufacturing capacity.

The investment environment for energy technologies has improved along with global macroeconomic conditions. During 2025, global natural gas and LNG prices decreased. Prices are expected to somewhat decrease in the second half of the decade due to increased supply, and volatility has also decreased. Prices for lithium rebounded slightly after hitting a four-year low during the summer.

In engine power plants, the market demand for equipment and services has been strong. In the balancing segment, the pace of the renewable energy transition continued to be an important demand driver. The total market for thermal balancing in 2025 is expected to be larger than in any previous year, based on data from both McCoy Power Reports and that gathered internally. The

drivers for balancing demand are also expected to continue to develop favourably. For example, BloombergNEF expects wind and solar capacity addition projects to grow towards 2035, while supportive market reforms are developing, and old, inflexible coal and gas plants are being retired. The baseload segment remains a consistent source of demand for thermal power. Reciprocating engines are important providers of baseload generation, particularly in remote locations and other locations where access to grid power is uncertain or time sensitive.

Demand for baseload generation is expected to remain stable, with further growth opportunities in data centres. The data centre power landscape is undergoing a significant transformation. Rapid growth in high-tech industries and AI applications is driving unprecedented energy demand, making reliable on-site power essential.

In battery energy storage, demand is closely linked to the increasing share of intermittent renewables in the energy system, which continues to progress strongly. The annual market for utility-scale battery storage is expected to have surpassed 200 GWh in 2025, and is expected to exceed 400 GWh before the end of the decade, according to BloombergNEF. The US market is facing regulatory headwinds, though several drivers remain solid, with data centres as a potential new opportunity. Globally, competition has tightened as battery manufacturers, for example, have expanded downstream, putting pressure on profitability.

Order intake and order book

Order intake remained stable at EUR 8,102 million (8,072). Service order intake remained stable at EUR 3,740 million (3,812), supported by growth in agreements, while retrofit and upgrades decreased. Equipment order intake remained stable at EUR 4,362 million (4,260). The equipment order intake increased in Energy and Marine, while it decreased in Energy Storage. The Energy Storage business is facing headwinds from elevated US tariffs,

regulatory changes, and intensified competition in other markets.

The order book at the end of the year remained stable at EUR 8,248 million (8,366). The order book has been corrected during the year after elimination of approximately EUR 900 million following the divestments of Automation, Navigation and Control Systems (ANCS), and Marine Electrical Systems (MES) business units. Wärtsilä's current order book for 2026 deliveries is EUR 4,991 million (5,075).

Net sales and operating result

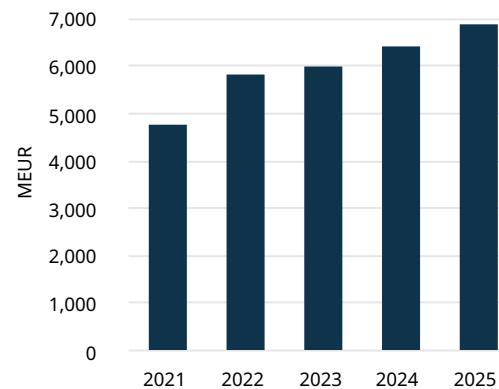
Net sales increased by 7% to EUR 6,914 million (6,449). Service net sales increased by 4% to EUR 3,575 million (3,422), driven by growth in Marine and Energy. Equipment net sales increased by 10% to EUR 3,338 million (3,027), supported by Marine and Energy. Of Wärtsilä's net sales, 57% was EUR denominated and 29% USD denominated, with the remainder being split between several currencies.

The operating result amounted to EUR 833 million (716) or 12.1% of net sales (11.1). The comparable operating result totalled EUR 829 million (694) or 12.0% of net sales (10.8). The comparable operating result was supported by increases in Marine, Energy, and Portfolio Business. Items affecting comparability amounted to EUR 4 million (23), and were mostly related to the divestments, the asset held for sale categorisation of the Gas Solutions business unit as well as the restructuring of engine manufacturing in Europe. The comparable adjusted EBITDA amounted to EUR 1,045 million (847) or 15.1% of net sales (13.1). Purchase price allocation amortisation amounted to EUR 16 million (19).

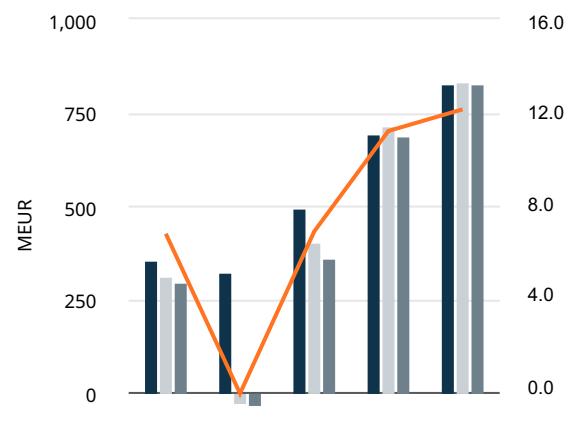
Financial items amounted to EUR -5 million (-29). Net interest totalled EUR 17 million (7). The result before taxes amounted to EUR 828 million (687). Taxes amounted to EUR -198 million (-180), implying an effective tax rate of 23.9% (26.2). The result for the financial year amounted to

EUR 630 million (507). Basic earnings per share totalled EUR 1.06 (0.85). The return on investment (ROI) was 26.2% (23.7), while the return on equity (ROE) was 23.3% (21.3).

Group net sales development



Result



Comparable operating result
Result before taxes
Operating result, %

Financing and cash flow

Cash flow from operating activities totalled EUR 1,598 million (1,208), the improvement being driven by the improved result and a good level of received customer payments. Working capital totalled EUR -1,263 million at the end of the year (-787). Advances received totalled EUR 1,347 million (898).

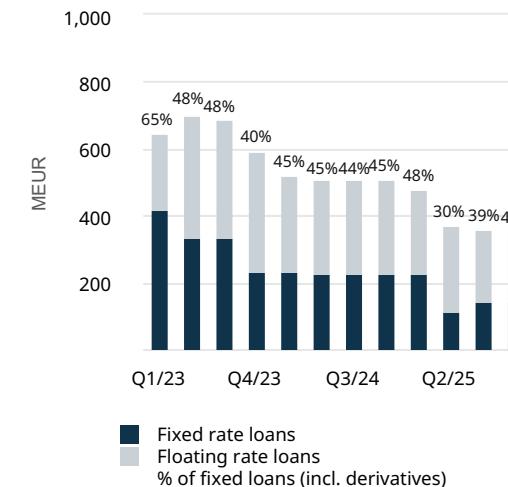
Wärtsilä aims to ensure sufficient liquidity at all times through efficient cash management, and by maintaining the availability of sufficient committed and uncommitted credit lines. Refinancing risk is managed by having a balanced and sufficiently long loan portfolio.

Cash and cash equivalents amounted to EUR 2,590 million (1,554). Additionally, EUR 0 million of cash and cash equivalents pertained to assets held for sale (4). Unutilised committed credit facilities totalled EUR 636 million (644).

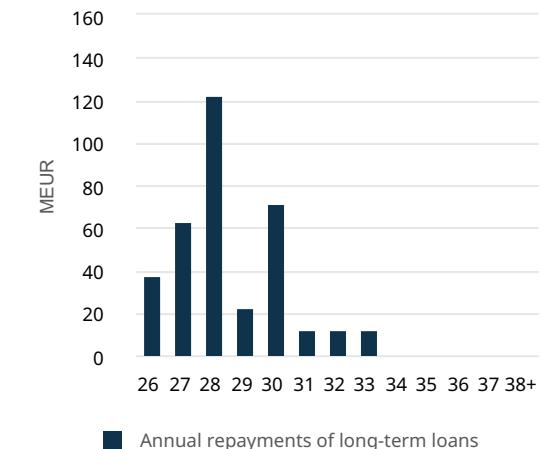
Wärtsilä had interest-bearing debt totalling EUR 581 million at the end of the year (766). The total amount of short-term debt maturing within the next 12 months was EUR 38 million. Long-term loans amounted to EUR 315 million. Additionally, EUR 4 million of interest-bearing liabilities pertained to assets held for sale (15).

Net interest-bearing debt totalled EUR -2,006 million (-777). Gearing was -0.70 (-0.31), while the solvency ratio was 40.5% (37.4). Equity per share was EUR 4.89 (4.29).

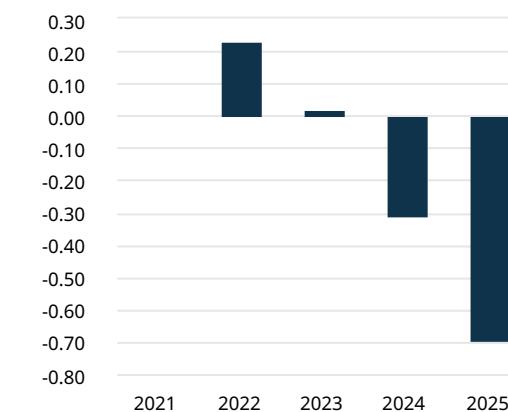
Loans



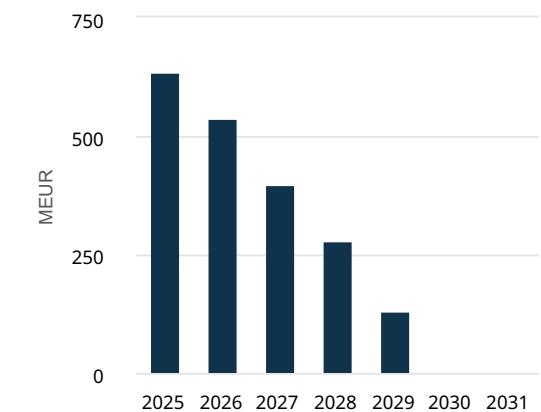
Maturity profiles of long-term loans



Gearing



Committed revolving credit facilities (end of period)

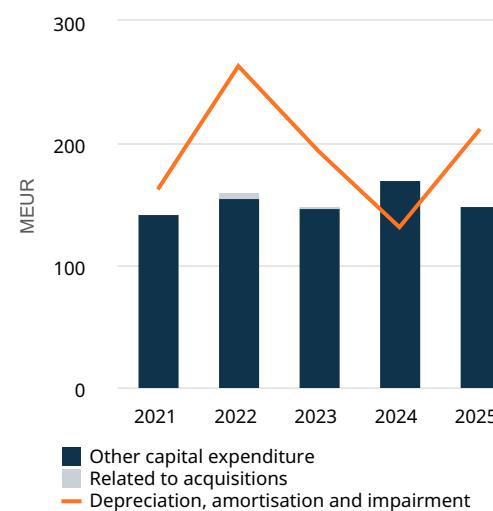


Capital expenditure

Capital expenditure related to intangible assets and property, plant, and equipment amounted to EUR 150 million (170). Depreciation, amortisation, and impairment amounted to EUR 211 million (131), including depreciation of right of use assets of EUR 48 million (51).

In 2026, capital expenditure related to intangible assets and property, plant, and equipment is expected to be above depreciation, amortisation, and impairment.

Gross capital expenditure



Innovations, research and development

Wärtsilä is committed to helping minimise the environmental footprint of the marine and energy industries. Investments in R&D are central to securing Wärtsilä's future positioning and will continue despite the prevailing market uncertainty. Developing the use of alternative, commercially viable clean fuels for the future is a key focus area of research and development, as is improving the connectivity, efficiency, sustainability, and

safety of customer operations through the increased use of digital solutions.

Research and development expenditure totalled EUR 329 million (296) in 2025, which represents 4.8% of net sales (4.6).

In February, Wärtsilä introduced its next-generation 46TS engine, which is designed to balance renewable energy, provide highly efficient baseload power, and to run on future sustainable fuels. Built on 85 years of engine expertise, the 46TS represents Wärtsilä's most advanced solution to date.

In April, Wärtsilä announced that it will invest EUR 50 million in the expansion of its R&D and innovation capabilities in Vaasa, Finland. Expanding the R&D testing capabilities and facilities will enhance Wärtsilä's ability to meet the growing demand for developing and delivering sustainable technologies in marine and energy, and to support fuel applications needed in the future. The nearly 8,000 square meter extension is expected to be commissioned in 2028.

In April, Wärtsilä introduced a new methane slip reduction solution for its Wärtsilä 50DF dual-fuel engine, further reducing methane slip by up to 75 percent. The new solution is optimised for LNG fuel. Wärtsilä has an extensive track-record in reducing methane slip from LNG-fuelled engines, not only as newbuild solutions, but also through retrofitting existing installations.

In May, Wärtsilä launched a carbon capture solution to the shipping market after its world-first full-scale installation success. According to Wärtsilä's tests, the new CCS solution is proven to reduce vessel CO₂ emissions by up to 70%, providing ship owners with an immediate solution to meet increasingly stringent environmental regulations.

Strategic projects

Wärtsilä actively manages its business portfolio to support the strategy and financial targets.

In March 2025, Wärtsilä announced the finalisation of the strategic review of Energy Storage and Optimisation (ES&O) that was started in October 2023. As a conclusion, the reporting segment Energy was separated into two independent reporting segments. Effective from 1 April 2025, Wärtsilä has three reporting segments: Wärtsilä Marine, Wärtsilä Energy, and Wärtsilä Energy Storage. Portfolio Business continues to be reported as other business activities. In the same connection, Wärtsilä revised its strategic targets, which are presented in the section Financial targets and outcome in 2025 in the Board of Directors' report.

In December 2024, Wärtsilä announced that it had agreed to divest its Automation, Navigation and Control System (ANCS) business to the Swedish investment company Solix Group AB. The transaction was completed on 1 July 2025.

In July 2025, Wärtsilä announced that it had agreed to divest its Marine Electrical Systems business to Vinci Energies. The transaction was completed on 31 October 2025.

In December 2025, Wärtsilä announced that it had agreed to divest its Gas Solutions business to Mutares SE & Co. KGaA. Subject to approvals, the transaction is expected to be completed in the second quarter of 2026.

Related party transactions

Loans for Group companies are current and unsecured, interest rates are at arm's length. Further information is presented in Notes to the parent company financial statements, Note 18. Related party loans and other commitments.

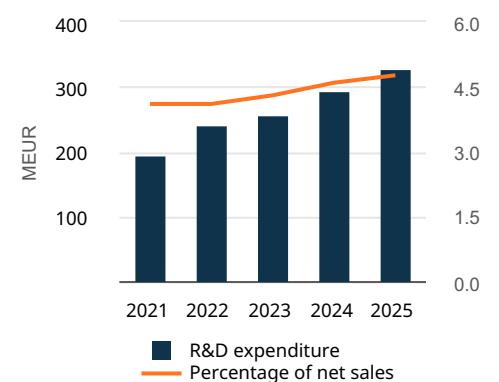
Personnel

Wärtsilä had 17,879 (18,338) employees at the end of the year. On average, in 2025 the number of personnel totalled 18,295 (18,110).

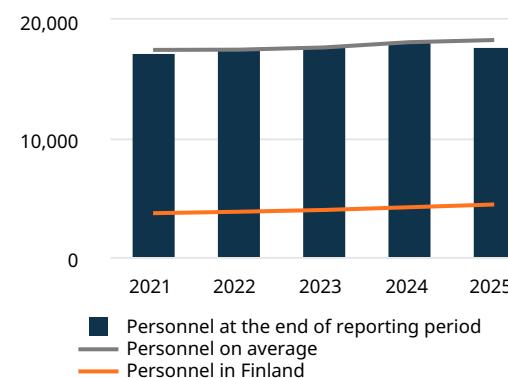
Of Wärtsilä's total number of employees, 25% (23) were located in Finland and 33% (36) elsewhere in Europe. Personnel employed in Asia represented 21% (21) of the total, personnel in the Americas 14% (14), and personnel in other countries 6% (5).

In conjunction with outcome of the strategic review concluded in March 2025, Tamara de Gruyter assumed leadership of Energy Storage as President of Energy Storage and EVP as of 1 April 2025. She continues as a member of Wärtsilä's Board of Management and reports to Wärtsilä's President & CEO, Håkan Agnevall. Following this, Tamara de Gruyter left her role as President of Portfolio Business and EVP. Bernd Bertram, who was leading the business unit Propulsion in Wärtsilä Marine, took over leadership of Portfolio Business as of 1 April 2025 in parallel with his other business unit leadership role. In his role as Head of Portfolio Business, Bernd Bertram reports to Wärtsilä's President & CEO, Håkan Agnevall but is not a member of Wärtsilä's Board of Management. Anders Lindberg continues in his role as President of Energy and EVP.

In September, Wärtsilä announced that Mr Kari Hietanen, Executive Vice President, Public Affairs and Sustainability, has informed the company of his intention to retire in the spring of 2026. As of 1 January 2026, Public Affairs and Sustainability responsibilities were transferred to Executive Vice President, Legal and Compliance Nora Steiner-Forsberg; Cyber Security responsibilities to Executive Vice President and Chief Financial Officer Arjen Berends; and Safety and Corporate Security responsibilities to Executive Vice President, Human Resources Teija Sarajärvi.

Research and development expenditure

* Figure in the comparison period 2021 has been restated to reflect a change in the definition of research and development expenditure.

Personnel**Reporting segments****Wärtsilä Marine**

Order intake increased by 8% to EUR 3,926 million (3,637). Service order intake decreased by 3% to EUR 2,242 million (2,307), supported by higher activity in agreements, but negatively impacted by a decrease in the number of retrofits and upgrades. Service order intake increased primarily in the merchant and special vessels segments, while it decreased in the navy, ferry and gas carrier segments. Equipment order intake increased by 27% to EUR 1,684 million (1,329), driven by the ferry and navy segments.

The order book at the end of the year increased by 9% to EUR 3,725 million (3,409). Equipment delivery times increased, which has impact on revenue recognition going forward. Conversion times from order intake to net sales have increased driven by longer yard backlogs. Marine's current order book for 2026 deliveries is EUR 2,341 million (2,227).

Net sales increased by 14% to EUR 3,494 million (3,053). Service net sales increased by 8% to EUR 2,222 million (2,050), driven by the merchant and ferry segments. Equipment net sales increased by 27% to EUR 1,272 million (1,002), supported by the merchant, ferry and special vessels segment deliveries.

The comparable operating result amounted to EUR 443 million (360) or 12.7% of net sales (11.8). The result was supported by higher service and equipment volumes providing better operating leverage. Conversely, the result was negatively impacted by the increased R&D cost needed to support the development of decarbonisation technology. The comparable operating margin improved, despite a less favourable mix impact between equipment and service. Items affecting comparability totalled EUR 6 million (4) and were mainly related to the restructuring of engine manufacturing in Europe.

Wärtsilä Energy

Order intake increased by 31% to EUR 2,940 million (2,238). Service order intake increased by 4% to EUR 1,311 million (1,255), supported by higher activity in agreements and field service, while it was negatively impacted by a decrease in retrofit and upgrades. Equipment order intake increased by 66% to EUR 1,629 million (983), driven primarily by the particularly high closing activity of projects during the second quarter of 2025.

The order book at the end of the year increased by 31% to EUR 3,009 million (2,296). Equipment delivery times increased towards the end of the year, which has impact on revenue recognition going forward. Energy's current order book for 2026 deliveries is EUR 1,619 million (1,434).

Net sales increased by 8% to EUR 2,048 million (1,897). Service net sales increased by 3% to EUR 1,188 million (1,158), supported primarily by higher activity in spare parts and field service. Equipment net sales increased by 16% to EUR 860 million (738).

The comparable operating result amounted to EUR 315 million (269) or 15.4% of net sales (14.2). The result was supported by higher equipment and service volumes. Conversely, the result was negatively impacted by the increased R&D cost needed to support the development of decarbonisation technology. The comparable operating margin increased despite a less favourable mix between equipment and services.

Wärtsilä Energy Storage

Order intake decreased by 60% to EUR 455 million (1,128). Service order intake decreased by 20% to EUR 28 million (36). Equipment order intake decreased by 61% to EUR 427 million (1,093). The US market continues to face headwinds from tariffs on China and other nations, as well as from regulatory changes particularly related to FEOC (Foreign Entity of Concern).

The order book at the end of the year decreased by 36% to EUR 719 million (1,117). Energy Storage's current order book for 2026 deliveries is EUR 426 million (707).

Net sales decreased by 13% to EUR 694 million (794). Service net sales increased by 52% to EUR 23 million (15), supported by the growing installed base and long-term service agreements signed with customers. Equipment net sales decreased by 14% to EUR 672 million (779) due to the timing of project delivery milestones.

The comparable operating result amounted to EUR 24 million (33) or 3.4% of net sales (4.2). The result and margin were positively impacted by solid project execution, as well as higher service volumes. Conversely, the result was negatively impacted by lower equipment volumes, higher R&D costs, and the increased headcount to support new markets, customers and products.

Other business activities**Wärtsilä Portfolio Business**

Wärtsilä Portfolio Business consists of business units which are run independently with the aim of accelerating performance improvement and unlocking value through divestments or other strategic alternatives. At the end of 2025 Portfolio Business includes Gas Solutions, and Water & Waste.

In December 2024, Wärtsilä announced that it had agreed to divest its Automation, Navigation and Control System (ANCS) business to the Swedish investment company Solix Group AB. The transaction was completed on 1 July 2025. Annual revenue of the business was EUR 127 million in 2025 until disposed (227).

On 17 July 2025, Wärtsilä announced that it had agreed to divest its Marine Electrical Systems business to Vinci Energies. The transaction was completed on 31 October 2025. Annual revenue of the business was EUR 92 million in 2025 until disposed (105).

On 22 December 2025, Wärtsilä announced that it had agreed to divest its Gas Solutions business to Mutares SE & Co. KGaA. Subject to approvals, the transaction is expected to be completed in the second quarter of 2026. Annual revenue of the business was EUR 394 million in 2025 (301).

Order intake decreased by 27% to EUR 781 million (1,069), mainly due to a decline in the Marine Electrical Systems business unit as well as the divestment of the Automation, Navigation and Control Systems (ANCS) business unit. Services order intake decreased by 26% to EUR 158 million (214), while equipment order intake decreased by 27% to EUR 622 million (855). The order book at the end of the year decreased by 48% to EUR 796 million (1,544) following the divestments of business units.

Net sales decreased by 4% to EUR 677 million (706). There was good development in the Gas Solutions business unit, but a decline in the ANCS business unit. Services net sales decreased by 28% to EUR 142 million (198), while equipment net sales increased by 5% to EUR 535 million (508).

The comparable operating result amounted to EUR 47 million (32) or 6.9% of net sales (4.5). The increase was supported by good development in the Gas Solutions business unit but also negatively impacted by the divestment of the ANCS business unit. Items affecting comparability totalled EUR -1 million (20), related mainly to the divestment of the ANCS business unit and Marine Electrical Systems and the asset held for sale categorisation of the Gas Solutions business unit.

Risks and business uncertainties

The prolonged and elevated geopolitical tensions, and uncertainty over trade policies exacerbated by the US policy announcements, combined with announced and potential further countermeasures, have clearly increased risks related to further global fragmentation and uncertainty to the macroeconomic outlook. Business

operations globally are being impacted by continued inflationary pressure, changing trade flows and volumes, tighter monetary policies, concerns over the health of the Chinese economy, rising protectionism, the sanctions in place and planned against Russia and various other nations, and rising international trade tensions. Together, these factors are contributing to uncertainty that may limit global economic growth. Further escalation of any of the forementioned factors could result in increased uncertainty over future demand for the equipment and services provided by Wärtsilä. Furthermore, the volatility of the geopolitical environment, and the enforcement of sanctions or embargos, pose a risk to the company's customer relations and international business activities. With the rapidly growing use of data in shipping and shipbuilding, as well as in the energy markets, cyber threats can potentially result in various forms of financial, operational, or reputational damage to the business. Changes in the regulatory environment, financiers' policies, or market sentiment could negatively impact the availability and cost of financing for Wärtsilä and Wärtsilä's customers, which could result in a lower demand for Wärtsilä's solutions.

The shipping and shipbuilding markets are under increasing pressure to reduce carbon emissions because of regional regulations, such as the EU's Fit for 55, and the revised greenhouse gas strategy from the International Maritime Organisation, green financing, and the individual sustainability goals of end-customers. This, coupled with shifting trade flows resulting from increased geopolitical tensions and disruptions at key waterways, may lead to increased costs for shipowners and operators that cannot be fully passed on to end customers.

The elevated geopolitical tensions, including emerging national interests in revitalising shipbuilding activity and ensuring security of supply, disruptions at key waterways, and the uncertainty over barriers to global trade, may have a negative impact on global economic activity and growth. This could result in reduced demand for ship

capacity, shifts in the global shipbuilding footprint and shipping trade flows, and higher inflationary pressure.

Other geopolitical tensions that could impact shipping include the announced measures by US Trade Representative to address China's maritime, logistics and shipbuilding dominance, China's countermeasures including port fees on US-linked ships and sanctions on entities considered to be supporting the US measures, disruptions at key waterways, and the uncertainty over barriers to global trade, may have a negative impact on global economic activity and growth. This could result in reduced demand for ship capacity, shifts in the global shipbuilding footprint and shipping trade flows, and higher inflationary pressure.

The constraints on shipyard capacity, the development and deployment of sustainable future technologies and fuels, the need to find the optimal pace and timing of investments based on financial feasibility, and compliance with emission regulations may affect the investment appetite of ship owners and operators. This concerns both newbuilding programmes and the management of existing fleets, and may pose a risk of the global shipping fleet not reaching targeted emission reduction levels. A lack of clarity at the global level around decarbonisation-related regulations and financial incentives may lead to an increase in regional regulations that could add complexity and costs for shipping.

Sufficient global availability of sustainable future fuels will be crucial for shipping to reach its decarbonisation targets. Without a secured supply and clear incentives to drive the uptake of sustainable fuels, ship owners and operators may postpone investments in the uptake of technology capable of using these fuels. This may lead to a slower increase in the production of these fuels, and ultimately slow the decarbonisation of shipping. Ship owners and operators, as well as shipyards, may face risks to their business profitability due to the limited ability or desire of people to travel, a lower demand for goods and

services because of persistent high inflation, higher barriers to global trade or economic slowdown, as well as higher voyage, operating, and financing costs. Highly indebted ship owners, operators or shipyards may not withstand the potential risk of slower than expected growth in demand, higher financing costs, or a lowered credit rating.

Uncertainty around the longer-term demand for crude oil, oil price volatility, and the pressure to decarbonise are pushing oil majors to re-evaluate their spending on exploration activities and operational costs. This may lead to lower future demand for offshore drilling or support assets, as well as having an impact on the related tanker ship fleet. It may also hinder newbuild investments, due to concerns regarding residual asset values.

The overarching trend in the energy markets is the transition to renewable energy sources, such as wind and solar. The pace of this shift is the principal driver in the growth of battery energy storage and thermal balancing technologies. New technology innovations, as well as the price and availability of fuels and raw materials, affect Wärtsilä's business. High and volatile gas prices directly impact the relative competitiveness of the portfolio against other generating technologies, especially in thermal baseload plants. Similarly, policies related to the energy and electricity markets have direct and indirect impacts on future energy capacity and the generation mix. For example, energy and climate policies may speed or delay the energy transition. Recent years have highlighted the impact of geopolitical tensions on energy market policy and investment decisions. Concentrated supply chains in some countries, and the tight competitive situation impose direct risks on Energy and Energy Storage. Energy commodities and supply chains have lately been at the heart of trade policies, presenting risks for all energy technologies. While the scale and scope of potential tariffs related to current US trade policy remain uncertain, they may impact Wärtsilä's Energy and Energy Storage businesses, particularly in the US. In Energy

Storage, headwinds in the US market are increasing competition in other markets, which may hamper growth and profitability. Competition between and among energy technologies presents price pressure. Uncertainty related to any of the aforementioned factors tends to delay investment decisions. General news coverage relating to safety issues may affect customer perceptions of product safety, which could have a negative impact on Wärtsilä's business.

The Group is a defendant in a number of legal cases that have arisen out of, or are incidental to, the ordinary course of its business. These lawsuits mainly concern issues such as contractual and other liability, labour relations, property damage, and regulatory matters. From time to time, the Group receives claims of different amounts and with varying degrees of substantiation. There is currently one unusually sizeable claim. It is the Group's policy to provide for amounts related to the claims as well as for litigation and arbitration matters when an unfavourable outcome is probable, and the amount of loss can be reasonably estimated.

The Risks and Risk Management section of the annual report contains a more detailed description of Wärtsilä's risks and risk management.

Shares and shareholders

In 2025, the number of shares traded on Nasdaq Helsinki was 228,809,600, equivalent to a turnover of EUR 4,853 million. Wärtsilä's shares are also traded on alternative exchanges, including Turquoise, BATS, Chi-X and CBOE DXE. The total trading volume on these alternative exchanges amounted to 135,292,993 shares.

Flagging notifications

Under the provisions of the Finnish Securities Markets Act, shareholders of listed companies have an obligation to notify both the Finnish Financial Supervision Authority and

the listed company of changes in their holdings when crossing predefined thresholds.

During 2025, Wärtsilä received 28 notifications of change in holding pursuant to Chapter 9, section 5 of holding in Wärtsilä's shares according to which the total number of holding in Wärtsilä's shares and voting rights owned by BlackRock, Inc. and its funds directly or through financial instruments had decreased below 5 per cent or increased above 5 per cent. All flagging notifications received by Wärtsilä during 2025 can be found on Wärtsilä's website at www.wartsila.com/investors/shareholders/flaggings.

Wärtsilä shares on Nasdaq Helsinki

31.12.2025	Number of shares outstanding	Number of treasury shares	Number of shares and votes	Number of shares traded 1-12/2025
WRT1V	588,436,960	3,286,430	591,723,390	228,809,600
1.1.-31.12.2025	High	Low	Average	Close
Share price	31.34	14.07	21.19*	30.4
*Trade weighted average price				
Market capitalisation			31.12.2025	31.12.2024
MEUR			17,988	10,124
Foreign shareholders			31.12.2025	31.12.2024
%			61.6	57.7

Decisions taken by the Annual General Meeting

Wärtsilä's Annual General Meeting was held on 13 March 2025 at Messukeskus, Helsinki. The Meeting approved the financial statements for the year 2024, reviewed the Remuneration Report 2024 for Governing Bodies and the Remuneration Policy for Governing Bodies, and discharged the members of the Board of Directors and the company's President & CEO from liability for the financial year 2024.

The Annual General Meeting decided that the Board of Directors shall have eight members. The following were elected to the Board: Karen Bomba, Henrik Ehrnrooth, Morten H. Engelstoft, Karin Falk, Johan Forssell, Tom Johnstone, Tiina Tuomela, and Mika Vehviläinen.

The audit firm PricewaterhouseCoopers Oy was elected as the auditor of the Company for the year 2025 and the same firm was elected as the sustainability auditor..

The Annual General Meeting approved the proposed changes to the Articles of Association. The changes reflect the prevailing regulatory requirements for an audit firm as well as prepare for the upcoming mandatory auditor tendering process as per the requirements of the EU Audit Regulation.

Dividend distribution

The Annual General Meeting approved the Board of Directors' proposal to pay a dividend of EUR 0.44 per share, with the dividend to be paid in two instalments. The first instalment of EUR 0.22 per share was paid on 24 March 2025. The second instalment of EUR 0.22 per share was paid on 24 September 2025.

Authorisation to repurchase the company's own shares

The Board of Directors was authorised to resolve to repurchase a maximum of 57,000,000 shares in the Company. Shares may be repurchased also otherwise than in proportion to the shareholders' holding in the Company. The authorisation to repurchase the Company's own shares shall be valid until the close of the next Annual General Meeting, however no longer than for 18 months from the decision by the Annual General Meeting.

Authorisation to issue shares

The Board of Directors was authorised to resolve to issue a maximum of 57,000,000 shares in the Company. The shares can be issued for consideration or without consideration. They can also be issued in deviation from the shareholders' pre-emptive rights by way of a directed issue if there is a weighty financial reason for the Company to do so. A directed issue may be decided upon to develop the capital structure of the Company or to finance or carry out acquisitions or other arrangements. Additionally, the authorisation can also be used as part of the Company's incentive schemes for up to 10,000,000 shares, which represents 1.69% of all the shares in the Company. The authorisation for the Board of Directors to issue shares shall be valid for 18 months from the decision by the Annual General Meeting. However, the authorisation regarding incentive schemes shall be valid for five years from the decision. This authorisation revokes the authorisation given by the Annual General Meeting on 7 March 2024.

Organisation of the Board of Directors

Convening after the Annual General Meeting, the Board of Directors elected Tom Johnstone as its Chair and Mika Vehviläinen as the Deputy Chair. The Board decided to establish an Audit Committee and a People Committee. The Board appointed from among its members the following members to the committees:

Audit Committee: Chair Tiina Tuomela, Karen Bomba, Morten H. Engelstoft

People Committee: Chair Tom Johnstone, Karin Falk, Mika Vehviläinen

Wärtsilä's outlook

Marine

Wärtsilä expects the demand environment for the next 12 months (Q1/2026-Q4/2026) to be similar to that of the comparison period.

Energy

Wärtsilä expects the demand environment for the next 12 months (Q1/2026-Q4/2026) to be better than in the comparison period.

Energy Storage

Wärtsilä expects the demand environment for the next 12 months (Q1/2026-Q4/2026) to be better than in the comparison period. However, the current geopolitical uncertainty particularly impacts this business and may affect growth.

In general, Wärtsilä underlines that the current high external uncertainties make forward-looking statements challenging. Due to high geopolitical uncertainty, the changing landscape of global trade, and the lack of clarity related to tariffs, there are risks of postponements in investment decisions and of global economic activity slowing down.

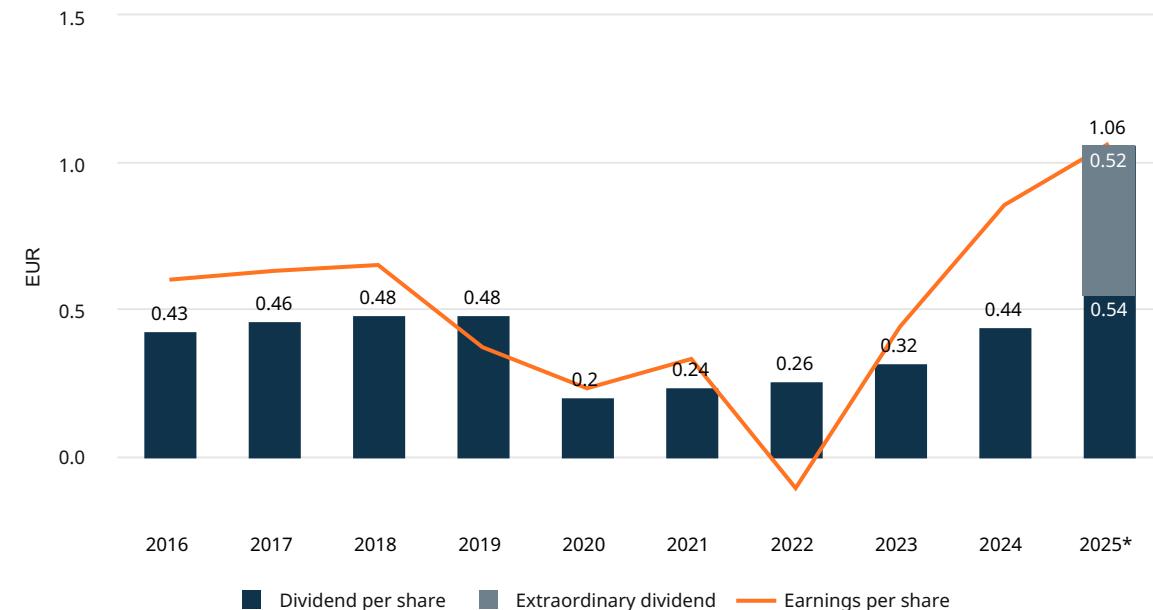
Board of Director's dividend proposal

The Board of Directors proposes to the Annual General Meeting that a base dividend of EUR 0.54 per share and an extraordinary dividend of EUR 0.52 per share, totalling EUR 1.06 per share shall be paid for the financial year 2025. The parent company's distributable funds total EUR 1,110,118,876.54, which includes EUR 132,492,704.34 in result for the year. There are 588,436,960 shares with dividend rights. The dividend shall be paid in two instalments.

The first instalment, including a base dividend of EUR 0.27 per share and an extraordinary dividend of EUR 0.52 per share, totalling EUR 0.79 per share, shall be paid to the shareholders who are registered in the list of shareholders maintained by Euroclear Finland Oy on the dividend record date of 16 March 2026. The payment day proposed by the Board for this instalment is 23 March 2026.

The second instalment of EUR 0.27 per share shall be paid to the shareholders who are registered in the list of shareholders maintained by Euroclear Finland Oy on the dividend record date of 16 September 2026. The payment date proposed by the Board for this instalment is 23 September 2026.

Dividend



*Proposal of the Board.

The free share issue approved by Wärtsilä Corp. Annual General Meeting on 2018 increased the total number of Wärtsilä shares to 591,723,390. Figures for the comparison periods 2011-2017 have been adjusted to reflect the increased number of shares.

Sustainability Statement

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1. General information

1.1. Wärtsilä's approach to sustainability

Wärtsilä is a purpose-driven organisation, with sustainability at the core of the company's purpose and strategy. Along with the company's values, principles, and sustainability objectives, they create the framework for a strong drive towards decarbonisation and responsible business practices. Wärtsilä's sustainability strategy is based on three closely interrelated pillars: economic, environmental, and social performance. With the company's strong emphasis on decarbonising the marine and energy markets, innovative and efficient solutions are playing a central role in making a positive contribution towards a low carbon future. Wärtsilä businesses focus on developing and providing solutions and services that optimise the environmental and economic performance of fleets and individual vessels, power plants, and entire energy systems. This focus is further enhanced through the use of lifecycle data, analytics, and artificial intelligence.

Wärtsilä aims at having a working culture, where ethics and compliance are central to the company's business practices. Wärtsilä's Code of Conduct e-learning programme provides information regarding the Code and its themes, as well as guidance for employees on making the right decisions in their everyday work. Employees are required to participate in the mandatory training programme every second year. The Code of Conduct covers areas such as climate change, respecting human and labour rights, preventing corruption and bribery, and competition regulation. Wärtsilä maintains an extensive training programme that is mandatory for all employees on anti-corruption principles and applicable legislation, as well as the relevant company policies and procedures. The company also has in place a competition compliance programme for managing risks relating to competition law.

1.2. Basis for preparation (BP-1, BP-2)

This Sustainability Statement ("Group Sustainability Report" as per Finnish Accounting Act (1336/1997)) has been prepared in accordance with the European Sustainability Reporting Standards (ESRS), Finnish Accounting Act chapter 7, and the EU Sustainable Finance Taxonomy disclosures. It is presented on a consolidated basis, with the scope of consolidation being the same as for the financial statements. The disclosed sustainability information is based on Wärtsilä's double materiality assessment. The assessment covers Wärtsilä's own operations and value chain, including both upstream and downstream. The process to define material impacts, risks and opportunities is outlined in section 1.7 Description of the process to identify and assess material impacts, risks and opportunities. The extent to which the policies, actions, targets, and metrics extend to the value chain, is explained in each topic-specific section.

Wärtsilä has not used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation, nor the exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU.

Time-horizon deviations: For the disclosures E1 SBM-3 and E1 IRO-1 concerning Wärtsilä's process for assessing climate risks and opportunities, the following time horizons have been applied in alignment with the Taskforce on Climate Change related Financial Disclosures (TCFD) recommendations: Short term: year 2025; Medium term: year 2030, and Long term: year 2050.

A metric including value chain data estimates is the Scope 3, category 4: GHG emissions from the upstream transportation and distribution. For purchased outbound logistics, the emissions for logistics services are calculated mainly based on the Global Logistics Emissions Council (GLEC) Framework, the global method for the calculation and reporting of logistics emissions. Furthermore, primary emissions data from transport vehicles has been collected to improve the data quality. Data coverage is 83% of the total transportation spend and extrapolation is made for the remaining share.

A quantitative metric subject to a high level of measurement uncertainty is the Scope 3, category 11: CO₂e emissions from the use of sold products. The calculation is based on the number of engines sold in the reporting year, related engine running hours, engine output and engine load multiplied with relevant emission factors. The emissions from sold engines as direct use-phase emissions were accounted for.

Wärtsilä has recalculated the GHG emissions from the Scope 3 category 11 Use of sold products for the previous reporting period due to a change in the calculation methodology. The main elements of the calculation formula for the category 11 remain unchanged from the previous reporting period, however sustainable fuel scenarios that were previously considered, are excluded in the revised figures. Long-term scenarios are changing on a regular basis and therefore, to ensure comparability of the presented figures, these scenarios are no longer reflected in the revised calculations.

Wärtsilä has decided to use the phase-in provisions, and therefore the following disclosures have been omitted from this report: E1-9, E2-6, S1-7, and S1-14 paragraph 88 (e).

1.3. Governance (ESRS 2, GOV 1-5)

The role of the administrative, management and supervisory bodies (GOV-1)

Board of Directors

Responsibility for the management of the company and the proper organisation of its operations lies with the company's Board of Directors, which is composed of five to ten members. Board members serve for one year at a time and are elected by the General Meeting. The Board elects a chair and a deputy chair from among its members. The Board steers and supervises the company's operations and decides on policies, goals, and strategies of major importance.

The members of the Board of Directors at the end of 2025 were Tom Johnstone (Chair of the Board), Mika Vehviläinen (Deputy Chair of the Board), Karen Bomba, Henrik Ehrnrooth, Morten H. Engelstof, Karin Falk, Johan Forssell, and Tiina Tuomela. There is no representation of employees or other workers in the Board of Directors. All eight Board members are non-executive and were determined to be independent of the company. Six members, i.e. 75%, were determined to be independent of significant shareholders.

For the Board of Directors to discharge its duties in the most effective manner, the Board must be highly qualified and sufficiently diverse. Members of the Board have extensive and diverse experience from, for example, the marine and energy sectors and international capital goods companies, which is relevant to Wärtsilä's strategy. When preparing its proposal for the Board's composition, the Shareholders' Nomination Board considers the educational and professional background of the individual candidates, as well as their international experience, thus enabling the composition of the

Board to represent a wide variety of competences and qualifications. The Shareholders' Nomination Board also considers the candidates' age, as having different seniority levels on the Board is considered beneficial in terms of ensuring a mutually complementary experience. With regards to gender, Wärtsilä's objective is to have a balanced representation of genders on the Board. In December 2025, Wärtsilä had three female and five male board members.

In addition, the Nomination Board reviews and adjusts the diversity principles of the Board of Directors, as necessary, and prepares successor planning of the directors.

Roles and responsibilities of the Board of Directors

The Board considers all matters stipulated to be the responsibility of a board of directors by legislation, other regulations, and the company's Articles of Association. The most important of these include approving financial statements, matters for shareholder meetings, appointing key executives, and the organisation of financial supervision.

The Board addresses strategic and significant issues such as:

- approval of long-term goals and strategies
- approving annual business plans and risk management principles
- monitoring the developments, opportunities, and threats in the external environment, as well as their impact on goals and strategy
- approval of the remuneration and pension benefits of the President & CEO
- approval of the corporate governance principles
- overseeing compliance with laws and regulatory requirements, its Code of Conduct, and other established values and ethical principles in its operations
- discussing and monitoring the research and product development plans of the company

The Board of Directors reviews the implementation and monitors progress on the sustainability strategy and sustainability targets, including major related issues, at least annually. It is responsible for the strategic management of the company and is supported in its work by the Board Committees, which are appointed annually from among its members. The Board members have access to relevant internal sustainability expertise and are provided with sustainability-related training as necessary, thereby ensuring they possess the appropriate competences to fulfil their oversight responsibilities.

Audit committee

The Board defines the duties of the Audit Committee in the charter confirmed for the Committee. The Audit Committee oversees financial and sustainability reporting processes, internal controls, audits, and risk management. The Committee reviews the description of the main features of the internal control and risk management systems pertaining to the financial and sustainability reporting processes, monitors the statutory audit, evaluates the independence of the statutory audit firm, and prepares the proposal for resolution on the election of the statutory audit firm and the sustainability auditor. The Committee receives regular updates on the progress of the sustainability reporting and assurance activities

from the Public Affairs and Sustainability function, as well as from external assurance providers. The Chair of the Audit Committee reports to the Board of Directors on the Committee's meetings and proposals.

People committee

The Board defines the duties of the People Committee in the charter confirmed for the Committee. The People Committee prepares for the Board of Directors, as necessary, matters concerning the appointment of the President & CEO, the CEO's deputy, if any, and other members of the Board of Management. The Committee prepares for the Board of Directors proposals concerning the remuneration principles, incentive schemes, and remunerations that apply to the President & CEO and the members of the Board of Management. Furthermore, the People Committee reviews the organisation's development needs and corporate culture alignment with strategy, monitors talent management processes and strategies, as well as reviewing leadership development strategies and succession plans. External consultants used by the Committee are independent of the company and management.

Diversity among the members of the Board of Directors and Board of Management

Members of the Board of Management (BoM) and Board of Directors (BoD) by gender	2025		2024	
	BoM (%)	BoD (%)	BoM (%)	BoD (%)
Female	45.0	37.5	37.5	37.5
Male	55.0	62.5	62.5	62.5

Members of the Board of Management (BoM) and Board of Directors (BoD) by age group	2025		2024	
	BoM (%)	BoD (%)	BoM (%)	BoD (%)
< 30 years	0	0	0	0
30-50	0	0	12.5	0
> 50 years	100	100	87.5	100

Board of Management

The members of the Board of Management at the end of 2025 were Håkan Agnevall (President & CEO), Arjen Berends (Executive Vice President and Chief Financial Officer), Tamara de Gruyter (President, Energy Storage Business and Executive Vice President), Kari Hietanen (Executive Vice President, Public Affairs and Sustainability), Roger Holm (President, Wärtsilä Marine and Executive Vice President), Anders Lindberg (President, Wärtsilä Energy and Executive Vice President), Teija Sarjärvä (Executive Vice President, Human Resources), Anu Sirkia (Executive Vice President, Marketing and Communications), and Nora Steiner-Forsberg (Executive Vice President, Legal and Compliance).

Members of the Board of Management are appointed by the company's Board of Directors. The Board of Management is chaired by the President & CEO, and all members are executives. There is no representation of employees or other workers on the Board of Management. The members of the Board of Management have diverse and extensive experience related to Wärtsilä's strategy, both within the company as well as in relevant industries. Several members of the Board of Management have more than 15 years of experience in Wärtsilä, providing the Board of Management with ample expertise on Wärtsilä's sector, products and geographic locations.

Roles and responsibilities of the Board of Management

The President & CEO leads day-to-day management of the company and chairs the Board of Management. The Board considers strategic issues related to the Group and its businesses, as well as investments, product policy, and the Group's structure and corporate steering systems. It also supervises the company's operations. Until the end of the reporting year, sustainability matters were overseen by the Executive Vice President, Public Affairs and Sustainability. This role included responsibility for the sustainability strategy, environmental and occupational health and safety, as well as security, including cyber security. Effective 1 January 2026, following the retirement of Wärtsilä's Executive Vice President, Public Affairs and Sustainability, these responsibilities were redistributed. Sustainability matters were transferred to the Executive Vice President, Public Affairs and Legal. Cyber security responsibilities were assigned to the Executive Vice President and Chief Financial Officer. Safety and corporate security responsibilities were transferred to the Executive Vice President, Human Resources, who also continues to oversee people-related processes.

The Board of Management is responsible for overall sustainability performance. It approves group-level sustainability policies, targets and action plans, reviews key risks and mitigation measures, and sets priorities to ensure effective risk management. It ensures that sustainability is integrated into operations and monitors progress against the targets across the Group. To manage material impacts, risks, and opportunities, the Board of Management leverages expertise from different functions and businesses. For climate, energy, and pollution topics, it relies on strategic business leads, technology departments, and global functions such as risk management, supply management, and sustainability. Occupational health and safety expertise is provided by the Health & Safety function and the businesses' QEHS organisations, while global HR supports skills and career development matters.

Risk management framework and governance

Wärtsilä's Board of Directors sets the company's risk appetite and tolerance limits, monitoring the overall risk profile through frequent reviews. The President & CEO and the Board of Management are responsible for fostering a culture of risk awareness throughout Wärtsilä, making sure risk management is integrated into all major processes with the appropriate tools and resources. The Board of Management quarterly assesses the Group's risk profile—which highlights the most significant risks and their mitigation strategies—providing guidance and setting priorities as needed to ensure that risk management measures and controls are sufficient.

Wärtsilä's businesses are tasked with adhering to their strategies and achieving their operational and financial targets. Additionally, the businesses and their management teams are responsible for implementing ongoing risk management actions to identify, manage, and address all significant risks. This responsibility extends to the business unit level and beyond within the organization. Each business quarterly presents its risk profile to the President & CEO, the Chief Financial

Officer, and the rest of the Board of Management. Significant sustainability risks are included in the enterprise risk management process.

The Corporate Risk Management function within Corporate Treasury oversees the risk reporting process, and supports the businesses and their underlying organizations in risk management. This function also leads the internal risk management peer group with business representatives to ensure proper alignment, knowledge sharing, and the continuous improvement of risk management practices. Wärtsilä's Internal Audit function regularly evaluates and verifies the effectiveness of the risk management framework and process.

Opportunity governance

Strategy is governed by the Board of Directors and Board of Management. The Board of Directors reviews strategy annually and oversees its implementation monthly. The Board of Management has overall responsibility for group strategy and execution. In addition to the Board of Management's weekly and monthly meetings, there is a specific thematic Board for strategy, as well as quarterly Business Reviews and three Functional Reviews annually to review strategy execution. The thematic Board for strategy is sponsored by the President & CEO. The business and global function management teams ensure their respective strategy execution. All the businesses have a clear profit and loss responsibility, enabling decisions to be made close to where the customer value is created.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (ESRS 2, GOV-2)

Both the Board of Management and Board of Directors consider the impacts, risks and opportunities as a part of their overall decision-making process when overseeing strategy, its decisions on major transactions, and its risk management process. In addition, risks are especially considered in detail as part of the due diligence process accompanying every significant transaction, such as mergers and acquisitions. Every major decision includes considering trade-offs associated with the impacts, risks and opportunities.

The Board of Directors reviews the implementation and monitors progress on the sustainability strategy and sustainability targets, including major related issues, at least annually. Typically, these topics are presented to the Board by the CEO or another member of the Board of Management. In 2025, key agenda items included the sustainability strategy and progress regarding the Set for 30 decarbonisation targets. In addition, the focus was on the status of the Sustainability Statement and related regulations, particularly the Omnibus regulation. Matters relating to the organisation, for example people processes and remuneration principles, and the health and safety of personnel, have also been priorities. The Audit Committee oversees the sustainability reporting process and is regularly informed on its progress and related assurance activities by the Vice President, Public Affairs and Sustainability, as well as by the assurance providers.

Within the Board of Management, sustainability issues are discussed in periodic meetings or when important matters arise. Periodic meetings include the Corporate Affairs Board, which is sponsored from the Board of Management by the Executive Vice President, Public Affairs and Sustainability, and Functional reviews. Sustainability issues for the Corporate Affairs Board meetings are prepared by the cross-functional Corporate Relations and Sustainability Committee. In 2025, the committee convened 6 times and the Corporate Affairs Board twice. In 2025, the Board of Management addressed matters related to

sustainability strategy, sustainability targets and follow-up, occupational health and safety, as well as developments in sustainability regulation.

Incentive schemes and remuneration policies linked to sustainability matters for the Board of Management (ESRS 2, GOV-3)

Board of Directors

Members of the Board are not covered by incentive programmes and do not receive performance-based remuneration, nor do they have a pension scheme arranged by Wärtsilä.

Board of Management

Long-term incentive (LTI) schemes are established and approved by the Board of Directors annually. Each incentive scheme comprises a Performance Share Plan (PSP) with a three-year performance period, designed to align the interests of participants with those of Wärtsilä's shareholders. At the end of 2025, Wärtsilä had three active long-term incentive schemes including sustainability related targets for the Board of Management, for the periods 2023-2025, 2024-2026 and 2025-2027. These incentive schemes measure Economic Value Added (EVA) and sustainability targets connected to Wärtsilä's decarbonisation strategy, namely to become carbon neutral in the company's own operations, and to have a product portfolio ready for zero carbon fuels. The product portfolio target is followed through technology readiness level reviews.

The People Committee reviews, and the Board of Directors approves, scheme realisations against the set targets before pay-out. The pay-out is made shortly following the performance period and can be made in cash and/or in shares.

The long-term incentive schemes for the periods 2023-2025, 2024-2026 and 2025-2027 are performance share plans. The participants are granted company shares if the pre-determined minimum level in the company's Economic Value Added (85% weight) and Sustainability targets linked to decarbonisation (15% weight) are reached, as well as having met the employment requirement for the period. For the 2025-2027 plan, the weighting is Economic Value Added (80% weight) and Sustainability targets (20% weight).

Due diligence mapping (ESRS 2, GOV-4)

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	Strategy, business model and value chain Incentive schemes and remuneration policies linked to sustainability matters for the Board of Management E1, E2, S1, S2 Policies
b) Engaging with affected stakeholders in all key steps of the due diligence	Interest and views of stakeholders Description of the process to identify and assess material impacts, risks and opportunities S1-2 Engagement with employees on health and safety S1-2 Wärtsilä's listening strategy
c) Identifying and assessing adverse impacts	Description of the process to identify and assess material impacts, risks and opportunities Results of double materiality assessment
d) Taking actions to address those adverse impacts	E1, E2, S1, S2 Actions S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns S2-3 Processes for providing or contributing to remedy
e) Tracking the effectiveness of these efforts and communicating	E1, E2, S1, S2 Metrics E1, S1, S2 Targets S1-4 Health and safety actions

Risk management and internal controls over sustainability reporting (ESRS 2, GOV-5)

Wärtsilä has established an internal control framework to ensure the accuracy, completeness, and timeliness of sustainability reporting. It applies across all Group entities and covers all the environmental and social data collected for the Sustainability Statement.

Internal controls over sustainability reporting are based on the identification and assessment of risks. The sustainability risk profile consists of findings from external and internal audits, as well as from detailed process descriptions of material metrics. The risk assessment related to sustainability reporting encompasses all phases of the reporting process, from preparing the reporting instructions and manuals, through data collection and calculation, to compilation of the sustainability report. The risks are identified for each process phase and are prioritised based on their impact on data quality, timeliness of data availability, and the materiality of the information. Therefore, risks that could affect the completeness and accuracy, as well as the availability, of the material information, receive the highest level of scrutiny. The Group sustainability function oversees risk identification related to sustainability reporting and the planning of internal controls to mitigate those risks. Depending on the risk type, the control activities are performed by the Sustainability

function, cascaded down to Group companies or other functions responsible for data collection. Wärtsilä is currently enhancing its internal control framework for sustainability reporting through co-development between Sustainability function and Financial control.

Wärtsilä has defined and implemented controls at process and entity level. Control activities at different levels are needed to directly mitigate risks at the respective levels. Control activities include training, instructions, automated checkpoints, access controls, periodic data reviews, and the documentation of data calculation principles. For critical risks associated with the accuracy and completeness of material information, enhanced mitigation measures are adopted. These can include, for example, cross-verification of data.

Sustainability reporting is managed by the Group sustainability function, which collects, reviews and consolidates the sustainability information from Group companies and prepares the Sustainability Statement. The sustainability function evaluates the integrity and compliance of processes for collecting and reporting sustainability data, identifies potential risks, and ensures that adequate internal controls are implemented to mitigate errors. The findings, including any issues or areas for improvement, are communicated to the respective process owners or subsidiaries through info calls, KPI reporting, or feedback discussions.

The governance model adopted to ensure the effectiveness of the internal control environment over sustainability reporting, complies with Wärtsilä's common principles. The Audit Committee of the Board of Directors oversees the financial and sustainability reporting processes and monitors the assurance of the consolidated sustainability reporting. The Audit Committee is regularly informed on the progress of the sustainability reporting, as well as on the assurance by the Public Affairs and Sustainability function and assurance providers. In addition, the Audit Committee assesses and assures the adequacy and effectiveness of Wärtsilä's internal controls and risk management. The Internal Audit function assists the Audit Committee in this work by performing regular audits of Group legal entities, businesses, and support functions in accordance with its annual plan.

Wärtsilä's senior management regularly monitors the company's overall sustainability performance. The Board of Management, in its periodic meetings, reviews the progress of the sustainability reporting, including the findings of the risk assessment and internal controls.

The Managing Directors of Group subsidiaries are responsible for ensuring that the subsidiary's operations fulfil the requirements stipulated in the Group processes, including the quality and timeliness of sustainability reporting.

1.4. Strategy, business model and value chain (SBM-1)

Wärtsilä's strategic framework, The Wärtsilä Way, is the foundation for the company's operations. It explains why the company exists and guides the way forward. Wärtsilä is dedicated to shaping the decarbonisation of marine and energy – enabling its customers in these industries to cut emissions. Succeeding in this will help to build sustainable societies that are livable, financially secure and environmentally stable. Wärtsilä drives decarbonisation through innovative solutions, collaboration and partnerships, while simultaneously embracing diversity, promoting equal opportunities, and demonstrating high ethical standards. Wärtsilä's values, Customer success, Passion and Performance, guide the company's

actions and decision-making. As anchored in these values, Wärtsilä drives sustainability, values teamwork and inclusiveness, and is committed to safety and zero injuries.

The company's value creation potential is based on two key strategic themes: Transform and Perform. Transform refers to attractive growth opportunities at the centre of the decarbonisation transformation by leveraging growth in electricity generation, balancing power, greener marine transport, and related service businesses. The Perform theme centres around a clear path for operational improvements and increased profitability, leveraging on market growth and the company's commitment to financial and sustainability targets. Wärtsilä's climate-related targets are included in the company's Set for 30 commitment: by 2030, Wärtsilä will become carbon neutral in own operations, be able to provide a product portfolio ready for zero-carbon fuels, and reduce suppliers' GHG emissions by 25%. The commitment, especially its product-related target, is central to Wärtsilä's role in enabling decarbonisation in the marine and energy sectors. By ensuring its portfolio is ready for zero-carbon fuels, Wärtsilä provides customers with advanced, fuel-flexible technologies that support compliance with evolving environmental regulations and enable a transition to sustainable energy systems.

To support sustainable fuel product development, Wärtsilä remains committed to R&D activities and continues to invest over 4% of net sales in R&D. While much of the aforementioned decarbonisation work still lies ahead, Wärtsilä already has solutions and technologies that enable 100% renewable power systems, and fuel flexibility to support decarbonisation.

Wärtsilä has three reporting segments: Marine, Energy and Energy Storage.

Wärtsilä Marine is a major actor in power supply, propulsion, and lifecycle solutions for the maritime sector. The company develops advanced technologies that enable the maritime industry's transition to sustainable fuels and a net-zero greenhouse gas emissions future. Wärtsilä offers a comprehensive portfolio of maritime solutions, including fuel-flexible engines, fuel supply and propulsion systems, electrical systems for hybrid and full electric vessels, shaft line solutions, exhaust gas treatment technologies, such as on-board carbon capture, and digital technologies, including fleet optimisation solutions. The offering also includes maintenance services supported by a global network of field services, workshops and expertise centres, spare parts logistics centres, as well as advanced digital capabilities. Wärtsilä can improve the efficiency and environmental performance of existing fleets through a broad range of retrofit packages, including energy saving devices, shore power, hybridisation, power derating, and engine upgrades. Wärtsilä Marine's decarbonisation services encompass analyses of the current fleet, focusing on environmental compliance or decarbonisation modelling based on real operational data. This approach enables an assessment of current vessel operations and identifies the solutions needed to achieve regulatory compliance.

Wärtsilä Energy aims to lead the transition towards a 100% renewable energy future. Through advanced technologies and deep power system expertise, the company supports societies and customers in accelerating their decarbonisation journeys.

In the Engine Power Plant business, Wärtsilä operates as an OEM (Original Equipment Manufacturer) and service provider. This includes the design, manufacturing, delivery, and lifecycle support of engines and power plants. Wärtsilä Energy provides fuel-flexible engine power plants and comprehensive lifecycle services that support energy installations throughout their entire operational life. Wärtsilä's power plant solutions include flexible baseload systems that ensure a

steady and reliable power supply, as well as balancing power systems that maintain grid stability during periods of low renewable energy generation. The offering also includes low-emission solutions tailored for data centers, and combined power generation and heat recovery plants that enhance overall energy efficiency. Lifecycle services for power plants range from spare parts and remote monitoring and support, to complete Operation & Maintenance (O&M) solutions and lifecycle upgrade services. In addition, Wärtsilä offers decarbonisation services that help customers optimise their power solutions through system modelling, digital platforms, and outcome-based service agreements. Wärtsilä Energy's track record includes 79 GW of delivered power plant capacity in 180 countries around the world.

Since April 2025, Wärtsilä Energy Storage has operated as an independent reporting business segment. It serves the utility-scale market with fully integrated battery energy storage systems and lifecycle services that decarbonise the grid while ensuring stability and reliability. The offering combines advanced hardware and intelligent software for the real-time optimisation of renewables, thermal assets, and storage, thereby enabling system-wide efficiency and grid support. Environmental performance is central to Wärtsilä Energy Storage's product development. Recent innovations have reduced the environmental impact of key hardware components, including a transition to lower-GWP refrigerants that support global regulatory compliance. From design and procurement to installation, commissioning, and long-term operations, Wärtsilä Energy Storage enables customers to enhance grid flexibility, accelerate the energy transition, and ensure dependable power across over 18 GWh of energy storage and 130+ sites worldwide.

Wärtsilä's business model is built on innovation, global expertise, and strategic collaboration to drive decarbonisation in the marine and energy sectors. Key inputs include advanced technologies, a skilled and diverse workforce, collaborative partnerships, and strong data and regulatory insights. To secure these inputs, Wärtsilä invests in R&D to create new technologies, supports talent development and retention, strengthens supplier relationships, and engages in strategic partnerships throughout its value chain.

Wärtsilä's revenue in 2025 was EUR 6,914 million. At the end of 2025, Wärtsilä had 18,504 employees (reported as headcounts).

MEUR	Revenue by business	
	2025	2024
Marine	3,494	3,053
Energy	2,048	1,897
Energy storage	694	794
Portfolio business	677	706
Total	6,914	6,449

Market area	Headcount of employees	
	2025	2024
Global	18,504	18,913
Europe	11,102	11,532
Asia	3,928	4,006
Americas	2,528	2,514
Other	946	861

① Accounting principles for employees

Data on Wärtsilä employees is reported as headcount at the end of the reporting period and is mainly derived from the global Employee Central Success Factors. Less than 1% of employees, the amount varying between indicators, lack having all their employment details in the global HR databases. No measurements of the metrics are validated by an external body other than the assurance provider.

Value chain

Own operations

Wärtsilä's own operations span the key phases of research and development, manufacturing, project execution, and maintenance and overhaul. Research and development efforts focus on advancing decarbonisation, fuel flexibility, and digital technologies, and are supported by collaboration with industry stakeholders. The manufacturing and assembly model is asset-light with the emphasis on power and propulsion systems, digital solutions, and energy storage technologies. Project execution covers deliveries across newbuilds, conversions, and upgrades in both the marine and energy sectors. Maintenance and overhaul services provide lifecycle support through field operations, operations & maintenance services, and digital platforms, contributing to long-term reliability and efficiency.

To support its geographically dispersed customer base, Wärtsilä's sales and service network covers 199 locations in 78 countries around the world. Wärtsilä operates primarily through its subsidiaries and strategic joint ventures.

Upstream and downstream

Wärtsilä operates in multiple value chains centred around marine and energy solutions, positioning itself as a technology provider and lifecycle partner. The upstream value chain relies on the strategic procurement of raw materials including steel products, electronics, and other specialised components, and services from an extensive supplier network of almost 24,000 active suppliers, including approximately 5,500 global direct procurement suppliers primarily located in Europe. The company secures these inputs through long-term partnerships that emphasise compliance with legal, ethical, and sustainability standards. Its upstream activities span the entire supplier ecosystem, from raw material providers to component manufacturers and technology partners. These relationships are maintained through structured long-term contracts that ensure supply security, while promoting sustainable business practices across the supply base.

The company's outputs include marine propulsion systems, energy generation solutions, and energy storage systems that deliver enhanced operational efficiency, reduced emissions, and sustainable value creation for customers, investors, and society in general. Wärtsilä serves as a solutions integrator, combining purchased components with proprietary technology and engineering services. Downstream activities comprise the delivery of solutions to end-users through multiple channels. In Marine, Wärtsilä maintains direct relationships with shipowners, shipyards, and operators of passenger, offshore, merchant, and special vessels, supported by global service networks throughout vessel lifecycles. In Energy and Energy Storage, the main customer segments are utilities, Independent Power Producers (IPP), and industrial companies generating power for energy markets, end-users, or for their own use.

Activities in fossil fuel, chemical, controversial weapons or tobacco industries

Wärtsilä is not active in the fossil fuel, chemical production, controversial weapons, or tobacco industries.

1.5. Interest and views of stakeholders (ESRS 2 SBM-2)

Active engagement with Wärtsilä's stakeholders is vital for the development of the company's business activities, as well as for exchanging information, building long-lasting relationships, and contributing to sustainable societies. Wärtsilä has a solid approach to collaboration and innovation together with partners and stakeholders. Ecosystems, consisting of Wärtsilä representatives, customers, partner companies, organisations and academia, play an important role in research, development, innovation and piloting products and solutions.

Stakeholder interaction is carried out at different organisational levels. At the corporate level, Wärtsilä's most important stakeholders are customers, personnel, investors and financiers, suppliers, media, and local societies. Wärtsilä subsidiaries define their own primary stakeholders. In addition to those mentioned above, these typically include residents close to production plants, educational institutes, and public authorities.

The table below summarises the engagement with key stakeholders, including the main topics and channels of engagement and a description of how the outcomes are used at Wärtsilä. Stakeholders' interest and views provide important input to Wärtsilä's strategy and business model development. For example, insights gathered from employees through various means, including surveys, dedicated committees and the WeCare reporting system, support strategic decisions related to working conditions, occupational health and safety, and overall employee wellbeing. Similarly, supplier assessments help identify development needs and enable targeted support, including initiatives focused on improving health and safety practices within the suppliers' businesses.

In addition, stakeholder feedback is incorporated into the process of assessing the company's material impacts, risks and opportunities. Beyond identifying material sustainability matters, the double materiality assessment also serves as the foundation for setting corporate-level targets and related action plans, where deemed necessary.

Wärtsilä's Board of Management and Board of Directors are informed regarding the interest and views of affected stakeholders concerning environmental and social impacts through various channels. Typically, the Board of Directors receives information on all relevant topics primarily from the Board of Management which, in turn, is informed of material matters by the respective functions and business management teams.

Stakeholder	Key topics	Engagement channels	How outcomes are used at Wärtsilä
Customers	<ul style="list-style-type: none"> Supporting customers in decarbonising operations through reliable and efficient solutions, aligned with regulatory developments and customer needs Ensuring performance guarantees and operational excellence across offerings Providing customer support throughout the lifecycle 	<ul style="list-style-type: none"> Regular meetings between Wärtsilä representatives and customers to exchange insights and feedback Collaboration through joint projects, ecosystems, and co-development initiatives Participation in workshops, events, seminars, and exhibitions to foster dialogue Dedicated communications tailored to customer segments and needs Collection and analysis of customer feedback to guide continuous improvement 	<ul style="list-style-type: none"> Guiding product and service development and ensuring solutions meet evolving operational and environmental requirements Supporting innovation and co-creation of sustainable technologies Informing strategic planning, lifecycle support models, and performance guarantees to strengthen customer value
Employees	<ul style="list-style-type: none"> Ensuring a safe and healthy workplace environment for all employees Supporting professional growth, providing fair and equal opportunities and building an inclusive culture Building impactful leadership that drives strategy and empowers teams Offering competitive compensation and benefits to attract and retain talent Promoting responsible business conduct and ethical practices 	<ul style="list-style-type: none"> Continuous dialogue between employees and their line managers through daily interaction and regular performance and development dialogue to perform and develop The MyVoice employee engagement survey and pulse surveys to measure engagement and gather insights Collaboration with national statutory employee bodies and the European Works Council Local health and safety committees to address workplace wellbeing OHS reporting through the WeCare system 	<ul style="list-style-type: none"> Information gathered is used as input for the People Strategy as well as in making strategic decisions related to the working conditions, health and safety, and wellbeing of employees Insights from the WeCare system, OHS committees, and employee surveys are analysed and used to identify risks, implement corrective actions, and shape strategic programmes, such as Success Through Safety
Investors and financiers	<ul style="list-style-type: none"> Communicating Wärtsilä's strategy and its implementation, including long-term value creation and profitability Sharing performance and expectations related to environmental and social topics Providing reliable and timely sustainability data to support transparency and stakeholder decision-making 	<ul style="list-style-type: none"> Regular dialogue with investors through roadshows, one-on-one, group meetings, and theme events The Annual General Meeting and Capital Markets Day as key engagement events Participation in global and local investor conferences and seminars Stock exchange releases and trade press communications Financial and sustainability reporting through periodic reports, webcasts, and online channels Engagement through ESG ratings, indices, and sustainability assessments 	<ul style="list-style-type: none"> Developing strategy and sustainability initiatives in response to evolving expectations Developing reporting practices that support informed decision-making by providing accurate, sufficient, and current data on Wärtsilä's business strategy, market developments, and financial performance

Stakeholder	Key topics	Engagement channels	How outcomes are used at Wärtsilä
Suppliers and value chain workers	<ul style="list-style-type: none"> Identifying business opportunities and supporting long-term profitability Promoting fair and responsible business practices throughout the supply chain Ensuring health and safety 	<ul style="list-style-type: none"> Regular dialogue with suppliers on performance and expectations Supplier Days to engage with suppliers Providing support to suppliers on the implementation of improvement actions Site visits to strengthen collaboration and monitor compliance 	<ul style="list-style-type: none"> Enabling stronger integration of strategic suppliers into Wärtsilä's value chain to support long-term collaboration and performance Building a deeper understanding of supplier capabilities, capacity limitations, and potential risks to inform sourcing and operational decisions Providing targeted support and development opportunities to suppliers
Media	<ul style="list-style-type: none"> Communicating Wärtsilä's purpose, strategy and progress towards strategic goals Promoting sustainability initiatives 	<ul style="list-style-type: none"> Management and expert interviews to share insights Participation in exhibitions, webinars and conferences to engage with trade press representatives Site, factory, and reference visits to demonstrate operational practices and innovations Annual and interim reports and posts to social media to share updates Industry insights and fact-based reporting to drive thought leadership, information sharing, transparency, and credibility 	<ul style="list-style-type: none"> Understanding and responding to public perception Clarifying misunderstandings or negative viewpoints Considering public sentiment in strategic and business model development Strengthening communication on sustainability and strategic goals
Local communities	<ul style="list-style-type: none"> Creating employment and supporting local development Providing training and education to employees Promoting responsible business conduct and environmental sustainability 	<ul style="list-style-type: none"> Local communication and dialogue with community stakeholders Collaboration with public officials on issues such as the environment as well as occupational health and safety Contribution to local initiatives and open-door days to foster transparency 	<ul style="list-style-type: none"> Gaining insight into how Wärtsilä's activities are perceived locally to strengthen trust and social license to operate Supporting alignment with environmental expectations and regulatory requirements through dialogue with public officials

1.6. Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3; E1 SBM-3; E2 IRO-1; S2 SBM-3)

Wärtsilä's material sustainability matters are related to greenhouse gas (GHG) emissions, energy consumption, air pollution, substances of concern, occupational health and safety, and skills and career development. These sustainability matters are covered in the following topical ESRS Standards: ESRS E1 Climate change, ESRS E2 Pollution, ESRS S1 Own workforce and ESRS S2 Workers in the value chain.

Wärtsilä conducted its first double materiality assessment (DMA) in 2023. The assessment results were validated in 2024 to support the sustainability disclosures for the 2025 reporting year. Following the validation process, Wärtsilä confirmed that no changes were required to the original assessment outcomes. A DMA is valid for three years unless there are significant changes in either the company's structure, strategy, or its risk and opportunity profile. The DMA results are validated annually, during the second half of the previous reporting year.

The impacts, risks and opportunities included in this statement are covered by the ESRS Disclosure Requirements, and thus Wärtsilä has not created any entity-specific disclosures.

Material impacts, risks and opportunities in Wärtsilä's value chain

ESRS topic	ESRS Sub-(sub)-topic	Description of impact, risk or opportunity	Location in value chain	Expected time-horizon
E1 Climate change	Climate change mitigation	Opportunity The tightening GHG emission regulations create opportunities for Wärtsilä to provide marine and energy industry customers with decarbonisation solutions. These include enabling power generation with sustainable fuels and energy storage technologies.	Own operations	Long-term
		Actual negative impact Upstream GHG emissions originate from the extraction, processing, and production of raw materials and components used in Wärtsilä's technologies. The most significant emissions occur downstream, during the operational phase, when Wärtsilä engines consume fuel and emit GHGs in vessels and power plants.	Upstream Downstream	Short-term Medium-term Long-term
	Energy	Actual negative impact Wärtsilä's engines rely on fuel combustion to generate energy while operating in vessels and power plants. This fuel consumption is the primary source of downstream greenhouse gas emissions.	Downstream	Short-term Medium-term Long-term
E2 Pollution	Pollution to air	Actual negative impact The use of Wärtsilä's products in customer vessels and power plants generates pollutant emissions to air, including nitrogen oxides, sulphur oxides, total hydrocarbons, particulates and VOC.	Downstream	Short-term Medium-term Long-term
	Substances of concern	Risk The proposed EU/EEA restriction on PFAS poses a potential risk to Wärtsilä, as PFAS-containing fluoropolymer materials are critical to ensuring the safety and reliability of its products. A ban without exemptions or transitional measures could significantly impact Wärtsilä's ability to manufacture and eventually sell key products.	Own operations	Medium-term Long-term
S1 Own workforce	Health and safety	Actual negative impact Wärtsilä operates in industries where the nature of production, maintenance, and installation work exposes employees—particularly those in production facilities, workshops, shipyards, and customer sites—to occupational health and safety risks. Insufficient health and safety measures could negatively impact the physical wellbeing of Wärtsilä employees', as well as their work ability.	Own operations	Short-term Medium-term Long-term
		Actual positive impact Wärtsilä aims at strengthening the continuous learning mindset of employees and enabling fair and non-discriminating opportunities to encourage professional growth, and to recruit and retain talent in the company.	Own operations	Short-term Medium-term Long-term
S2 Workers in the value chain	Health and safety	Actual negative impact Workers involved in early-stage upstream supply chain operations may face hazardous working conditions in the suppliers' own premises. Contracted workers delivering services to Wärtsilä, whether at Wärtsilä's own sites or customer locations such as shipyards or power plants, are exposed to occupational health and safety risks. Deficiencies in supplier and contractor health and safety practices, or insufficient oversight and management, could negatively impact the value chain workers' physical wellbeing, as well as their work ability.	Upstream	Short-term Medium-term Long-term

Climate change

Looking at Wärtsilä's most material impacts on the environment, climate change related greenhouse gas (GHG) emissions emerge as the most critical area, along with the closely related topic of energy consumption. The emissions originate from both upstream and downstream supply chain activities associated with Wärtsilä's products. Upstream emissions are linked to the extraction and processing of raw materials and the production of components and products needed in Wärtsilä's technologies. However, the most substantial impact occurs downstream, during the operational use of Wärtsilä's engines. The impacts are mainly due to Wärtsilä engines consuming fuels and emitting GHG when in use, either in a vessel or a power plant. Lifecycle assessments conducted on Wärtsilä engines across various vessel and power plant installations consistently show that over 99% of their lifecycle GHG emissions, when running on fossil fuels, occur during the operational phase of their long lifetimes, which typically span 25 to 30 years. Both upstream and downstream GHG emissions were considered notable in global context. Wärtsilä's own operations also create GHG emissions, but they are significantly smaller in scale compared to those of its supply chain. Information on Wärtsilä's current impact on climate change through GHG emissions, can be found in chapter 2.2.6 GHG emissions data (E1-6).

Wärtsilä offers a range of decarbonisation solutions that positively impact the overall GHG emissions of its customers. These include biogas solutions, digital voyage optimisation, decarbonisation services, as well as battery energy storage and system optimisation solutions. For decades, the company has also been developing the energy efficiency of its products. The convertibility of Wärtsilä's engines and auxiliary systems to run on multiple zero-carbon fuels in the future enables customers to plan their transition to cleaner energy sources, thus helping to mitigate the risk of stranded assets.

While climate-related risks did not exceed the materiality threshold in the double materiality assessment, Wärtsilä has carried out a resilience analysis in line with the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD) covering its full value chain. The analysis included two climate scenarios, a "Very low Greenhouse Gas (GHG) emissions scenario", which starts from the assumption that the global average temperature will be limited to 1.5°C above preindustrial levels by 2100, and a "Very high GHG emissions" scenario, which assumed that global GHG emissions will continue increasing at the current rate, leading to a minimum 4°C increase in global average temperatures by 2100, compared to pre-industrial levels. The time horizons considered in the analysis were short: year 2025, medium: year 2030, and long: year 2050.

The primary transition risks identified relate to legislation - specifically, tightening GHG emission regulations and potential fossil fuel bans. Additional risks include competitors advancing similar or disruptive technologies more rapidly or effectively than Wärtsilä. A third area of concern is the cost and availability of raw materials, driven by the global green transition and climate-related policies, such as the EU Carbon Border Adjustment Mechanism (CBAM). In addition, Wärtsilä has identified two physical climate risks affecting its facilities and employees: rising global average temperatures, and the increasing frequency and intensity of heatwaves and flooding due to extreme precipitation events. However, altogether they do not create a major financial risk to Wärtsilä. The resilience analysis is described more in detail in section 1.8 Resilience analysis.

Climate change, on the other hand, is seen as creating material opportunities for Wärtsilä through its strategy's main pillar of decarbonising the marine and energy industries. While transitional regulatory risks clearly exist, the continuously tightening GHG emission regulations create significant opportunities for Wärtsilä already today in providing customers with decarbonisation solutions on a wide front, and Wärtsilä sees this at the core of its strategy also going forward. Although the

impacts of GHG emissions continue to build, there is uncertainty related to the speed of regulatory developments in the future, especially within the longer time horizon, which will have an effect on both the risks and opportunities in this area.

Overall, at the moment, Wärtsilä estimates that both the risks and opportunities will, in general, increase in the short to medium time horizon, and further to the long time horizon. The company also sees attracting and retaining talented employees due to its climate change mitigating profile and brand image, as an opportunity.

Wärtsilä's business model has remained largely similar for some years, and the company's strategic response to both transition risks and opportunities related to climate change is similar: its extensive R&D investments in developing low emission technologies both prepares Wärtsilä for the tightening GHG emission regulations, and gives the company a competitive advantage. The rigorous R&D activities will continue generating substantial costs for Wärtsilä, but at the same time, will improve its future business potential.

Substances of concern

Substances of concern and substances of very high concern have been assessed as a material impact related to Wärtsilä's business activities. Substances of concern can cause adverse effects on humans or the environment throughout their lifecycle: during extraction, production, use, and disposal. There are thousands of these substances identified to be harmful to different degrees and some of these substances of concern are present in Wärtsilä products. The main impact occurs downstream, at the end-of-life stage, where improper dismantling or waste treatment may lead to health risks for workers and environmental contamination. Wärtsilä eliminates and restricts certain substances of concern in its products to comply with EU REACH and international regulations, such as those set by the International Maritime Organisation (IMO). The company also provides its customers with information on the substances of very high concern in its products. The negative impacts caused by these substances are greater in the company's supply chain than in Wärtsilä's own operations. Wärtsilä's policies to restrict substances of concern in Wärtsilä products are valid also to Wärtsilä's suppliers.

Of all the topics assessed in the double materiality assessment, substances of very high concern is the only one seen as creating a material financial risk for Wärtsilä. The risk arises from the proposal to restrict per- and polyfluoroalkyl substances (PFAS) in the EU/EEA. An initial open consultation on the restriction dossier was completed in September 2023, and the European Chemicals Agency's (ECHA) scientific committees are now conducting a risk assessment and socio-economic analysis. Wärtsilä has participated in the consultation process and explained that the PFAS-containing fluoropolymer materials are present in Wärtsilä's components to guarantee the safety and reliability of the products. PFAS materials are essential in eliminating leakages of flammable or toxic fuels, preventing fires in electrical systems, securing energy generation in critical applications, and ensuring the manoeuvrability of marine vessels. Failures in these critical components could lead to severe consequences, impacting human lives and the environment. In many Wärtsilä applications, there are no alternative materials available that can fulfil the stringent safety and reliability requirements. PFAS containing fluoropolymer materials are also needed in developing technologies that enable reaching EU and global decarbonisation goals. Wärtsilä has requested exemptions and the maximum derogation time for fluoropolymers and perfluoropolyethers in Wärtsilä applications.

In the unlikely event that the PFAS included in Wärtsilä's products would be banned without any exemptions or time-limited derogations, this would create a very significant risk to Wärtsilä. This would prohibit many of the company's core products from being manufactured or sold eventually. In the short term, the risks related to substances of concern is deemed low but will increase greatly in the medium and long-time horizons. In preparation for this risk, Wärtsilä will search for alternative materials and products to replace the ones containing substances of concern.

Pollution of air

Air pollution has been identified as having a material impact related to Wärtsilä's business activities. The use of Wärtsilä's products in customer vessels and power plants generates pollutant emissions to the air, including nitrogen oxides (NOx), sulphur oxides (SOx), total hydrocarbons (THC), particulates (PM) and volatile organic compounds (VOCs). Lifecycle assessments show that while emissions do occur throughout the supply chain and within Wärtsilä's own operations, the majority of air pollution originates downstream during customer use. Taking this into account, Wärtsilä did not use external consultations, nor conduct site-specific assessments for pollution, while it should be noted that all Wärtsilä production sites and workshops follow local regulations and environmental permits in their operations. Through developing more efficient products, as well as emission reduction technologies, the impacts are expected to reduce over the short to long time horizons.

Occupational health and safety

Occupational health and safety (OHS) has been identified as having a material impact for Wärtsilä. Although the OHS impact assessment for Wärtsilä's own operations scored slightly below the materiality threshold in the DMA, Wärtsilä considers OHS material in this statement because it has reported on the topic for many years and regards it to be highly important.

The company's operations span industries where production, maintenance, and installation work inherently involve exposure to health and safety risks. These risks affect both Wärtsilä's own employees and workers across its value chain.

Wärtsilä's own employees, particularly those engaged in manual and technical work at production facilities, workshops, shipyards, and customer sites, are exposed to occupational hazards. Insufficient health and safety measures could negatively impact the physical wellbeing of Wärtsilä employees, as well as their work ability. These impacts are addressed through Wärtsilä's strategic framework, The Wärtsilä Way, which embeds safety as a core commitment and a prerequisite for sustainable performance. Wärtsilä is committed to zero injuries and promotes a proactive safety culture aligned with its values of Customer Success, Passion, and Performance. Wärtsilä continuously develops and implements preventive measures, training programmes, and safety protocols to mitigate risks.

Wärtsilä's supply chain comprises approximately 24,000 active supplier accounts, encompassing a wide range of activities, from raw material extraction and processing, to component manufacturing and logistics. Workers in these upstream operations may face hazardous conditions, particularly in environments with inadequate safety management systems.

Additionally, contracted workers delivering services to Wärtsilä, whether at Wärtsilä's own sites or customer locations such as shipyards, power plants, and energy storage facilities, are exposed to similar occupational risks. Wärtsilä applies its health and safety standards to all workers under its operational control, including contractors. However, in cases where

Wärtsilä does not control the working environment, its ability to influence safety conditions is more limited. Nonetheless, Wärtsilä sets clear expectations for contractors and partners to adhere to its safety protocols and ethical standards.

The company acknowledges that it has not yet developed a granular understanding of specific worker groups most at risk within the supply chain. However, it assumes that manual labourers in upstream operations are particularly vulnerable. Wärtsilä is committed to enhancing oversight and collaboration with suppliers to improve health and safety outcomes across the value chain.

Skills and career development

Skills and career development represent an identified material positive impact for Wärtsilä. In specific terms, the topic relates to material impacts on professional growth and the non-discrimination of Wärtsilä's employees. Ensuring that employees possess the necessary skills to perform their roles effectively and safely is essential to Wärtsilä's operational success. This topic is closely aligned with Wärtsilä's strategy. Driving decarbonisation in the marine and energy sectors requires a skilled and experienced workforce. Wärtsilä aims to strengthen a culture of continuous learning and to provide fair and non-discriminating opportunities for professional growth. These efforts support talent recruitment and retention, and are expected to enhance the company's positive impact in this area over time.

1.7. Description of the process to identify and assess material impacts, risks and opportunities (ESRS 2 IRO-1; E2 IRO-1)

Wärtsilä conducted its first Double Materiality assessment in 2023. The assessment results were validated in 2024 to support the sustainability disclosures for the 2025 reporting year. Following the validation process, Wärtsilä confirmed that no changes were required to the original assessment outcomes.

In the assessment, the company endeavoured to identify those sustainability matters that are most significant for Wärtsilä in the sense of their impact on people or the environment, and which create the greatest risks and opportunities for the company. The process was divided into three phases, each of which involved a varying group of internal experts and leaders to ensure having all the necessary knowledge and strategic insight available for the process to properly evaluate the wide range of different aspects in the field of sustainability. The process was led by the Group sustainability function, which conducted the first phase of setting the context internally. In addition, the sustainability function collected and analysed stakeholder views, as well as information from the enterprise risk management system and compliance data for the second phase. They also created the evaluation process for the third phase. The process did not focus on specific activities, business relationships, geographies, or other factors that give rise to a heightened risk of adverse impacts due to Wärtsilä's global presence and various business activities. The double materiality assessment process was created by the sustainability function and reviewed by the Board of Management and the Board of Directors' Audit Committee. The results of the double materiality assessment and proposal for the threshold were approved by the Board of Management, the Audit Committee of the Board of Directors, and finally by the Board of Directors.

The first phase was setting the sustainability context for Wärtsilä. This included the mapping of sustainability aspects and impacts on a general level over Wärtsilä's value chain, considering the extractive industry, suppliers, service providers,

contractors, business partners, logistics partners, Wärtsilä's own operations, customers and end-of-life service providers. The mapping results were compared with the list of European Sustainability Reporting Standards (ESRS) matters, and at this phase certain obviously irrelevant topics were removed from further assessment. Here it was also considered whether any entity-specific topics were necessary to be created, but no need for such was found.

The second phase was the mapping of potential sustainability aspects for the final phase of detailed evaluation. In this phase, the key stakeholders for Wärtsilä were decided on, and information on their interests in Wärtsilä in relation to the various sustainability matters were collected through a questionnaire to internal key stakeholder contacts. External experts were not consulted. Here, impacts having strategic importance to Wärtsilä were also identified, as were recognized risks and opportunities.

The third and final phase was to conduct a detailed materiality assessment for the list of potential material aspects. This was done through a series of workshops involving people from various relevant functions in Wärtsilä, in which the company's impacts on the environment and people were assessed, as were relevant risks and opportunities. Certain assumptions were applied in the process, the main ones being that climate change will continue to develop roughly along current lines; that the international regulatory environment related to climate change will continue to tighten, and that regulations related to hazardous substances will become stricter in the future. In the assessment, the sustainability impacts, risks, and opportunities were assessed by the various criteria required, and each impact, risk and opportunity ended with a specific value. For each sustainability aspect, first the impacts were assessed, followed by the related risks and opportunities caused by those impacts. The risks and opportunities were then assessed separately from the impacts in the sense that a risk or opportunity related to a topic may arise independently from Wärtsilä's impacts on the topic. The upstream, own operations, and downstream impacts were each evaluated separately on their scale, scope, irreversibility and probability. They were assessed on a scale of 1-5, and for risks and opportunities their likelihood and potential magnitude, each also on a scale of 1-5 per three time-horizons. All the relevant sustainability risk areas were assessed in cooperation with the Corporate Risk Management function, by using the same evaluation scales as in the Enterprise Risk Management system (ERM). Risks identified in the ERM were also taken into consideration in the double materiality assessment. The input for the opportunities evaluation came mainly from the participating strategy leaders of the Businesses. A threshold was set for the final values for impacts, risks and opportunities, and those exceeding the threshold were deemed material. Finally, the material sustainability aspects were compared to the list of sustainability topics in the ESRS Standards to define the reporting content based on the double materiality assessment. The list of material topics identified in the double materiality assessment are also used as the basis for setting corporate level targets and related action plans, where deemed necessary.

ESRS 2 Appendix C: IRO-1 Additional double materiality assessment information related to certain non-material topics:

ESRS E3 Water and marine resources

Non-material topic. The double materiality assessment did not include a detailed screening of Wärtsilä's assets and activities in order to identify its actual and potential water and marine resources-related impacts, risks and opportunities in its own operations and its upstream and downstream value chains, as the topic was excluded during an early phase of the process from a detailed assessment. No consultations were conducted related to water and marine resources.

ESRS E4 Biodiversity and ecosystems

Non-material topic. The double materiality assessment did not include a detailed assessment of actual and potential impacts on biodiversity and ecosystems at the company's own site locations, or in the upstream and downstream value chains, dependencies on biodiversity and ecosystems, transition or physical risks and opportunities related to biodiversity and ecosystems, systemic risks, or consultations with affected communities. Wärtsilä has two sites near biodiversity sensitive areas: in Trieste, Italy and Le Havre, France. Both are located adjacent to a protected area of high biodiversity value but neither site has been identified as having any impact on those areas. Thus, it has been concluded that it is not necessary to implement biodiversity mitigation measures.

ESRS E5 Resource use and circular economy

Non-material topic. The double materiality assessment did not include a detailed screening of its assets and activities to identify its actual and potential impacts, risks and opportunities in its own operations and its upstream and downstream value chain. No consultations were conducted related to resource use and circular economy.

ESRS G1 Business Conduct

Non-material topic. The double materiality assessment was based on considering unethical conduct related to i.a. corruption, anti-competitive behaviour, or trade sanctions evasion. Location, activity, sector or the structure of a specific transaction were not considered separately.

1.8. Resilience analysis (E1 IRO-1)

Resilience analysis

In line with the double materiality assessment, where climate change mitigation is seen as the only material opportunity for Wärtsilä, a resilience analysis was conducted on the company's strategy. Although in the double materiality assessment, climate related risks were not assessed as exceeding the materiality threshold, Wärtsilä has evaluated its climate related risks in the resilience analysis.

The resilience analysis covers Wärtsilä's entire value chain. The analysis was first conducted during 2023 by implementing the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The scenario analysis was updated in 2024 and revalidated in 2025.

Scenario analysis

The process of scenario analyses included an assessment of climate risks and opportunities through the review of relevant information, key stakeholder engagement in workshops and interviews, and a survey. An extensive list of chronic and acute physical, and transitional risks was considered in building a long list of climate-related topics, which was further reviewed to prioritise key risks and opportunities based on probability and impact.

Two climate scenarios were built based on widely accepted scientific scenarios (Intergovernmental Panel on Climate Change (IPCC's) SSP) and informed by data from other scenarios (NGFS and IEA). Three time-horizons selected for the assessment were reviewed based on Wärtsilä's business cycles, approach to budgeting, and strategy planning.

A scenario assessment for transitional risks was made qualitatively for both probability and impact, referring to socio-economic trends and available statistical data and information. For physical risks, in addition to the above, statistical data was used to consider hazards (see below).

Costs related to Wärtsilä's climate mitigation activities were also considered, the main cause being R&D efforts to develop products and solutions supporting the decarbonisation efforts of Wärtsilä's customers. These costs are seen as being crucial in ensuring Wärtsilä's competitiveness going forward.

Identification and assessment of climate-related risks and opportunities

Those participating in the process included representatives from business strategy functions, key sites and operations, including finance and risk management. Site interviews were conducted to better understand the physical risks to Wärtsilä and its supply chains, based on the materiality and geographical locations. Wärtsilä's entire product portfolio was considered in the assessment. The probability and impact over three time-horizons of transition and physical risks and opportunities were considered, taking into account regulatory developments, key industry trends, and technology, among other factors.

For the physical risks of climate change, the following factors were also considered:

- Risk management function's database of Wärtsilä facilities globally;
- A site-level analysis of material locations using quantitative and qualitative data, including coordinates and climate indices; and
- Interviews with representatives from the most critical production sites.

Physical risks related to Wärtsilä's upstream and downstream value chain were considered during the interviews with site and risk management leaders. Wärtsilä's Business Continuity Plan, applicable to key suppliers and delivery centres, includes an assessment of physical risks resulting from climate change, providing Wärtsilä with an understanding of the physical risks to be faced, as well as means to develop mitigation plans together with suppliers.

Climate scenarios used

The analysis included two climate scenarios developed by the IPCC. The scenarios were selected to present different ends of possible temperature pathways:

Very low GHG emissions scenario, which starts from the assumption that the global average temperature will be limited to 1.5°C above pre-industrial levels by 2100 (IPCC SSP1-1.9);

Very high GHG emissions scenario, which assumed that global GHG emissions will keep increasing at the current rate, leading to a minimum 4°C increase in global average temperatures by 2100, compared to pre-industrial levels (IPCC SSP5-8.5).

The "Very low GHG emissions" scenario (SSP1-1.9) assumes i.a. that:

- extreme weather events may be common, but the effects of climate change are not likely to be critical;
- the average global sea-level rise will reach 0.28–0.55 m by 2100 relative to the 1995–2014 average; and
- global regulations surrounding GHG emissions and relevant technologies and products contributing to GHG emissions will be rigorous and tightened

The "Very high GHG emissions" scenario (SSP5-8.5) assumes i.a. that:

- extreme weather events are common and the impacts of climate change are likely to be critical;
- the average global sea-level rise will reach 0.63–1.01 m by 2100 relative to the 1995–2014 average; and
- regulations on GHG emissions may become stricter in the short term, then halt at those levels, and no further significant policy tightening will be introduced globally.

Time horizons

The time horizons considered in the analysis were:

Short: Up to year 2025,
Medium: Up to year 2030, and
Long: Up to year 2050.

Wärtsilä's main decarbonization targets are set for 2030.

Analysis of resilience

Very low GHG emissions scenario

Based on the results of the scenario analysis, Wärtsilä's considers that its business model and strategy are clearly fit for the "Very low GHG" scenario, where climate change related transition opportunities with regards to customer demand, R&D and innovation, and regulations are expected to increase substantially over time.

In the marine industry, for example, the International Maritime Organisation (IMO) has already introduced regulations to drive the green transformation. Wärtsilä's broad portfolio of engines, digital technologies, propulsion systems, hybrid technology, and integrated powertrain systems aim to deliver the efficiency, reliability, safety, and environmental performance needed to support its customers during the transformation and beyond.

In the energy industry, Wärtsilä envisions a 100% renewable energy future under the very low GHG emission scenario. Wärtsilä aims to support its customers to decarbonise with sustainable-fuel enabled balancing power plants, hybrid solutions, as well as with energy storage and optimisation technology.

For both industries, Wärtsilä aims to have a product portfolio ready for zero-carbon fuels by 2030.

However, in this scenario there is a transitional risk of raw material costs starting to increase by 2030, mainly due to EU regulations on emissions, such as the Carbon Border Adjustment Mechanism (CBAM), and a plausible scarcity of battery materials should supply chains fail to function as expected. To this, Wärtsilä aims to respond by ensuring material availability and cost visibility end-to-end of the supply chain through entering into long-term supply agreements and by diversifying the supply base.

Another considerable transitional risk is that of competitors commercialising similar technologies faster or more successfully than Wärtsilä, particularly in the long run. There may be disruptive technologies emerging, impacting the future of low to zero-emission technologies. Wärtsilä aims to continue and even increase its R&D efforts related to zero-carbon fuel/decarbonisation-related products and services to mitigate this risk.

Regulations aimed at limiting GHG emissions can also be seen as a transition risk. The level of impact will depend on the stringency of the regulations, for example whether installations running on fossil fuels can be sold at all.

For Wärtsilä, overall, the possibilities to overcome future transitional risks will also depend on the availability of sustainable, zero-carbon fuels and their infrastructure readiness, as well as the company's capabilities in developing technologies that fulfil the regulatory requirements.

The probability of physical risks creating a significant impact on Wärtsilä is considered very limited in this scenario.

Very high GHG emissions scenario

Wärtsilä's business outlook under this scenario is considered to be more challenging, and related risks may require Wärtsilä to partially reconsider its current strategy and R&D programmes.

However, it should be noted that customer demand may still increase in this scenario, for example through the demand for energy solutions and dual fuel power generating solutions, thereby positively impacting Wärtsilä's EBIT in the short to medium term. Also, in this scenario, R&D would still present opportunities, although smaller, for example in engine performance improvement.

The probability of physical risks, such as heatwaves and flooding due to extreme precipitation events, is greater in this scenario, thus impacting Wärtsilä's supply chain and customers to varying degrees. However, Wärtsilä will aim to mitigate this impact by way of precautionary measures. While it is anticipated that some of the most heavily affected, smaller sites may become unproductive or costly to run, and relocation may be considered, Wärtsilä expects to benefit from the fact that it mostly leases rather than owns facilities.

No stranded assets or business activities were identified in either of these scenarios, with the unlikely but possible exception of an immediate, complete ban on fossil fuels in the short term. The convertibility of Wärtsilä's engines and auxiliary systems to run with alternative zero-carbon fuels in the future enables customers to plan ahead on switching to such energy sources, thus reducing the risk of stranded assets for Wärtsilä or its customers.

Wärtsilä's various GHG emission sources and amounts are disclosed in section 2.2.6, followed by their accounting principles. In the financial statements there are no critical climate-related assumptions made in relation to the climate scenarios.

Overview of risks and opportunities identified, and Wärtsilä's response

The table below lists the most relevant risks and opportunities related to climate change for Wärtsilä, as well as the strategic responses to mitigate these risks and maximise the possibility of realising the full potential of such opportunities. Each risk and opportunity is presented for the three time-horizons on two consecutive rows, the first based on the "Very low GHG" scenario, and the following row on the "Very high GHG" scenario. The risk and opportunity exposure values are expressed on a scale with five levels: "VL-Very low", "L-Low", "M-Medium", "H-High" and "VH-Very High".

Wärtsilä's climate change risks and mitigation actions – transition risks

Risk	Description	Climate scenario	Risk exposure			Mitigation actions
			2025	2030	2050	
Regulations or claims	Stricter regulations on GHG emissions (incl. possible fossil fuel ban).	Very low GHG	VL	M	M	Set for 30: Become carbon neutral in own operations by 2030. Provide a product portfolio that will be ready for zero-carbon fuels by 2030. In the meantime, continue developing products and services supporting customers in their decarbonisation efforts.
		Very high GHG	VL	L	M	Continue developing efficient and reliable products and services.
Competitors	Competitors commercialising similar technologies faster or more successfully (incl. disruptive technologies).	Very low GHG	VL	M	H	Continue or even increase R&D efforts related to zero-carbon fuel/decarbonisation-related products and services.
		Very high GHG	VL	M	H	Continue developing efficient and reliable products and services.
Raw material cost and availability	Raw material availability for certain, e.g. battery materials, becoming limited, leading to cost increases. Costs also elevated, including through higher cost of logistics, by regulations (e.g. CBAM).	Very low GHG	L	M	H	Ensure material availability and cost visibility end to end of the supply chain by entering into long-term supply agreements and diversifying the supply base.
		Very high GHG	L	L	M	Ensure material availability and cost visibility end to end of the supply chain by entering into long-term supply agreements and diversifying the supply base.

Wärtsilä's climate change risks and mitigation actions – physical risks

Risk	Description	Climate scenario	Risk exposure			Mitigation actions
			2025	2030	2050	
Increasing global average temperatures, and increased frequency and intensity of heatwaves	Heatwaves can burden health and emergency services and also increase the strain on water, energy and transportation, resulting in power shortages or even blackouts. Food and livelihood security may also be strained if people lose their crops or livestock due to extreme heat.	Very low GHG	VL	L	L	Health related effects need to be taken into consideration, i.e. sufficient breaks, cool/ shaded rest areas, drinking water availability, first aid to heat stress, suitable PPE. Affected sites to be provided with necessary water tanks, emergency generators and cooling.
		Very high GHG	VL	L	H	As above, with more emphasis on the precautionary measures. The most heavily affected sites may turn unproductive/ costly and relocation may be considered – in these cases Wärtsilä not owning i.e. renting the facilities, is a strategic benefit.
Flooding due to increased severity of extreme precipitation events	Flooding can lead to i.a. possible property damage, or interruptions to production or supply chains.	Very low GHG	VL	L	M	When establishing or acquiring new sites, consider locations that are less prone to flooding or on higher ground and capable of withstanding future changes in flooding. Investing in flood control infrastructure, including grey infrastructure such as seawalls and levees if needed, as well as green infrastructure solutions like green roofs, holding ponds, and enhancing the tree canopy to be studied. Limiting the use of non-permeable surfaces such as pavements and concrete, and taking flood insurance where necessary.
		Very high GHG	VL	L	M	As above, with more emphasis on the precautionary measures. Most heavily affected sites may turn unproductive/ costly and relocation may be considered – in these cases Wärtsilä not owning i.e. renting the facilities is a strategic benefit.

Wärtsilä's climate change opportunities and the company's response

Opportunity	Description	Climate scenario	Exposure			Wärtsilä's response
			2025	2030	2050	
Regulations or claims	Stricter GHG emissions regulations (incl. the ban on the use of fossil fuels).	Very low GHG	VL	M	H	Set for 30: Become carbon neutral in our own operations by 2030. Provide a product portfolio that will be ready for zero-carbon fuels by 2030. Meanwhile, continue developing products and services supporting the customers' decarbonisation journeys.
		Very high GHG	VL	L	M	Continue developing efficient and reliable products, as customer demand for such will remain, and energy prices may increase.
R&D and innovation	New low emission technologies via R&D and innovation in our own operations (incl. disruptive technologies).	Very low GHG	VL	M	H	Provide a product portfolio that will be ready for zero-carbon fuels by 2030. Meanwhile, continue developing products and services supporting the customers' decarbonisation journeys. Undertake further R&D programmes in order to stay a leading technology company.
		Very high GHG	VL	L	M	In the medium term, continue developing a product portfolio that will be ready for zero-carbon fuels by 2030, as regulations become increasingly stringent for some years still. A partial strategic review to be taken when regulatory tightening stalls.
Customer demand	Increased customer demand for low-carbon energy or products.	Very low GHG	L	M	H	Starting from the short-term onwards, Wärtsilä is well positioned with its current and upcoming offerings to benefit from customer needs for support in decarbonising their energy and marine portfolios.
		Very high GHG	L	M	L	In the short-to-medium term, Wärtsilä is well positioned with its current and upcoming offerings to benefit from customer needs for support in decarbonising their energy and marine portfolios. A partial strategic review to be taken should customer demand reduce as regulatory tightening stalls.
Attracting or retaining talent	Attracting or retaining employees because of the company's climate risk profile and brand image.	Very low GHG	L	M	M	Increase efforts to decarbonise the company's value chains, building a strong brand image based on mitigating climate change.
		Very high GHG	L	L	L	Remain a leading technology company attracting talent in the short-term based on the company's decarbonisation efforts. In the longer term, when regulatory tightening stalls, keep other aspects of sustainability at the centre of R&D and operational development efforts.

1.9. Disclosure requirements complied with in preparing the Sustainability Statement (ESRS 2 IRO-2)

Wärtsilä has included all material data points in the ESRS standards related to material topics in accordance with the double materiality assessment.

Standard	Disclosure requirement	Disclosure requirement description
ESRS 2	BP-1	General basis for preparation of sustainability statements
	BP-2	Disclosures in relation to specific circumstances
	GOV-1	The role of the administrative, management, and supervisory bodies
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
	GOV-3	Integration of sustainability-related performance in incentive schemes
	GOV-4	Statement on due diligence
	GOV-5	Risk management and internal controls over sustainability reporting
	SBM-1	Strategy, business model and value chain
	SBM-2	Interests and views of stakeholders
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement
	E1 GOV-3	Integration of sustainability-related performance in incentive schemes
	E1-1	Transition plan for climate change mitigation
	E1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
	E1 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities
ESRS E1	E1-2	Policies related to climate change mitigation and adaptation
	E1-3	Actions and resources in relation to climate change policies
	E1-4	Targets related to climate change mitigation and adaptation
	E1-5	Energy consumption and mix
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions
	E1-7	GHG removals and GHG mitigation projects financed through carbon credits
	E1-8	Internal carbon pricing

Standard	Disclosure requirement	Disclosure requirement description
ESRS E2	E2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities
	E2-1	Policies related to pollution
	E2-2	Actions and resources related to pollution
	E2-3	Targets related to pollution
	E2-4	Pollution of air, water and soil
ESRS S1	S1 SBM-2	Interests and views of stakeholders
	S1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
	S1-1	Policies related to own workforce
	S1-2	Processes for engaging with own workers and workers' representatives about impacts
	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns
	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	S1-6	Characteristics of the undertaking's employees
	S1-13	Training and skills development metrics
	S1-14	Health and safety metrics
	S1-16	Compensation metrics (pay gap and total compensation)
	S1-17	Incidents, complaints and severe human rights impacts
ESRS S2	S2 SBM-2	Interests and views of stakeholders
	S2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
	S2-1	Policies related to value chain workers
	S2-2	Processes for engaging with value chain workers about impacts
	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns
	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action
	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Data points that derive from other EU legislation (ESRS 2 IRO-2)

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section/ Not material
ESRS2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 , Annex II		1.3. Governance
ESRS2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		1.3. Governance
ESRS2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				1.3. Governance
ESRS2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		1.4. Strategy, business model and value chain
ESRS2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		1.4. Strategy, business model and value chain
ESRS2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		1.4. Strategy, business model and value chain
ESRS2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		1.4. Strategy, business model and value chain
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	2.2.1. Transition plan
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking bookClimate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 12.1 (d) to (g), and Article 12.2		2.2.1. Transition plan

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section/ Not material
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		2.2.4. Climate change targets
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				2.2.5. Energy data
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				2.2.5. Energy data
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				2.2.5. Energy data
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity			2.2.6. GHG emissions data
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		2.2.6. GHG emissions data
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	2.2.7. GHG removals, storage, carbon credits and internal pricing
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		2nd year omitted

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section/ Not material
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a); E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			2nd year omitted
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			2nd year omitted
ESRS E1-9 Degree of exposure of the portfolio to climate related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		2nd year omitted
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				2.3.3. Pollution data from Wärtsilä's own operations
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section/ Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I			3.2.1. Occupational health and safety policy 3.3.1. Policy on skills and career development	
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21		Delegated Regulation (EU) 2020/1816, Annex II			Not material
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Not material
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I			3.2.1. Occupational health and safety policy	
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I			3.2.3. Processes to remediate negative impacts and channels for own workforce to raise concerns 3.3.3. Channels to raise concerns	
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II		3.2.6. Health and safety metrics	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I			2nd year omitted	
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II		3.3.7. Remuneration metrics	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I			3.3.7. Remuneration metrics	
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I			3.3.8. Number of complaints to raise concerns, cases of discrimination including harassment, and fines, penalties and compensation for damages	
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material	
ESRS 2- SBM3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section/ Not material
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				3.4.1. Policy on value chain workers' occupational health and safety
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Not material
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Not material
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS G1-4 Standards of anticorruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Not material

2. Environmental information

2.1. EU Sustainable Finance Taxonomy disclosures

Wärtsilä has carried out an assessment regarding its economic activities against the EU Sustainable Finance Taxonomy's Delegated Acts, as required by the Delegated Act on Article 8. Wärtsilä Taxonomy KPIs for the year 2025 are presented in the tables on the following pages. The majority of Wärtsilä's economic activities, such as services, are currently not covered in the Delegated Acts. Services accounted for 52% of Wärtsilä's turnover in 2025. Services are a key enabler of installation uptime, reliability, reduced fuel consumption, and lower emissions. Wärtsilä has a key role to play in decarbonising vessel operations and the overall shipping value chain. The company's extensive product and solutions portfolio, including engines, digital technologies, propulsion systems, hybrid solutions, integrated powertrain systems, and emission abatement solutions are key contributors to making zero-emissions shipping possible. However, they are all outside the taxonomy scope, since only the manufacturing of vessels – not vessel technologies or components – is included. In Energy, engines ready for carbon-neutral fuels, running on natural gas or other fossil fuels, are also excluded.

In total, 11% of Wärtsilä's turnover was estimated to be eligible, including the energy storage business, biogas solutions, and digital voyage optimisation solutions. For capital expenditure, capitalised R&D costs related to energy storage, digital voyage optimisation and sustainable fuels development, as well as new buildings and new vehicles, were deemed eligible. For operating expenditure, non-capitalised R&D costs related to energy storage, biogas solutions, digital voyage optimisation solutions and sustainable fuels development were deemed eligible. None of the categories could be considered as aligned.

Turnover	CapEx	OpEx
Non-eligible	89%	69%
Eligible	11%	31%
Aligned	0%	0%

In order to report this information, Wärtsilä has assessed its economic activities against the economic activities included in the Delegated Acts. Eligible economic activities have been identified by comparing the referred NACE codes in the Delegated Acts to Wärtsilä's economic activities. Turnover, capital expenditure, and operating expenditure for eligible economic activities were collected from the accounting system. As a next step, Wärtsilä compared the economic activities against the technical screening criteria, including the 'do no significant harm' criteria and minimum social safeguards, and has searched for supporting proof points. With the approach being a stringent interpretation of the alignment criteria provided by the European Union's regulation on taxonomy, Wärtsilä cannot claim any of the taxonomy-eligible turnover streams in 2025 as being also taxonomy-aligned. The same applies to both capital and operational expenditures in 2025. Despite the low taxonomy coverage Wärtsilä's products and services play a key role in decarbonising the energy and marine sectors and Wärtsilä invests significant R&D funds to support and enable the transition.

KPI	Identified eligible economic activities	Notes
Turnover	<ul style="list-style-type: none"> Energy storage business (CCM 3.4) Biogas solutions (CCM 3.6) Digital voyage optimisation solutions (CCM 8.2) 	Wärtsilä considers its energy storage business as a Taxonomy eligible economic activity. Wärtsilä energy storage solutions and energy management systems enable the effective storage of renewable electricity. Wärtsilä biogas solutions are considered to be eligible through the "manufacturing of other low carbon technologies" category. Digital voyage optimisation solutions are considered to be eligible through the "data driven solutions for GHG reduction" category. Wärtsilä did not consider any multifuel engine solutions to be eligible at this point.
CapEx	<ul style="list-style-type: none"> New buildings (CCM 7.1) Passenger cars and light commercial vehicles (CCM 6.5) Capitalised R&D costs related to energy storage (CCM 3.4) Capitalised R&D costs related to voyage optimisation (CCM 8.2) Capitalised R&D costs related to sustainable fuels (CCM 4.7) 	Any capital expenditure for a new building or a new vehicle is eligible. With respect to the capitalised R&D, eligibility follows the same logic as with the identified turnover KPI eligible activities. However, capitalised R&D costs related to the engines' capability to run on sustainable, zero-carbon fuels was considered eligible because these fuels enable Wärtsilä's customers to generate electricity from renewable non-fossil gaseous and liquid fuels in the future. No capital expenditure related to taxonomy eligible manufacturing was identified.
OpEx	<ul style="list-style-type: none"> Non-capitalised R&D costs related to energy storage (CCM 3.4) Non-capitalised R&D costs related to biogas solutions (CCM 3.6) Non-capitalised R&D costs related to voyage optimisation (CCM 8.2) Non-capitalised R&D costs related to sustainable fuels (CCM 4.7) 	With respect to the non-capitalised R&D, eligibility follows the same logic as with the identified turnover KPI eligible activities. However, operating expenditure related to non-capitalised R&D for the engines' capability to run on sustainable, zero-carbon fuels was considered eligible because these fuels enable Wärtsilä's customers to generate electricity from renewable non-fossil gaseous and liquid fuels in the future. No operating expenditure related to taxonomy eligible manufacturing was identified.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2025

Financial year 2025	2025			Substantial Contribution Criteria							DNSH criteria ('Does Not Significant Harm')(h)							Minimum Safeguards (17)	Proportion of Taxonomy aligned (a.1.) or eligible (A.2.) Turnover, year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (a) (2)	Turn over (3)	Proportion of Turnover, year 2025 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Adaptation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Y(16)	Y(17)				
Text		MEUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
No aligned activity		0	0%															0			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%									0			
Of which Enabling	0	0%	0%	0%	0%	0%	0%	0%	0%									0	E		
Of which Transitional	0	0%	0%															0		T	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)												
Manufacture of batteries	CCM 3.4	671	10%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									12%			
Manufacture of other low-carbon technologies	CCA 3.6	21	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									1%			
Data-driven solutions for GHG emissions reductions	CCM 8.2	40	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									1%			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		732	11%	11%	0	0	0	0	0									14%			
A. Turnover of Taxonomy eligible activities (A.1 + A.2)		732	11%	11%	0	0	0	0	0									14%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities		6,182	89%																		
Total		6,914	100%																		

Turnover in 2025: EUR 6,914 million is also reported in Financial statements, Consolidated statement of income. EL = Eligible; N/EL = Non-eligible

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2025

Financial year 2025	2025				Substantial Contribution Criteria						DNSH criteria ('Does Not Significant Harm')(h)						Proportion of Taxonomy aligned (a.1.) or eligible (A.2.) CapEx, year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)		
	Economic Activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year 2025 (4)	Mitigation (5)	Climate Change	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Mitigation (11)	Climate Change	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)		
Text		MEUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
No aligned activity			0	0																0%	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			0	0%	0%	0%	0%	0%	0%	0%	0%									0%	
Of which Enabling			0	0%	0%	0%	0%	0%	0%	0%	0%									0%	E
Of which Transitional			0	0%	0%															0%	T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
					EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)											
Acquisition and ownership of buildings	CCM 7.7	4	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										7%	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	8	4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										3%	
Manufacture of batteries	CCM 3.4	30	14%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										12%	
Data-driven solutions for GHG emissions reductions	CCM 8.2	6	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										3%	
Electricity generation from renewable non-fossil gaseous and liquid fuels	CCM 4.7	17	8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										11%	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		65	31%	31%	0%	0%	0%	0%	0%	0%	0%									36%	
A. CapEx of Taxonomy eligible activities (A.1 + A.2)		65	31%	31%	0%	0%	0%	0%	0%	0%	0%									36%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
CapEx of Taxonomy-non-eligible activities			146	69%																	
Total			211	100%																	

Total CapEx figure for 2025 is made up of relevant additions reported in 'Notes to the consolidated financial statements 3.2, 3.3 and 3.4'. EL = Eligible; N/EL = Non-eligible.

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2025

Financial year 2025	2025				Substantial Contribution Criteria						DNSH criteria ('Does Not Significant Harm')(h)						Proportion of Taxonomy aligned (a.1.) or eligible (A.2.) OpEx, year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)			
	Economic Activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year 2025 (4)	Mitigation (5)	Climate Change	Climate Change	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Mitigation (11)	Climate Change	Climate Change	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
Text		MEUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																						
A.1. Environmentally sustainable activities (Taxonomy-aligned)																						
No aligned activity		0	0%																	0%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	0%	0%									0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	0%	0%									0%	E	
Of which Transitional		0	0%	0%																0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																						
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)												
Manufacture of batteries	CCM 3.4	24	9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										7%		
Manufacture of other low-carbon technologies	CCM 3.6	1	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										1%		
Data-driven solutions for GHG emissions reductions	CCM 8.2	4	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										0%		
Electricity generation from renewable non-fossil gaseous and liquid fuels	CCM 4.7	22	9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										4%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		51	17%	17%	0%	0%	0%	0%	0%	0%	0%									11%		
A. OpEx of Taxonomy eligible activities (A.1 + A.2)		51	17%	17%	0%	0%	0%	0%	0%	0%	0%									11%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																						
OpEx of Taxonomy-non-eligible activities		258	83%																			
Total		309	100%																			

EL = Eligible; N/EL = Non-eligible

Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

2.2 Climate change (ESRS E1)

2.2.1. Transition plan (E1-1)

Wärtsilä is committed to mitigating climate change through its Set for 30 transition plan commitment. This plan outlines Wärtsilä's climate-related targets, key decarbonisation levers, and related actions. It has been approved by the Board of Directors and is closely integrated with the company's overall strategy, which places decarbonisation at its core.

The Set for 30 programme includes three decarbonisation targets covering the company's own operations (Scope 1 and Scope 2) and emissions from the value chain (Scope 3).

Scope 1 and 2: Wärtsilä targets carbon neutrality in its own operations by 2030, in line with the ambition level of the Paris Agreement. At minimum, 42% of the emission reductions will be achieved through direct mitigation levers, as stipulated by the Agreement. For the remaining emissions, carbon credits can be purchased to achieve carbon neutrality. The main levers for reducing Scope 1 and 2 emissions are related to electrification and energy efficiency, GHG emissions from engine testing, as well as self-generated and purchased renewable energy.

Scope 3 – Products: Wärtsilä's target is to provide a product portfolio ready for zero-carbon fuels by 2030. Decarbonisation is a priority in the company's product and product portfolio development. Carbon-neutral fuels can be used already today, and the development of the product portfolio further continues so that zero-carbon fuels, such as, ammonia and hydrogen, can be widely used by 2030. An intrinsic part of this development work is the ongoing effort to improve the energy efficiency of the products.

Scope 3 – Suppliers: Wärtsilä targets a 25% reduction in GHG emissions from Tier 1 direct suppliers by 2030, focusing on their Scope 1 and 2 emissions related to Wärtsilä deliveries.

Scope 3 targets cannot be considered as being in line with the Paris Agreement.

The key decarbonisation levers and corresponding actions driving Wärtsilä's transition plan are detailed in section E1-3. This section also includes a breakdown of the capital and operational expenditure (CapEx and OpEx) allocated to support the implementation of the transition plan. The financial planning, along with non-financial resources, ensures that sufficient support is directed towards technology development, operational improvements, and supplier engagement to drive emission reductions throughout the value chain.

Most of Wärtsilä's core economic activities related to its customers' environmental impacts, such as engine development or service activities, are excluded from the EU Taxonomy reporting, and thus currently Wärtsilä has no plans to work towards taxonomy alignment.

Wärtsilä is not excluded from the EU Paris-aligned Benchmarks in accordance with the exclusion criteria stated in Articles 12.1 (d) to (g) 53 and 12.2 of Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Standards Regulation).

Locked-in GHG emissions from key assets and products

Wärtsilä considers that neither its key assets nor products contain significant locked-in GHG emissions, including such that would pose a risk to achieving its GHG reduction targets. For many years, the company has designed its products and solutions to be future-proof. As a result, its production facilities are adapted to manufacture also zero-carbon fuel products. In addition, Wärtsilä's entire installed base, i.e. currently operating vessels and power plants, is already able to run either on bio-fuels or synthetic fuels, and can be upgraded to operate on zero-carbon fuels. The rate and timing of the upgrades that the customers will in practice order depend on the availability and price of the zero-carbon fuels in the future.

Progress in implementing transition plan

Scope 1 and 2: During 2025, Wärtsilä was able to reduce its GHG emissions by 53,192 tCO₂e compared to the baseline. Since the target's base year, emissions reductions account for 53% of progress towards the target, which is in line with the pathway to reaching the carbon neutrality target.

Scope 3 - Products: The development of concepts for pure hydrogen continued throughout 2025 and the concept for industrialisation was selected. The step from technology development to prototype testing was taken when the 10V31H hydrogen engine was installed at the Bermeo engine laboratory. Energy is searching for a feasible pilot installation. The development and validation of technology selected for ammonia industrialisation continued during 2025. The first ammonia fuelled Wärtsilä 25A engine passed factory acceptance testing and is ready for customer delivery. In addition, methanol research and technology development has continued throughout 2025. Intensive customer support is ongoing for the Wärtsilä 32M engine's industrialised methanol technology.

Scope 3 - Suppliers: In 2025, Wärtsilä initiated the collection of GHG emissions data from its Tier 1 direct suppliers, including their Scope 1 and 2 emissions related to Wärtsilä deliveries, and established the 2024 baseline. Additionally, supplier engagement tools were defined to strengthen collaboration on developing decarbonisation roadmaps and to enable the monitoring of suppliers' GHG emissions performance and progress.

2.2.2. Policies on climate change (E1-2)

Wärtsilä's approach to climate change mitigation, related opportunities, and energy efficiency is embedded in the Code of Conduct and the Quality, Environmental, Health and Safety (QEHS) policy. Both guidelines apply to all activities, employees and subsidiaries in all geographical locations. The Code of Conduct extends to suppliers and business partners, who are expected to uphold similar ethical and environmental standards.

The Code outlines Wärtsilä's commitment to addressing climate change, both through operational practices and strategic innovation. This includes the development of technologies and services aimed at decarbonising the energy and marine sectors, as well as efforts to reduce emissions within its own operations and supply chain. In its Code, Wärtsilä commits to reducing greenhouse gas emissions by investing in continuous research and development, supporting customers with decarbonisation solutions, and prioritising energy efficiency and renewable energy sources. Wärtsilä actively works to advance energy efficiency across its operations and offerings, recognising it as an important element in reducing

greenhouse gas emissions from its products. Wärtsilä sets measurable emission reduction targets and monitors progress regularly, while also taking necessary actions to adapt its operations to the impacts of climate change.

The QEHS policy reinforces the company's environmental commitments by setting objectives, reducing risks, and ensuring continuous improvement. It also affirms Wärtsilä's dedication to driving decarbonisation within its own operations and across the value chain.

These policy frameworks reflect Wärtsilä's strategic intent to create sustainable products and solutions while minimising its environmental footprint. Climate change mitigation is a central pillar of the company's sustainability strategy. Both policies are reviewed and updated as necessary, with approvals from the Board of Management, which is ultimately accountable for implementing the policies. The policies are accessible via Wärtsilä's intranet and external website, and are actively communicated through various channels, including visual materials at production sites.

2.2.3. Actions and resources related to climate change mitigation and adaptation (E1-3)

Material topic	Scope	Decarbonisation lever	Time horizon	Actions in 2025	Achieved GHG emissions reduction (from base year to 2025)	Expected GHG emissions reduction (2026 vs. 2030)	Related target
Climate change & energy	1 & 2	Electrification and energy efficiency	Base year* -2030	<ul style="list-style-type: none"> Utilisation of heat pumps in heating Energy efficiency and energy savings Switching to low emission company vehicles 	6,322 tCO ₂ e	9,078 tCO ₂ e	Set for 30: To become carbon neutral in our own operations by 2030. Reduce energy consumption by at least 7% in terms of absolute consumption by 2025.
Climate change	1	GHG emissions from engine testing	Base year*-2030	<ul style="list-style-type: none"> Replacing fossil fuels in factory and R&D engine testing Optimising the time needed for R&D and factory engine testing 	7,826 tCO ₂ e	31,774 tCO ₂ e	Set for 30: To become carbon neutral in our own operations by 2030.
Climate change	2	Self-generated solar power and purchased renewable energy	Base year*-2030	<ul style="list-style-type: none"> Utilisation of self-generated energy from solar panels Purchase of renewable electricity Renewable district heating 	39,044 tCO ₂ e	5,956 tCO ₂ e	Set for 30: To become carbon neutral in our own operations by 2030.
Climate change	3	Product portfolio development	2021-2030	<ul style="list-style-type: none"> Developing product portfolio ready for zero-carbon fuels Collaborating in projects with external parties on R&D 	Not quantifiable in CO ₂ e	Not quantifiable in CO ₂ e	Set for 30: To provide a product portfolio that will be ready for zero-carbon fuels by 2030.
Climate change	3	GHG emissions from Tier 1 suppliers	2024-2030	<ul style="list-style-type: none"> Supplier GHG emissions data collection Calculation of baseline (kgCO₂e/EUR) 	Baseline calculated in 2025	GHG emissions reduction: -25%	Set for 30: 25% reduction of suppliers' GHG emissions by 2030.

*3-year average (2019-2021), rounded figure

Wärtsilä's decarbonization levers related to own operations

The main decarbonisation levers for Scope 1 and 2 GHG emissions, along with actions implemented during the reporting year and those planned for the future, are presented below.

Electrification and energy efficiency

In 2025, Wärtsilä continued to implement energy efficiency measures across its operations. These actions primarily focused on reducing electricity and heat consumption through targeted improvements in facility infrastructure and operational practices.

To enhance heating efficiency, Wärtsilä installed new heat pumps at its site in Sweden, resulting in a notable reduction in energy consumption. At the Central Distribution Center in Kampen, the Netherlands, a heat pump assessment is currently underway with the aim of replacing the existing natural gas-based heating system.

In addition to heating system upgrades, Wärtsilä has taken measures to reduce electricity consumption. Traditional lighting systems have been replaced with LED technology, and lighting operating times have been optimised through the use of motion and daylight sensors. These improvements have reduced unnecessary energy use. Furthermore, enhanced space efficiency has enabled better utilisation of heated and lit areas, contributing to overall energy savings.

Wärtsilä remains committed to continuing its energy-saving efforts beyond the expiration of its current target at the end of 2025. A new target has been established for the period 2026-2035 to ensure the company continues to advance its energy efficiency improvements across its operations. This ongoing commitment supports the company's broader decarbonisation objectives. The Wärtsilä Real Estate Directive provides guidance for selecting environmentally certified buildings, with a preference for BREEAM, LEED, or equivalent certification. A recent example is the new office in Vaasa, which has achieved BREEAM certification. This directive ensures that new and renovated facilities meet high standards of energy and environmental performance.

In support of sustainable mobility, Wärtsilä has introduced a vehicle policy that promotes the adoption of electric vehicles throughout its fleet. The policy applies to Wärtsilä-owned and leased vehicles, including passenger cars, trucks, vans, cranes, and forklifts. In addition to electric vehicles, the policy allows for the use of alternative low-emission fuels such as HVO, thus further contributing to reducing operational emissions.

GHG emissions from engine testing

In 2025, Wärtsilä piloted the use of liquefied biogas (LBG), in its engine testing operations at the Sustainable Technology Hub (STH) in Vaasa, Finland. This initiative contributes to reducing Wärtsilä's Scope 1 GHG emissions. In parallel, the company strengthened its research and development infrastructure by enhancing its capacity to test a broader range of sustainable fuels. During the year, Wärtsilä increased its testing capacity and capabilities for methanol and continued technology and product development for ammonia and hydrogen fuels.

To accelerate this transition, Wärtsilä announced plans in April to expand the Sustainable Technology Hub technology centre. This investment, which includes advanced testing equipment, is designed to speed up product development, reduce

testing time and costs, and cut test-related emissions. The nearly 8,000 m² extension is scheduled for commissioning in 2028, reinforcing Wärtsilä's ability to meet growing demand for sustainable technologies in the marine and energy sectors.

The timeline for switching to sustainable fuels in engine testing is dependent on factors such as availability and cost. Wärtsilä evaluates the timing and maturity of various measures, interdependencies across projects, as well as the cost implications of each emissions reduction measure.

These developments are progressing as planned and support Wärtsilä's ambition to offer a product portfolio ready for zero-carbon fuels by 2030, while reinforcing its commitment to achieving carbon neutrality in its own operations within the same timeframe.

Self-generated and purchased renewable energy

Wärtsilä uses electricity throughout its global operations, including in manufacturing processes such as component machining, as well as in its service workshops and office facilities. During engine test runs, both electricity and heat energy are generated, and Wärtsilä aims to utilise this electricity internally and sell the surplus to local power utilities. To support the transition to renewable energy consumption within its own operations, Wärtsilä has established a structured purchasing model for renewable electricity. This model outlines the company's approach to acquiring Guarantees of Origin (GOs), Renewable Energy Certificates (RECs), and International Renewable Energy Certificates (I-RECs). In 2025, Wärtsilä acquired certificates covering most of Europe, the Americas, and China. Several other Wärtsilä sites also source renewable electricity directly from their energy providers. Overall, 79% (68 400 MWh) of Wärtsilä's total electricity consumption in 2025 came from renewable sources. Solar energy forms a complementary part of Wärtsilä's renewable electricity sourcing. For many Wärtsilä locations, solar panels are an attractive alternative because of their self-sufficient nature and payback time. In 2025, over 2,800 MWh of power was produced from solar panels installed at our sites.

Looking ahead, Wärtsilä is committed to further increasing the share of renewable energy in its operations. The company has initiated a gradual transition to renewable electricity across all countries where it operates, in line with its structured procurement model and taking into account the availability of renewable energy in each market. In parallel, Wärtsilä is conducting assessments to identify opportunities for switching to renewable district heating solutions and for expanding the use of on-site solar power generation.

Wärtsilä's decarbonisation levers related to value chain

For reducing Scope 3 GHG emissions, Wärtsilä has two main levers, namely Product portfolio development and GHG emissions from Tier 1 suppliers.

Product portfolio development

Approximately 99% of Wärtsilä's GHG emissions occur during the product use phase, primarily during engine operation. Consequently, Wärtsilä's most significant opportunities to reduce emissions across the value chain lie in advancing sustainable product offerings and development, as outlined below:

- Products and services: Offering innovative technologies and lifecycle solutions with high efficiency and low emissions
- R&D: Developing sustainable and future-proof technologies
- Collaboration: Joining forces with stakeholders in promoting climate and environmental actions

In the long term, the most impactful part of Wärtsilä's set of decarbonisation levers and actions is the process to develop a product portfolio ready for zero-carbon fuels by 2030. However, it should be noted that the pace of the adoption of these new technologies by customers will largely depend on the availability and pricing of sustainable fuels in the future.

Wärtsilä's market analysis and modelling tools provide insights into the expected availability and cost development of alternative fuels. The company anticipates that biofuels produced from non-food or non-feed organic sources will become widely available during the 2030s. These include biodiesel, renewable diesel, biomethane, biomethanol, and bioethanol. Following biofuels, blue fuels such as blue ammonia are expected to emerge, benefiting from scalability and existing oil and gas infrastructures. Green synthetic fuels, derived from emission-free hydrogen produced using renewable electricity, are projected to reach significant volumes from the late 2030s, primarily in regions with abundant solar and wind resources. In the power generation segment, green hydrogen and hydrogen-natural gas blends currently represent the most promising Power-to-X fuels for Wärtsilä's power plants. However, the timeline for their deployment is influenced by the pace of infrastructure development, and the availability of green hydrogen in sufficient quantities.

Collaborative R&D activities

An important part of Wärtsilä's efforts in developing sustainable technologies for the marine industry takes place in collaboration with external partners. For example, within the "Zero Emission Marine 2030" collaboration ecosystem, Wärtsilä engages in multiple joint projects with universities and other companies, including:

- The CASEMATE (Computer-Aided Systems Engineering for Marine Advanced Technology for the Environment) project develops and applies Model Based Systems Engineering methodology to engine development for new zero-carbon fuels.
- The Green Engine simulation GECFD research project is creating an open simulation platform to develop new technologies needed for sustainable fuels and for digital modelling of their use.
- The HENNES research project studies the physics and chemistry of hydrogen combustion.
- The Flexible Clean Propulsion Technologies (Flex-CPT) project consortium aims to develop innovative, clean, and flexible solutions for maritime transport and off-road machinery.
- The three-year AINA (Ammonia Energy Conversion and Social Acceptance) project investigates the challenges related to the use of ammonia.

- The HyWä project (Wärtsilä and Hycamite project) develops cost-effective hydrogen production from liquefied natural gas (LNG) onboard vessels.
- The research project Data Analytics for Zero Emission Marine (DAZE) explores the use of data to significantly reduce emissions from shipping.
- The research project Green Connect investigates the preconditions, needs, and business models needed to develop and introduce green transport concepts to different transport chains and shipping markets.

Other collaborative research programmes in which Wärtsilä participates include:

- The research project led by Integrated Argon Power Cycle (iHAPC) consortium focusing on the use of argon – a non-toxic ideal gas present in the atmosphere – to increase the efficiency of balancing engines.
- The GREEN RAY research project, which aims to develop technologies capable of reducing methane slip in two- and four-stroke LNG engines, and the further use of after-treatment technology.
- The Waterborne technology platform has been set up as an industry-oriented Technology Platform to establish a continuous dialogue between all waterborne stakeholders, such as classification societies, shipbuilders, shipowners, maritime equipment manufacturers, infrastructure and service providers, universities or research institutes, and with the EU Institutions, including Member States. It aims to contribute towards clean, competitive and safe waterborne transport.

GHG emissions from Tier 1 suppliers

For reducing Scope 3 emissions from the supply chain, Wärtsilä targets a 25% reduction in GHG emissions from Tier 1 suppliers by 2030, focusing on their Scope 1 and 2 emissions related to Wärtsilä deliveries. In 2025, Wärtsilä established a structured framework for supplier emissions reporting, including data collection processes, governance measures, and baseline definition. Supplier engagement was strengthened through clear communication, onboarding, and the integration of progress reviews into internal systems. Digital tools and reporting structures were deployed to support monitoring and transparency.

Going forward, efforts will focus on improving data accuracy through verification and third-party assurance, as well as by enhancing performance tracking. Wärtsilä will deepen its understanding of its suppliers' decarbonisation ambitions, learn from their best practices, and support them through coaching and other targeted initiatives. Continuous improvement will be driven by process refinement and extended awareness training, thereby ensuring alignment with long-term decarbonisation targets. A good example of successful supplier collaboration is Wärtsilä's strategic partnership signed in 2025 with Siempelkamp Giesserei, a supplier of large cast components such as engine blocks. Siempelkamp aims to deliver near carbon-neutral castings by 2030.

Resources to implement actions

To support the implementation of the climate change mitigation actions outlined in the Set for 30 transition plan for Scope 1 and 2 emissions, Wärtsilä incorporates related investments into operational and capital planning. To advance the company's carbon neutrality target, Wärtsilä allocated EUR 245 thousand in operational and capital expenditure in 2025 for

the procurement of renewable electricity and biogas for engine testing, and for the installation of solar panels. In addition to financial investments, key resources such as dedicated personnel, digital tools, and training programmes play an important role in driving the Set for 30 actions.

To support the development of sustainable products, Wärtsilä invested EUR 329 million in research and development during 2025, representing 4.8% of net sales. A substantial portion of this investment was directed towards improving environmental performance, including energy efficiency. Specifically, R&D activities related to sustainable fuels accounted for EUR 17 million in capital expenditure and EUR 22 million in operational expenditure. The total R&D expenditure also includes those costs in Wärtsilä's EU Sustainable Finance Taxonomy disclosures. It should be noted that the expenditures reported in the EU Taxonomy disclosures include costs beyond the scope of the transition plan, although they contribute to climate change mitigation in other ways.

2.2.4. Climate change targets (E1-4)

Material topic	Scope	Target	Base year	Base year value	Achievements by the end of 2025 (reduction compared to base year, %)
Climate change	1 and 2	Set for 30: To become carbon neutral in our own operations by 2030.	3-year average (2019-2021)	Scope 1: 55,000 tCO ₂ e Scope 2 market-based: 45,000 tCO ₂ e Combined: 100,000 tCO ₂ e	Combined Scope 1+2 reductions -53,192 tCO ₂ e (53%)
Climate change	3	Set for 30: To provide a product portfolio that will be ready for zero-carbon fuels by 2030.	2021	N/A	The development of hydrogen, ammonia, and methanol technologies progressed significantly in 2025, with hydrogen moving to prototype testing and the first ammonia delivery passing factory acceptance testing. Methanol research continued alongside intensive customer support for the industrialized W32M technology.
Climate change	3	Set for 30: 25% reduction of suppliers' GHG	2024	0.224 kgCO ₂ e/EUR	In 2025, the base year value was calculated.
Climate change & Energy	1 and 2	Reduce energy consumption by at least 7% (29.9 GWh) in terms of absolute consumption by 2025.	2017	427.5 GWh	Energy savings of 34 GWh were achieved, corresponding to an 8% decrease from the base year, exceeding the final target.

The targets outlined above support Wärtsilä's Code of Conduct, and the Quality, Environmental, Health and Safety (QEHS) Policy, aimed at addressing climate change. With these commitments, Wärtsilä manages climate-related risks, reduces environmental impacts, and captures opportunities in the energy transition. The carbon neutrality and energy saving targets are absolute, while the supplier decarbonisation target is relative. The product portfolio target is measured through the achieved technology readiness levels. The Set for 30 targets have been approved by the Board of Directors.

Wärtsilä targets carbon neutrality in its own operations by 2030, in line with the ambition of the Paris Agreement. At minimum, 42% of the emission reductions will be achieved through direct mitigation levers, as stipulated by the Agreement. For the remaining emissions, carbon credits can be purchased to achieve carbon neutrality. Since the target's base year, emissions reductions account for 53% of progress towards the target, which is in line with the trajectory required to achieve it. In 2025, Wärtsilä's actions focused on measures, such as purchasing renewable electricity, low emission company vehicles, and piloting the use of liquified biogas (LBG) in engine testing in Vaasa, Finland. In 2025, of the total electricity consumption, 79% was from renewable sources.

In the beginning of 2017, Wärtsilä's Board of Management approved an energy saving target to reduce total energy consumption in our own operations by at least 7% (29.9 GWh) in terms of absolute consumption from the 2015 level, by 2025. The target setting is linked to the Energy Efficiency Agreement in Finland. By the end of 2025, permanent energy savings of 34 GWh had been achieved, enabling Wärtsilä to exceed its final 2025 target. Energy savings are mainly based on reduced electricity or heat consumption and the implementation of energy efficiency measures. Wärtsilä remains committed to advancing its energy-saving efforts beyond 2025 and has set a new target for the period 2026-2035. The goal is to reduce energy consumption by 10% in top eight energy-consuming countries by 2035, using 2024 as the baseline year. The energy saving target supports the overall carbon neutrality target.

As regards its products, Wärtsilä's 'Set for 30' target is to provide a product portfolio ready for zero-carbon fuels by 2030. Decarbonisation is a priority in the company's product and product portfolio development. Wärtsilä is developing a broad range of technologies and solutions to support its customers in their decarbonisation transition. The development of concepts for pure hydrogen continued throughout 2025 and the concept for industrialisation was selected. The step from technology development to prototype testing was taken when the 10V31H hydrogen engine was installed at the Bermeo engine laboratory. Wärtsilä Energy is currently searching for a feasible pilot installation. The development and validation of technology selected for ammonia industrialisation continued during 2025. The first ammonia fuelled Wärtsilä 25A engine passed factory acceptance testing and is ready for customer delivery. In addition, methanol research and technology development has continued throughout 2025. Intensive customer support is ongoing for the industrialised methanol technology Wärtsilä 32M engine.

In 2024, Wärtsilä set a new target of a 25% reduction in its suppliers' GHG emissions by 2030, compared to the 2024 baseline. The target covers Tier 1 direct suppliers to Wärtsilä, and their Scope 1 and 2 GHG emissions related to deliveries to Wärtsilä. It is a relative target, for which the baseline is defined by Wärtsilä's allocated GHG emissions and spend.

Targets related to Wärtsilä's Scope 3 emissions are not considered to be in line with the Paris Agreement.

When setting the targets, Wärtsilä considered key future developments that could influence emissions and reduction potential. These include growth in demand for products capable of running with zero-carbon fuels, such as ammonia and hydrogen, by 2030, compliance with evolving decarbonisation regulations, for example those related to the International Maritime Organization, and the acceleration of research and development for sustainable fuels and abatement technologies. The target setting process involved engagement with internal stakeholders. For instance, the development of the Set for 30 programme was aided via a comprehensive study that included interviews with key internal experts. Similarly, the energy efficiency target was shaped through discussions around the Energy Efficiency Agreement. For the supplier decarbonisation target, the category managers and strategic purchasers were engaged, including interviews with selected suppliers, where supplier emission reduction roadmaps were reviewed.

Accounting principles

For defining the baseline value for Set for 30 target on becoming carbon neutral in own operations, Wärtsilä uses a baseline value that is derived from a 3-year average (2019-2021), as this increased the representativeness of the base line emissions. Another reason for choosing a 3-year average was to better take into account the business impact of Covid-19.

Climate change targets are aligned with Wärtsilä's GHG inventory, including boundaries, scope and calculation principles as outlined in section E1-6. All relevant greenhouse gases are covered. The targets are not based on conclusive scientific evidence as defined in the Science Based Targets initiative (SBTi).

Monitoring of the energy-saving target is conducted using site-level energy reduction data, derived from permanent energy-saving actions and either calculated or estimated.

2.2.5 Energy data (E1-5)

Energy Consumption and Mix	2025	2024
Fuel consumption from coal and coal products (MWh)	0	0
Fuel consumption from crude oil and petroleum products (MWh)	88,083	80,483
Fuel consumption from natural gas (MWh)	69,114	67,121
Fuel consumption from other fossil sources (MWh)	20	35
Consumption of purchased or acquired electricity and heat from fossil sources (MWh)	25,720	44,202
Total fossil energy consumption (MWh)	182,936	191,841
Share of fossil sources in total energy consumption (%)	72	76
Consumption from nuclear sources (MWh)	536	2,782
Share of consumption from nuclear sources in total energy consumption (%)	0	1
Fuel consumption from renewable sources (MWh)	1,522	0
Consumption of purchased or acquired electricity and heat from renewable sources (MWh)	66,297	57,026
Consumption of self-generated non-fuel renewable energy (MWh)	2,824	2,231
Total renewable energy consumption (MWh)	70,643	59,257
Share of renewable sources in total energy consumption (%)	28	23
Total energy consumption (MWh)	254,116	253,879
Non-renewable energy production (MWh)	14,002	12,203
Renewable energy production (MWh)	2,824	2,231
Total energy consumption from activities in high climate impact sectors (MWh)*	254,116	253,879
Energy intensity from activities in high climate impact sectors (total energy consumption per total net revenue (MEUR)*)	37	39

* All Wärtsilä's activities fall within high climate impact sector NACE-code C28.11. - Manufacture of engines and turbines, except aircraft, vehicle and cycle engines. Revenue in 2025: EUR 6,914 million is also reported in Financial statements, Consolidated statement of income.

① Accounting principles:

Energy consumption includes both direct and indirect energy usage. The direct energy usage includes the fuels used by Wärtsilä subsidiaries. Lower heating values (LHV) are used to calculate the energy consumption of fuels. LHVs are based on information supplied by vendors or results of fuel analyses for engine testing and R&D purposes, and for other fuel consumption, the source is the UK Department for Environment, Food and Rural Affairs (Defra). The indirect energy usage includes purchased electricity and heat.

Methodology for energy metrics:

Consumption of purchased or acquired electricity and heat from fossil sources: Purchased electricity from fossil sources = Purchased electricity – electricity from renewable and nuclear sources. Purchased district heat from fossil sources = Purchased district heat – renewable district heat.

Consumption from nuclear sources: The share of nuclear energy for all countries with Wärtsilä operations is determined by the Association of Issuing Bodies (AIB) and International Atomic Energy Agency (IAEA).

Fuel consumption from renewable sources: Consumption of fuel from renewable sources includes biogas and biodiesel.

Consumption of purchased or acquired electricity and heat from renewable sources: Electricity and district heat consumption from renewable sources.

Consumption of self-generated non-fuel renewable energy: Self-generated electricity from solar panels.

Non-renewable energy production: Fossil fuels used for self-generated electricity and heat.

Energy intensity describes the ratio of total internal energy consumption divided by the total net sales of Wärtsilä (MWh/ MEUR).

All energy consumption data is reported in Wärtsilä's sustainability reporting tool and is based on either invoices or measured values, with the exception of roughly 0,2% of total energy consumption estimated.

All of Wärtsilä's energy consumption is derived from activities in high climate impact sectors.

No measurements of the metrics are validated by an external body other than the assurance provider.

2.2.6 GHG emissions data (E1-6)

	Base year*	Retrospective			Milestones and target years	
		2024	2025	Change % (2025/2024)	2030	Annual % target / Base year
Scope 1 GHG emissions (tCO₂e)						
Gross Scope 1 GHG emissions	55,000	37,066	40,848	10	0	n/a
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)		0%	0%			
Scope 2 GHG emissions (tCO₂e)						
Gross location-based Scope 2 GHG emissions**		19,849	18,127	-9		
Gross market-based Scope 2 GHG emissions***	45,000	12,771	5,960	-53	0	n/a
Significant Scope 3 GHG emissions (tCO₂e)						
Total Gross indirect (Scope 3) GHG emissions		115,127,000	112,086,700	-3		
1 Purchased goods and services		2,008,600	2,034,700	1		
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)		10,000	10,000	0		
4 Upstream transportation and distribution		82,900	89,200	8		
6 Business traveling		50,500	56,800	12		
11 Use of sold products****		112,975,000	109,896,000	-3		
Total GHG emissions (tCO₂e)						
Total GHG emissions (location-based)		115,183,915	112,145,676	-3		
Total GHG emissions (market-based)		115,176,837	112,133,508	-3		

* The baseline values are based on 3-year average values (2019-2021); rounded figure. Starting from 2024, the boundaries include companies with less than 10 employees that were not included in the base year calculations.

** The target is based on market-based emissions.

*** Of the total electricity consumption, 79% (68,400 MWh) was from renewable sources in the form of self-generated electricity (solar panels), and bundled and unbundled energy attribute certificates purchased (EAC). Of the purchased renewable electricity, 93% is related to unbundled energy attribute certificates (EAC) and 7% related to bundled EAC.

**** The 2024 emissions have been recalculated following a methodology update. Before the recalculations, emissions totaled 86,786,000 tCO₂e.

Biogenic emissions	2025	2024	Change % (2025/2024)
Outside of Scopes (tCO ₂ e)	128	n/a	n/a

① Accounting principles:

Wärtsilä's greenhouse gas (GHG) emissions are reported based on the Greenhouse Gas Protocol. Wärtsilä uses the operational control approach to establish the organisational boundary for emissions reporting. As defined by the GHG Protocol, Wärtsilä includes operations where the company has the full authority to introduce and implement operating policies. Investees, such as associates, joint ventures, or unconsolidated subsidiaries, are excluded from the reporting. Scope 1, 2, and 3 GHG emissions for energy are calculated by Sphera's Corporate Sustainability Software. All relevant GHG emissions are included in the calculations.

Scope 1 emissions cover direct emissions from fuel consumption by Wärtsilä companies. Reported figures for R&D and engine testing are mainly based on measured values, which are used to determine specific emission factors. These factors have been established for various fuels and engine types through measurements, and they have been externally assured (DNV). Emissions from heating boilers are calculated based on fuel consumption. The data is measured and collected in each Wärtsilä company and reported via a global reporting tool.

Scope 2 include indirect GHG emissions from the generation of purchased electricity and heat consumed by Wärtsilä companies. For electricity, location-based Scope 2 emissions are calculated using emission factors from the International Energy Agency (IEA). Market-based Scope 2 emission are calculated using residual mix emission factors where available (for Europe and USA), and IEA emission factors for other countries. For district heating,

Scope 3 emissions are reported for five categories identified as material for Wärtsilä: Category 1: Purchased Goods and Services; Category 3: Fuel- and Energy-Related Activities; Category 4: Upstream Transportation and Distribution; Category 6: Business Travel; and category 11: Use of sold products. 0.1% of GHG Scope 3 emissions have been calculated using primary data.

Category 1: GHG emissions from purchased goods and services are calculated using a spend-based method. The economic value of goods and services purchased is multiplied by the industry average emission factors obtained from the EXIOBASE database (v3.8.2). Spend data is broken down according to Wärtsilä's internal purchasing categories, and allocated to the most appropriate product group category available within the EXIOBASE database. Category 1 includes GHG emissions from category 2 Capital goods.

Category 3: Energy-related GHG emissions are calculated using the emission factors from IEA, MLC and DEFRA.

Category 4: For purchased outbound logistics, the emissions for logistics services are calculated mainly based on the Global Logistics Emissions Council (GLEC) Framework, the global method for the calculation and reporting of logistics emissions. Furthermore, primary emission data from transport vehicles has been collected to improve the data quality. Data coverage is 83% of the total transportation spend and extrapolation is made for the remaining share.

Category 6: Emissions from air travel are based on calculations by Wärtsilä's travel agency and Thrust Data defined emission factors are used.

Category 11: GHG emissions data from the use of sold products is calculated based on the number of engines sold in the reporting year, related engine running hours, engine output, and engine load multiplied with relevant emission factors. The emissions from sold engines as direct use-phase emissions were accounted for. The emission factors for lifecycle CO₂e emissions per kWh of fuel are:

Well to tank (WtT) emission factors:

- Default emission factors provided in the Fuel EU maritime, Annex II are used for LNG, diesel and methanol.
- A separate emission factor was calculated for pipeline gas that is used for engines sold to the energy sector.

Tank to wake (TtW) emission factors:

- Wärtsilä maintains performance manuals for its engines that provide information on engine fuel consumption and emissions data (e.g. CO₂, Total Hydrocarbon Content (THC)). THC is used to describe the quantity of the measured hydrocarbon impurities present, and the data is used to determine the methane slip in gas operated engines. Wärtsilä engines are tested in accordance with ISO 8178 standard reference conditions, and information on CO₂e for each engine type, fuel type and engine load are available. Conversion factors are from the Marine Environment Protection Committee (MEPC).

Methane slip is considered in engines powered by LNG: Global Warming Potential (GWP) for CH₄ is 28 (over 100 years).

Biogenic emissions in Wärtsilä's own operations originate from the combustion of biofuels used in engine testing and other company operations, such as vehicle use. The biogenic emission factor covers CO₂ emissions, and the source for this factor is the Defra database. The biogenic emissions are not available for Scope 2 and Scope 3.

Scope 3 categories excluded from reporting:

Excluded category	Explanation
5. Waste generated in operations	Calculated but less than 0,1% of total scope 3 emissions.
7. Employee commuting	Calculated but less than 0,1% of total scope 3 emissions.
8. Upstream leased assets	Upstream leased assets are not material for Wärtsilä.
9. Downstream transportation and distribution	Calculated but less than 0,1% of total scope 3 emissions.
10. Processing of sold products	Wärtsilä does not sell any intermediate products. Wärtsilä's products are not processed downstream.
12. End-of-life treatment of sold	Calculated but less than 0,1% of total scope 3 emissions.
13. Downstream leased assets	Wärtsilä has no relevant downstream leased assets that are reported on Group level.
14. Franchises	Wärtsilä is not using franchises.
15. Investments	Wärtsilä has no investments that would account to relevant GHG

Note on value chain data estimations: Wärtsilä continuously strives to improve data accuracy by increasing the amount of primary data used in the Scope 3 calculations. For Category 1: Purchased goods and services, Wärtsilä aims to be able to change the basis for calculations from spend-based to weight-based data for purchased goods as soon as the company has developed the primary data on weights to an accurate level. For Category 4: Upstream transportation, Wärtsilä aims at collecting more primary data from the logistic service providers, but this depends on the further development of the service providers' reporting capabilities.

No measurements of the metrics are validated by an external body other than the assurance provider.

Contractual instruments used for purchase of energy	2025	2024
Percentage of contractual instruments of electricity purchased (MWh)	94%	74%
Bundled energy attribute certificates (EAC)	4,899 MWh	4,358 MWh
Unbundled energy attribute certificates (EAC)	60,692 MWh	51,936 MWh
Percentage of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to total electricity consumption (MWh)	7%	6%
Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to total electricity consumption (MWh)	87%	68%
Disclosure of types of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation or for unbundled energy attribute claims	Bundled energy attribute certificates (EAC): Guarantees of origin (GOs) Unbundled energy attribute certificates (EAC): Guarantees of origin (GOs), IRECs	

GHG emissions intensity

GHG intensity per net revenue*	2025	2024**	Change % (2025/2024)
Total GHG emissions (location-based) per net revenue (tCO ₂ e/MEUR)	16,220	17,861	-9%
Total GHG emissions (market-based) per net revenue (tCO ₂ e/MEUR)	16,218	17,860	-9%

* Revenue in 2025: EUR 6,914 million is also reported in Financial statements, Consolidated statement of income.

** The 2024 emissions have been recalculated due to a change in the calculation methodology of Scope 3 category 11 Use of sold products.

GHG emissions intensity describes the ratio of total greenhouse gas emissions (Scope 1, 2 and 3) divided by Wärtsilä's total net sales in the reporting year (tCO₂e/MEUR). No measurements of the metrics are validated by an external body other than the assurance provider.

2.2.7. GHG removals, storage, carbon credits and internal pricing (E1-7, E1-8)

Outside Wärtsilä's value chain, the company considers purchasing carbon credits as a last resort, after other measures to reduce or avoid emissions have been explored. High-quality carbon reduction projects will be selected together with a credible supplier if carbon offsetting is needed. Wärtsilä has not implemented internal carbon pricing and no carbon credits were used in 2025.

2.3. Pollution (ESRS E2)

2.3.1. Policies on pollution (E2-1)

The company has formalised its environmental principles through the Code of Conduct and the Quality, Environmental, Health and Safety (QEHS) policy. Both guidelines apply to all activities, employees and subsidiaries in all geographical locations. The Code of Conduct extends to suppliers and business partners, who are expected to uphold similar ethical and environmental standards. The Code of Conduct and QEHS Policy are reviewed and updated as necessary, with approvals from the Board of Management, which is ultimately accountable for implementation of the policies. The policies are accessible via Wärtsilä's intranet and external website, and are actively communicated through various channels, including visual materials at production sites.

Complementing these, Wärtsilä's Supplier Requirements include expectations for environmental management and the reduction of environmental impacts. The publicly available requirements apply globally to all suppliers. Corporate Supply Management carries the responsibility for implementing Supplier Requirements.

The Code of Conduct outlines the company's dedication to enhancing the environmental performance of its products, solutions, and operations. It articulates Wärtsilä's role in advancing sustainable energy production and driving the development of green marine transport. Wärtsilä commits to mitigating environmental impacts through awareness-raising, pollution prevention, responsible resource use, and substituting and minimising the use of hazardous substances. Environmental risks are proactively assessed and managed through adherence to internal policies and procedures, precautionary actions, and structured reporting mechanisms. All Wärtsilä subsidiaries are required to operate in accordance with an environmental management system.

Wärtsilä's QEHS policy further positions the environmental principles at the core of the company's operations. It emphasises the delivery of safe, efficient, and environmentally sound solutions that comply with applicable regulations and standards.

The company's Supplier Requirements mandates that suppliers maintain an environmental management system aligned with ISO 14001 or EMAS, ensuring systematic control of environmental risks and preparedness for incidents and emergencies. In relation to hazardous substances, Wärtsilä's Supplier Requirements emphasise transparency and cooperation to support regulatory compliance and to enable informed customer communication. Suppliers must comply with all relevant laws and regulations related to substances and materials, including REACH and Wärtsilä's Black & Grey list.

These define restrictions and prohibitions on the use of substances in Wärtsilä's products, materials and production processes, and may be more stringent than national regulations. Suppliers are also required to inform Wärtsilä regarding substances of very high concern, in accordance with the legal requirements.

In terms of downstream impact, Wärtsilä's product design is the primary lever for influencing substance use. There is no direct requirement to phase out substances of concern as such, but this comes naturally through following applicable regulations. At the same time, Wärtsilä must explore alternative substances to replace those that may become restricted in the future.

2.3.2. Actions related to pollution (E2-2, E2-3)

For two decades already, Wärtsilä has been a significant contributor in the technology development and deployment of LNG-fuelled marine propulsion. The use of LNG fuel has significantly reduced pollution levels compared to the technologies it displaces, such as steam turbines and HFO-fuelled engines. In 2025, 74% of engine MW's delivered to Marine customers were capable of operating on cleaner gas fuels. For Energy deliveries, the share was 89% (deliveries also include those engines sold by Wärtsilä that have been manufactured in two joint venture companies).

For Wärtsilä, considering the lifecycles of the company's products, which can be up to 30 years or even longer, the vast majority of pollution is emitted from engines being run by customers. Wärtsilä continuously develops more efficient products, which in turn, reduces pollutant emissions. The company also continues to develop and improve a number of existing pollution prevention technologies, which include, for example, the ultra-low-NOx catalyst capable of reducing NOx emissions down to the levels required by today's most stringent globally-applied regulations. In its own global operations, Wärtsilä strictly follows local regulations on pollution limits. Any possible deviations from these limits are recorded, reported, and rectified as quickly as possible.

As a good example of a current solution, Wärtsilä has developed and introduced to the market a new ultra-low emissions version of its already efficient Marine Wärtsilä 31DF engine. When operating on LNG, in addition to a significant reduction in methane emissions, this new version can further reduce NOx emissions at a 50% load point by up to 86%.

The most important development actions ongoing are those related to Wärtsilä's 'Set for 30' commitment to develop a product portfolio that will be ready for zero-carbon fuels by 2030. Here, the development actions are concentrated on different engine types, along with their respective auxiliary systems. Although Wärtsilä has not set a specific target for pollution reduction as such, the emerging sustainable fuels will also lower overall pollution levels. Compared to diesel, methanol and ammonia will reduce NOx levels and have significantly lower levels of SOx and particulates. Hydrogen, compared to natural gas, is expected to have similar NOx levels but will drastically reduce, for example, VOC emissions.

Throughout 2025, the development and validation of technology selected for ammonia industrialisation continued. The first ammonia fuelled Wärtsilä 25A engine has passed factory acceptance testing and is ready for customer delivery. Methanol research and technology development also progressed steadily, supported by intensive customer engagement for the industrialised methanol technology on the Wärtsilä 32M engine. For hydrogen, the concept for industrialisation was

selected. The step from technology development to prototype testing was taken when the 10V31H hydrogen engine was installed at the Bermeo engine laboratory. Energy business is currently seeking a feasible pilot installation.

Wärtsilä actively monitors the development of global emission regulations, especially focusing on the EU, the International Maritime Organisation (IMO) and the USA Environmental Protection Agency (EPA). The company also engages directly with decision makers on pollution-related topics. In 2025, one of the engagement topics in the EU area was advocating for greater certainty regarding the availability of sustainable fuels. Wärtsilä provides policymakers with insights into ongoing technological advancements in emissions reduction, helping to establish the setting of new, technologically feasible emission limits. Wärtsilä emphasises that pollution levels need to be decreased at system level, and regulations should have this as an aim.

Activities in 2025 related to replacing hazardous substances in its products include Wärtsilä testing lead-free bearings and alternatives for hard chrome coatings for piston rings and valves.

In 2025, Wärtsilä's R&D expenses were EUR 329 million, which represents 4.8% of net sales. The clear majority of the total sum is directed towards developing more sustainable products in various ways. The 'Set for 30' R&D target to have a product portfolio running on zero carbon fuels by 2030 amounted to capital expenditures of EUR 17 million and operational expenditures of EUR 22 million. For 2026 these expenditures are estimated at about EUR 24 million as capital expenditures and EUR 25 million as operational expenditures. These R&D costs are not reported separately in Wärtsilä's financial reporting.

Wärtsilä does not currently have a public target related to substances of concern or substances of high concern. However, the company ensures compliance with all regulations restricting the use of such substances. Wärtsilä does not identify significant business opportunities related to hazardous substances and therefore considers regulatory compliance to be a sufficient approach to managing the issue. Regarding pollution, there is no separate target as Wärtsilä's strategic focus is on decarbonisation. Nevertheless, as outlined above, the company's R&D efforts towards sustainable fuels are expected to contribute to reductions in pollution.

2.3.3. Pollution data from Wärtsilä's own operations (E2-4)

Emissions (t)	2025	2024
Nitrogen oxides	566	440
Sulphur oxides	11	3
Total hydrocarbons	76	76
Particulates	3	4
VOC	9	15

i Accounting principles:

In 2025, the reported pollution data comprises emissions to air from R&D and engine testing. In the comparative figures, emissions from company vehicles, trucks and generators were also included. These sources represent less than 5% of the total reported emissions and are therefore considered non-material. The reported figures for R&D and engine testing are mainly based on measured values, based on which specific emission factors are determined. The five types of emissions reported are the most significant types emitted by Wärtsilä engines, as per emission measurements. The specific emission factors have been determined for various fuels and engine types through measurements, and they have been externally assured. Wärtsilä does not generate or use microplastics. No other measurements of the metrics have been validated by an external body other than the assurance provider.

3. Social information

3.1. General information on Wärtsilä's employees (S1-6)

Characteristics of undertaking's employees - number of employees by gender

Headcount at year end	2025	2024
Total	18,504	18,913
Male	14,936	15,360
Female	3,566	3,553
Other	1	n/a
Not reported	1	n/a

Number of employees in countries with 50 or more employees representing at least 10% of Wärtsilä's total number of employees

Headcount at year end	2025	2024
Country	2025	2024
Finland	5,028	4,745

Information on employees by contract type and gender

Number of employees by contract type and gender	2025			2024		
	Permanent	Temporary	Non-guaranteed hours	Permanent	Temporary	Non-guaranteed hours
Total	16,725	1,260	519	17,166	1,289	457
Male	13,594	1,000	343	14,018	1,021	320
Female	3,129	260	176	3,148	268	137
Other	1	0	0	n/a	n/a	n/a
Not reported	1	0	0	n/a	n/a	n/a

Number of employees who have left Wärtsilä during the reporting period and the rate of employee turnover

	2025	2024
No. of employees that left Wärtsilä	1,119	1,310
Turnover rate, %	6.7%	7.7%

(i) Accounting principles:

Employees and non-employees: Data on Wärtsilä employees is reported as headcount at the end of the reporting period and is mainly derived from the global Employee Central SuccessFactors. Less than 1% of employees, the amount varying between indicators, lack having all their employment details in the global HR databases. Their gender, employment and contract types have been assumed as being the same as an average global employee. The numbers of employees that have left do not include estimates of employees whose employment or resignation has not been formally recorded. Data on non-employees has been omitted from this statement.

Employee turnover is calculated by dividing the headcount number of permanent employees having left the company voluntarily or due to dismissal, retirement, or death in service during the reporting period, by the total headcount of permanent employees at the end of the reporting period.

No measurements of the metrics are validated by an external body other than the assurance provider.

3.2. Occupational health and safety (ESRS S1)

3.2.1. Occupational health and safety policy (S1-1)

Wärtsilä's approach to occupational health and safety is governed by its Code of Conduct and the Quality, Environmental, Health and Safety (QEHS) Policy. These documents collectively define the principles and expectations for maintaining a safe and healthy working environment across all operations. The suppliers and business partners are expected to apply similar principles of ethical behaviour as those reflected in the Code of Conduct. Details on the accessibility and accountability of the implementation of these frameworks is provided in the chapter Policies on pollution (E2-1).

Wärtsilä is committed to ensuring a safe and healthy working environment for employees, contractors, and partners across all areas of operation. The company operates on the principle that all accidents are preventable by promoting a strong safety culture, continuously enhancing safety performance, and adhering to high standards in occupational health and safety. Health, safety, and security requirements are rigorously followed, with proactive identification of potential hazards and systematic reporting of near misses to support effective risk management. These practices are embedded within the health and safety management system, which is mandatory for all Wärtsilä subsidiaries. Employees are empowered to stop work if conditions are unsafe. In addition to physical safety, Wärtsilä promotes employee wellbeing through initiatives that support personal development, work-life balance, and a caring workplace culture. These efforts contribute to a safe and inclusive environment that supports everyone's daily activities.

In addition to workplace safety, Wärtsilä upholds stringent product safety standards to protect customers and end-users, ensuring that safety is embedded throughout the product lifecycle.

In its Code of Conduct, Wärtsilä commits to respecting internationally recognised human rights and standards as outlined in the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. Wärtsilä strives to identify, prevent, and mitigate adverse impacts on human rights within the company's own activities and business relationships. As outlined in the Code, Wärtsilä does not tolerate forced labour, child labour, or any form of exploitation within the company's own activities or business relationships. Particular attention is given to operations in countries with a high risk of human rights challenges, or working with vulnerable groups such as migrant workers.

In addition, the Code of Conduct prohibits bullying, harassment, inappropriate treatment and violence. Wärtsilä is dedicated to ensuring an environment free from discrimination based on race, ethnicity or national origin, colour, gender, family status, sexual orientation, creed, disability, age, or religious or political beliefs. Any suspected violation of human rights in the company's own operations, or in those of the business partners, must be addressed and reported through the reporting channels.

Wärtsilä monitors compliance with these standards primarily through internal reporting channels, such as the WeCare reporting system, the whistleblowing channel, stakeholder engagement processes, as well as for health and safety processes through internal audits and multi-site certifications compliant with ISO management standards.

Employee engagement on health and safety matters is facilitated through open dialogue with management and, in most Wärtsilä entities, through formal occupational health and safety committees. In cases of work-related injuries or illnesses, the company ensures access to appropriate medical treatment and insurance coverage, which meets or exceeds the legal requirements.

3.2.2. Engagement with employees on health and safety (S1-2)

Wärtsilä engages with its workforce and their representatives through structured processes to identify, assess, and manage actual and potential impacts related to occupational health, safety, and wellbeing. These processes are embedded in the company's health and safety management system and are supported by local and global mechanisms for dialogue and feedback. Wärtsilä's Board of Management and Business Management teams are responsible for ensuring that employee engagement mechanisms are in place and effective, with support from the global EHSS team and local EHS managers.

Occupational Health and Safety (OHS) Committees are established in 80% of Wärtsilä entities. These committees, comprising management and employee representatives, facilitate consultation and communication on health, safety, environment, and wellbeing topics. Their structure, meeting frequency, and decision-making effectiveness, are adapted to local operational needs.

Management-employee dialogue is maintained through regular town hall meetings at global, business and local levels, enabling direct information sharing and feedback. At the European level, the Wärtsilä European Works Council provides a

formal mechanism for dialogue on workplace safety and wellbeing, ensuring representation and engagement across borders. Consultation and negotiation with national works councils and trade unions are conducted in accordance with local laws, regulations, and market practices. Team-level safety discussions are encouraged at operational sites to promote peer-to-peer learning, raise concerns, and share experiences. These discussions complement formal reporting and committee structures and help strengthen a safety culture at the grassroots level.

Employee perspectives are further captured through the global MyVoice survey, conducted biennially, and pulse surveys, which provide trend data on engagement, safety, and other workforce-related topics. These tools help identify employee groups that may be vulnerable to specific impacts. Survey results are reviewed at multiple organisational levels, and action plans are developed and implemented based on identified themes. Progress is monitored, and effectiveness evaluated through subsequent survey results and engagement metrics.

Reporting channels, such as the WeCare system, allow employees to report health, safety, and environmental events and observations. Additionally, ethics and misconduct reporting is available via Wärtsilä's online platform, ensuring transparency and accountability. Compliance with safety processes is monitored through internal audits and multi-site certifications compliant with ISO 9001, ISO 14001, and ISO 45001 standards.

3.2.3. Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)

Wärtsilä has established processes to remediate negative impacts related to occupational health and safety, and to ensure that all employees have access to trusted channels for raising concerns. All employees have access to WeCare, a global application for reporting occupational health and safety incidents, near misses, unsafe conditions, and safety observations. Each report is automatically routed to the responsible line manager for review and investigation. The system ensures timely follow-up and accountability at the operational level.

In addition to WeCare, Wärtsilä maintains an externally hosted whistleblowing channel for ethics and misconduct reporting. It is available online, thus allowing employees and external stakeholders to report broader workplace concerns, including ethical violations, harassment, and discrimination. Reports can be submitted anonymously, and all cases are investigated confidentially and thoroughly. These channels are introduced during onboarding and promoted through internal communications to ensure awareness and accessibility.

Wärtsilä is committed to maintaining a safe and open reporting culture. Both WeCare and the ethics reporting channel are available in multiple languages and are accessible across all Wärtsilä locations. Employees and worker representatives are protected from retaliation when raising concerns through any official channel. This commitment is embedded in Wärtsilä's Code of Conduct, which applies to all employees and business partners, and is reinforced through leadership accountability.

In cases of occupational injury or illness, Wärtsilä ensures that affected employees receive appropriate medical treatment and insurance coverage. While insurance practices vary by country, they always meet or exceed the minimum legal requirements. All accidents and hazardous situations are investigated to identify root causes and prevent recurrence, while also assessing potential gaps in the safety management system.

To assess the effectiveness and trust in its reporting and remediation processes, Wärtsilä includes relevant questions in the MyVoice employee engagement survey, conducted biennially. In the latest survey, conducted in 2024, 85% of respondents agreed with the statement "Safety risks are quickly corrected in my company", indicating strong confidence in the company's responsiveness. Survey results are reviewed at multiple organisational levels, and action plans are developed based on identified themes.

Reported WeCare cases are consolidated and analysed at regional, business, and global levels by EHS professionals and responsible management. Insights from these analyses are used to identify systemic issues, improve safety processes, and inform strategic decision-making. Wärtsilä also conducts internal audits and maintains multi-site certifications aligned with ISO 9001, ISO 14001, and ISO 45001 standards to ensure compliance and process integrity.

3.2.4. Health and safety actions (S1-4)

Wärtsilä continues to take targeted action to address material health and safety impacts through its four-year strategic programme Success through Safety, launched in 2023. The programme focuses on employee safety, contractor safety, product safety, and occupational health, and is overseen by the Board of Management with support from the global EHSS team, Business Management Teams, and local EHS managers.

To address identified risks, Wärtsilä implemented several initiatives in 2025. These included a global learning event and refreshed training materials to improve learning and frontline engagement during safety walks and wellbeing talks. The Safety and Wellbeing Pledge was published and integrated into the Services General Terms and Conditions in 2025. During the reporting period, it was applied to Marine and Energy Services' transactional orders and is in the process of being rolled out for Marine agreements. The pledge has fostered constructive dialogue with customers on health and safety, helping to identify opportunities to improve working conditions and reduce risk for our personnel. An updated version is planned for release in 2026 based on feedback received. Implementation of the global framework for frequent traveler health checks progressed in 2025 through the launch of a global service in six countries where health checkups were not previously available. Local processes were also improved to support the organization of health checks. Wärtsilä remains committed to achieving full coverage by 2026. A marine battery safety training programme was developed in response to the growing use of battery systems on vessels, which introduces new operational risks. The "One Winning Team" safety awareness programme progressed, with 86% of frontline employees trained by year-end, compared to 35% in 2024. Training sessions will continue in 2026.

Following an increase in recordable injuries in early 2025, Wärtsilä launched a review of work practices and conditions. More than 1,000 improvement ideas were submitted by employees, many addressing routine task hazards. These inputs are being evaluated and integrated into local and global safety improvement plans.

The 11th annual Safety Day, held from 15–19 September 2025, focused on teamwork, collaboration, and belonging under the theme Safer Together. Activities included town hall sessions with senior leaders, expert-led training, safety walks, and local workshops. Wellbeing efforts in 2025 focused on mental health and continued implementation of the six wellbeing elements defined in the global Wellbeing Framework. A key initiative was fostering regular wellbeing talks within teams to promote psychological safety, strengthen team cohesion, and proactively identify support needs.

Employees and stakeholders are encouraged to report health and safety incidents, improvement ideas, and observations through Wärtsilä's reporting portal. All cases are investigated, and corrective actions are taken. Employees are covered by work-related injury and illness insurance across all operations, with access to compensation and support mechanisms.

Wärtsilä is committed to the Stop Work Authority, as stated in its QEHS Policy. All employees and partners have the responsibility and authority to stop work when identifying a hazard, which could put the safety of personnel, partners and/or public in general at stake. Wärtsilä is committed to this Stop Work authority by preventing any retaliation in response to exercising this authority.

The effectiveness of health and safety actions is tracked through both reactive and proactive indicators. These include trends in injury frequency and severity, near-miss and hazard observations, and the number of safety walks. Safety performance is monitored monthly at the business and company level, and results are reviewed by Wärtsilä's Board of Management. Companies with OHS committees follow their own performance and take necessary steps to improve processes locally.

Wärtsilä establishes and monitors EHS objectives based on significant environmental aspects, EHS risks and opportunities, and stakeholder feedback. These objectives are informed by the QEHS Policy, strategy, audit reports, legal and other requirements, technical and financial options, and operational needs. Action plans are approved by relevant management teams and updated in response to significant changes in activities, products, services, or operating conditions.

Safety-related investments are embedded in Wärtsilä's operational and capital planning to support safe and reliable operations. Dedicated EHS personnel, digital tools, and training programmes are key resource areas supporting these efforts.

Health and safety governance at Wärtsilä is embedded across all organisational levels. Line managers are accountable for safety within their operations, supported by local EHS managers who implement policies and monitor performance. Business Management Teams set QEHS targets and oversee progress, while the global EHSS team and Health & Safety function provide strategic guidance and tools. The Board of Management holds ultimate responsibility for allocating resources and setting global safety and wellbeing objectives.

3.2.5. Safety target (S1-5)

Wärtsilä has set a long-term corporate-level safety target of zero injuries for its own employees, aligned with the company's Code of Conduct and QEHS Policy. The target reflects a commitment to strengthening the safety culture and is supported by the Success Through Safety programme. While the target is not fully aligned with ESRS requirements due to the absence of a measurable baseline and time-bound elements, it remains a key strategic objective guiding our safety initiatives.

The Board of Management oversees the target and its implementation with support from the global EHSS team and local EHS managers. While employee representatives were not directly involved in setting the corporate-level target, they contribute to safety planning and performance tracking at the local level through OHS committees.

Wärtsilä continues to pursue its long-term safety target of zero injuries for its own employees. In 2025, the total recordable injury frequency (TRIF) was 2.44, an increase from 2.20 in 2024. This development prompted a comprehensive review of work practices and conditions, with employee-submitted improvement ideas being integrated into updated safety plans. Wärtsilä remains committed to continuous improvement through targeted training, leadership accountability, and frontline engagement under the Success Through Safety programme.

Progress is tracked using both reactive and proactive indicators, including total recordable injury frequency and injury severity, near-miss and hazard observations, and the number of safety walks. Safety performance is monitored monthly at both the business and company level, and results are reviewed by Wärtsilä's Board of Management.

Characteristics of Wärtsilä's employees (S1-6)

S1-6 information has been reported in section 3.1.

3.2.6. Health and safety metrics (S1-14)

Wärtsilä requires all subsidiaries to operate in accordance with the QEHS Policy and EHS Directive, ensuring consistent management of occupational health and safety throughout the organisation. The safety management system covers legal compliance, risk mitigation, training, incident handling, emergency preparedness, and continuous improvement. By the end of 2025, 68 Wärtsilä companies, representing approximately 91% of the total workforce, were operating under a certified ISO 45001 occupational health and safety management system.

Type of injury and rates of injuries, and number of work-related fatalities	2025	2024
No. of fatalities of own employees, working on Wärtsilä premises, as a result of work-related injuries and work-related ill health	0	0
No. of fatalities of other workers working on Wärtsilä premises, as a result of work-related injuries and work-related ill health	0	0
No. of recordable work-related accidents for own employees	91	81
Rate of recordable work-related accidents for own employees/ million working hours	2.44	2.20

Accounting principles:

Number of recordable work-related accidents for own workforce: a work-related injury that results in any of the following: fatality, days away from work, restricted work or transfer to another job, and medical treatment beyond first aid. Commuting injuries are not included in the recordable work-related accidents report.

The rate of recordable work-related accidents for employees is expressed as total recordable injuries per million working hours. Working hours are actual paid working hours.

No measurements of the metrics are validated by an external body other than the assurance provider.

3.3. Skills and career development (ESRS S1)

3.3.1. Policy on skills and career development (S1-1)

Wärtsilä integrates continuous learning and equal growth opportunities into its strategic and ethical frameworks. The People Strategy emphasises building workforce capabilities through ongoing development and promoting an inclusive environment that supports engagement and performance. This approach ensures that employees are empowered to develop and advance within the company.

Complementing this, the Wärtsilä Code of Conduct commits to creating a respectful and inclusive workplace where all employees are treated fairly and have equal opportunities for growth. It highlights the company's focus on diversity, merit-based recruitment, equitable pay practices adapted to different regions, and continuous investment in employee development.

The Code of Conduct prohibits bullying, harassment, inappropriate treatment and violence. Wärtsilä is dedicated to ensuring an environment free from discrimination based on race, ethnicity or national origin, colour, gender, family status, sexual orientation, creed, disability, age, or religious or political beliefs. The alignment of the Code of Conduct with the internationally recognised human and labour rights instruments, as well as the monitoring of compliance, is described in the Occupational health and safety policy chapter (S1-1).

Together, these frameworks provide fair and non-discriminatory access to professional growth, supporting talent attraction, retention, and development as part of Wärtsilä's long-term workforce planning.

Details on the accessibility and accountability of the implementation of Wärtsilä Code of Conduct is provided in the Policies on pollution chapter (E2-1). The mechanisms for engagement with employees, including topics such as equal opportunities and violations of the Code of Conduct, are outlined in chapter 1.5 Interest and views of stakeholders as well as below in chapters 3.3.2 Wärtsilä's listening strategy (S1-2) and 3.3.3 Channels to raise concerns (S1-3).

3.3.2. Wärtsilä's listening strategy (S1-2)

Wärtsilä's Code of Conduct calls for ongoing and open dialogue between the company's management and employees. The aim is to enable employees and line managers to openly discuss any issues the employees might have in relation to, among other things, their skills and career development. The key topics of employee engagement, along with the channels used and how the outcomes inform Wärtsilä's decision-making, are presented in chapter 1.5 Interest and views of stakeholders. Overall responsibility for employee engagement lies with the Executive Vice President, Human Resources, so as to ensure that related activities take place and that their outcomes are informed to the Board of Management.

The effectiveness of engagement with the company's workforce is assessed through the MyVoice employee engagement survey that is run every second year, and which provides insights through five KPIs (engagement, wellbeing, inclusion, intent to stay, and overall experience) and 25 driver themes (including for example, communication, collaboration, ethics, and growth & development). In addition, through the driver themes, leadership is also assessed and given an overall score.

MyVoice was last run in 2024 with a response rate of 88%. The employee engagement score was 82%.

Line managers are responsible for implementing action plans and initiatives together with their teams. The plans should address concerns and enhance positive outcomes. Additionally, the progress of these initiatives is tracked through yearly engagement Pulses, ensuring follow-up on measurable improvements, while contributing to a stronger, more motivated workforce.

3.3.3. Channels to raise concerns (S1-3)

Wärtsilä employees are encouraged to voice their concerns regarding any potential violations of the Code of Conduct and its underlying policies and instructions. The primary means for reporting suspected misconduct incidents and workplace concerns, such as discrimination, unfair treatment or barriers to professional growth, is via line management. However, employees have alternative reporting routes. These include an externally hosted whistleblowing channel, reporting directly to the compliance function, or by informing Legal Affairs. The whistleblowing channel is available online in multiple languages and allows for anonymous submissions.

These channels are introduced during onboarding and promoted through internal communications to ensure awareness and accessibility. The company ensures that employees who report a potential Code of Conduct violation in good faith will not suffer harassment, retaliation, or adverse employment consequences. All reported incidents are investigated confidentially and thoroughly, and appropriate corrective actions are taken, as necessary.

No cases of actual discrimination requiring remedial action were reported in 2025.

3.3.4. Action plans and resources to manage skills and career development (S1-4)

Employee Value Proposition

Wärtsilä's Employee Value Proposition (EVP), Fuel your power, aims at fostering a sustainable, people-centric work environment that aligns professional growth with organisational success. With over 3,000 employees hired annually in a highly competitive talent market, standing out is crucial to establishing Wärtsilä as an employer of choice. Our EVP serves as a holistic commitment framework, integrating key areas such as performance management, professional growth, and wellbeing into a clear commitment to both current employees and future talent. The EVP is designed to attract, engage, and retain top talent, ensuring the long-term success of the organisation. The two main elements of the EVP, Growth and Impact, are reinforced by fact-based proof points, highlighting the opportunities for personal development and making a meaningful contribution – critical factors in convincing talent to join and stay with Wärtsilä. The results of the latest MyVoice employee engagement survey, conducted in 2024, indicated that 81% of all employees wish to stay at Wärtsilä for longer than three years. This was 14.8 pp above the global external benchmark, and as such is the top scoring item against the benchmark.

Leading performance and growth

Wärtsilä's Performance Management drives business success by

- setting performance goals that are aligned to the strategic goals of the organisation
- reviewing and assessing progress, removing obstacles, and taking action when required
- ensuring continuous dialogue and feedback
- and developing the knowledge, skills, and abilities of employees.

The Performance and Development Dialogue Process links The Wärtsilä Way and strategic business priorities to the performance and development of teams and individuals. The process starts at the beginning of the year when the performance and development goals are set. Through dialogue, the line manager and employee build a common understanding of how the employee's work and individual goals contribute to team and business success. Everyone deserves to have clarity on what is expected of them in their roles i.e., what good performance looks like. The goal setting dialogue is followed by discussions and feedback throughout the year and ends with a Performance and Development Review. Well-defined development goals with clear action plans, also referred to as Individual Development Plans, support all employees in knowing how they can develop their competences, skills, and career.

During the last few years, efforts have been made to improve the quality of Performance Management. The focus has been on making enhancements to the annual process and building leadership capabilities through impactful leadership development programmes. Thereto, a concept for addressing under-performance, as well as a Performance Improvement Plan Process, were set up.

In 2025, further enhancements to the Performance and Development Review were made to promote forward-looking and growth-focused conversations between line managers and employees. A renewed Performance Evaluation and a new

Development Focus assessment were introduced. The new, detailed descriptors of the Performance Evaluation explain what is expected at each performance level and how to achieve it. This provides a clear definition for excellence and offers guidance for self-reflection and targeted development. Furthermore, it equips line managers to offer coaching and forward-looking feedback. The new Development Focus assessment brings transparency to professional growth and career planning, and ensures employees feel supported and know how to advance their careers at Wärtsilä.

This new approach aims at fostering collaboration, nurturing a learning culture, and driving continuous improvement, ensuring stronger alignment with the company's strategy, The Wärtsilä Way. In 2026, the focus will be on instilling the renewed approach and further enabling line managers to lead performance and professional growth effectively within their teams. Also, new analytics and structured methods to leverage the Development Focus assessment are being developed to actively support career advancement across the organization. Furthermore, efforts are underway to enhance user experience by implementing an improved interface to the Performance and Development Form (the online form that supports the Performance and Development Dialogue process in the HR application).

Building leadership for impact

The Wärtsilä Leadership Model supports the company's strategic growth by defining the desired leadership behaviour across three areas, with 15 descriptive leadership qualities in total. It guides leaders on how to collaborate, communicate, and lead effectively.

An eLearning on the model is available in 12 languages for all Wärtsilä employees and is mandatory for line managers, with 95% of all line managers having completed it. The goal is to strengthen leadership by ensuring leaders understand the model and know how to apply the desired behaviour in practice.

The model is embedded in key people processes, including the 360-leadership assessment, the Talent Review Process, and the Performance and Development Dialogue Process. To support our ambition of being an employer of choice, Wärtsilä continues to enhance its talent management practices.

In 2025, the Talent Review Process covered 1,197 senior leaders and individual contributors. The Talent Review Process builds leadership continuity and mitigates risk by ensuring that key competences are developed across the organisation and that Succession Plans for critical roles are in place. In 2025, the Talent Review Process was integrated into the Performance and Development Dialogue Process to further enable leaders to align the professional growth of such talent with future business needs.

The key leadership development programmes - Orchestrator, Accelerator and Wärtsilä Leader, are essential for bringing the desired leadership behaviour to life, thereby supporting the leaders in acquiring the needed competences. In 2025, a new leadership development programme called 'Line Manager Essentials' was introduced. It is a practical training programme aimed at increasing line manager awareness and ability to utilise Wärtsilä people processes in the best possible way.

In 2024, Wärtsilä launched the 'Driving High-Performance Culture Workshops' to build a performance-driven mindset among the 2,500 line managers. The programme helps them lead with clarity and strategic alignment, while strengthening

their confidence in conducting Performance and Development Dialogues, setting goals, and giving feedback. By the end of 2025, 1,898 line managers had attended at least one of the three workshops. As of 2025, new line managers are expected to join the workshops as a part of their induction.

The programme supports Wärtsilä in achieving the company's long-term goal of 100% Individual Development Plan (IDP) coverage, which is a key part of the Professional Growth Approach. In 2025, IDP coverage reached 82.1%, up from 57.8% in 2024. This programme also contributes to reducing employee turnover and improving internal career mobility.

In 2025, the promotion rate at Wärtsilä was 7.7%, up from 7.4% in 2024, implying that employees can advance their careers and develop their competences internally. Overall, this programme is central to one of Wärtsilä's strategic priorities: 'Developing high-performance teams that make a difference'.

Building a learning organisation

A learning organisation is a state of being, where everyone commits to learning, unlearning, sharing, and improving. Wärtsilä aims to become a learning organisation, to stay competitive and innovative, and to inspire its people to make a difference. The company wants to empower its people to stay curious and develop their competences and skills. Learning is a continuous process, and the 70-20-10 learning principle supports us in knowing how to learn effectively, learn by doing (70%), by sharing (20%) and by studying (10%).

In the MyVoice employee engagement survey, the favourability score for the statement 'I have good opportunities to learn and develop at this company' is high. The score has steadily been improving; from 2020 to the latest assessment in 2024 it grew by 21.3 percentage points (pp). 80% of Wärtsilä employees say that they agree or strongly agree with the statement, this is 6.9pp above the global external benchmark. Wärtsilä's work to become a learning organisation clearly gives visible results and is valued by its employees.

The Wärtsilä Continuous Improvement model is built on values, principles, methods, and results. The mindset of continuously wanting to improve and find better ways to serve customers is well aligned with Wärtsilä's aim of becoming a learning organisation. At the end of 2025, the WCI Foundation learning programme had been completed by 15,823 employees and the WCI Transformation programme by 5,876 employees. Both programmes support the implementation of the Continuous Improvement Model across Wärtsilä.

Wärtsilä actively continues to build its coaching and mentoring capabilities to foster an open culture where growth and development are valued, and to deliberately invest in it. Coaching and mentoring provide several benefits to the organisation, such as supporting people in unlocking their personal potential, building relationships and collaboration among colleagues, enabling the cross-border transfer of knowledge, fostering leadership and professional growth, as well as expanding the professional network within the organisation. In 2025, Wärtsilä's internal coach pool remained at a good level, with 50 coaches and around 200 pairs having gone through the coaching process to date. In 2025, there were three formal mentoring programmes, with 158 mentor/mentee pairs. 21 mentees participated in the Catalyst group mentoring programme where Board of Management members act as mentors.

In 2025, Wärtsilä began a long-term effort to strengthen its Professional Growth Approach. This includes updating the Competence Management Framework to better support the development of competences, skills, and careers.

The new framework will be used in people processes such as the Performance and Development Dialogue. With the help of technology, people can assess their competences and skills, and find impactful ways to grow in line with Wärtsilä's future needs. As part of this, Wärtsilä also created a Career Management Framework to help employees explore career options and guide managers in strategic and forward-looking career conversations. In 2026, the focus will be on putting both frameworks into action and ensuring strong governance practices for developing strategic competences. Overall, this approach is key to helping employees grow and stay with Wärtsilä.

Financial resources to support skills and career development are embedded in Wärtsilä's operational planning, with no significant capex-related investments. Employees dedicate time for learning and development activities according to the 70-20-10 learning principle. They have access to several learning options, such as digital learning platforms, training events, programmes, mentoring, and coaching opportunities. Line managers play a key role in facilitating these opportunities and ensuring that development goals are integrated into the Individual Development Plan that is a part of the annual Performance and Development Dialogue Process. The allocation and effectiveness of the resources are monitored through participation rates, feedback, completion of development goals, and the employee engagement surveys. In 2025, Wärtsilä employees completed an average of 19.8 hours of formal learning. The average amount spent on formal training and development per employee headcount was 502 euros.

3.3.5. Target for Individual Development Plan (S1-5)

Everyone at Wärtsilä is encouraged to create an Individual Development Plan that includes well-defined development goals and clear actions plans for the year, focusing on developing competences, skills, and career in line with business strategy and personal aspirations. Reflecting Wärtsilä's Code of Conduct commitment to continuous investment in people, the company's target is to achieve a long-term goal of 100% Individual Development Plan coverage for the eligible population. The target was prepared and proposed by the Human Resources Leadership Team based on dialogues with key experts and approved by the Board of Management in 2024. The target ensures that all employees have an Individual Development Plan and are empowered to develop and advance within the company. The Individual Development Plan coverage is followed on an annual basis and in 2025, it increased to 82.1%, compared to 57.8% in the 2024 baseline year.

Characteristics of Wärtsilä's employees (S1-6)

S1-6 information has been reported in section 3.1.

3.3.6. Skills and career development data (S1-13)

Performance and career development reviews	2025	2024
Coverage of employees (% of total headcount)	95	96
Male (% of male headcount)	95	97
Female (% of female headcount)	94	95
Individual Development Plan coverage for eligible population	2025	2024
Coverage (% of eligible population)	82.1	57.8
Male (% of eligible male population)	82.6	57.7
Female (% of eligible female population)	80.7	58.1
Training hours / employee	2025	2024
All employees	19.8	16.3
Male	20.5	17.0
Female	16.5	13.6

3.3.7. Remuneration metrics (S1-16)

Remuneration metrics	2025	2024
Gender pay gap	-1.26	-0.23
Annual total remuneration ratio of the highest paid individual (CEO) to the median annual total remuneration for all employees	67.5	43.6

3.3.8. Number of complaints to raise concerns on discrimination, cases of discrimination including harassment, and fines, penalties and compensation for damages (S1-17)

Number of complaints to raise concerns on discrimination, cases of discrimination including harassment, and fines, penalties and compensation for damages	2025	2024
Number of incidents of discrimination	0	0
Number of complaints on discrimination filed through channels for people in own workforce to raise concerns	2	1
Number of complaints on discrimination filed to National Contact Points for OECD Multinational Enterprises	0	0
Amount of material fines, penalties, and compensation for damages as result of violations regarding discrimination	0	0

① Accounting principles:

Performance and Development Dialogue Process starts at the beginning of the year when the performance and development goals are set. Through dialogue, the line manager and employee build a common understanding of how the employee's work and individual goals contribute to team and business success. The performance and development goals are mutually agreed upon and are documented in the SuccessFactors application (Wärtsilä's global HR information system).

The goal setting dialogue is followed by discussions and feedback throughout the year and can be documented in the SuccessFactors application.

The process concludes at year-end with a structured evaluation. Employees begin by completing a self-assessment in the SuccessFactors application, reflecting on their performance and development progress over the past year, and sharing their career aspirations. This is followed by a dialogue between the employee and line manager to reach alignment on performance outcomes and professional growth goals. As a part of this dialogue, the performance and development goals are reviewed, and progress made during the past year is discussed.

To finalise the process, the line manager assigns the Performance Evaluation and Development Focus assessments and reviews them with their own line manager.

Performance and Development Dialogue Process coverage: The process covers the eligible population. Progress and completion of the process is followed via SuccessFactors. The process completion deadlines for current year goal setting and previous year goal evaluation are by the end of February each year.

Individual Development Plan: One of the outcomes of the Performance and Development Dialogue Process is the Individual Development Plan, with well-defined development goals and clear action plans to achieve the development needs. Everyone is encouraged to create a long-term plan that includes the development of competences, skills, and career in line with business strategy and one's own aspirations.

Individual Development Plan (IDP) coverage: As a part of the Performance and Development Dialogue Process, each employee within the eligible population having joined Wärtsilä before 30 September of the reporting year, should have an Individual Development Plan. The coverage percentage is calculated by the following formula: (Employees in the eligible population having completed the process with at least one recorded development goal/ those employees active in the reporting year and having had the form for recording IDP opened for the respective reporting year) * 100

Eligible population for Performance and Development Dialogue Process and Individual Development Plan: By default, Wärtsilä's active employees globally participate in the Performance and Development Dialogue Process. The following employee groups are excluded from the eligible population: Trainees, blue collar workers, new hires after 30 September, employees who do not have access to SuccessFactors, employees on a long leave of absence (if an employee is on a long leave of absence, the goals are set only when the person returns to work), and employees who are leaving.

Training hours: Formal training hours are reported in Wärtsilä's Learning Management System referred to as WeLearn.

Training costs: The average amount spent on formal training and development per employee is calculated based on costs from training expenses / headcount of employees. Costs are reported in EURO.

Promotion rate: Promotion is defined as the advancement of employees within an organisation. Often it involves a higher rank and increased responsibilities, and a higher salary. Technically, promotion results in a Wärtsilä job grade increase. The promotion rate is the number of employees promoted during a year divided by the average headcount in the given year.

Gender pay gap is calculated with the following formula: (Average gross hourly pay level of male employees – average gross hourly pay level of female employees) / (Average gross hourly pay level of male employees) * 100. Planning for updated gender pay equity metrics incorporating both unadjusted and adjusted gaps is underway for the 2026 reporting period. These will satisfy the requirements set in the EU Pay Transparency Directive.

Annual total remuneration ratio of the highest paid individual (CEO) to the median annual total remuneration for all employees is calculated with the following formula: Annual total remuneration for the undertaking's highest paid individual / Median employee annual total remuneration (excluding the highest paid individual).

Number of complaints to raise concerns on discrimination, cases of discrimination including harassment, and fines, penalties and compensation for damages: The data source for these figures is Wärtsilä compliance function's database.

No measurements of the metrics are validated by an external body other than the assurance provider.

3.4. Occupational health and safety: Value chain workers (ESRS S2)

3.4.1. Policy on value chain workers' occupational health and safety (S2-1)

Wärtsilä's approach to the occupational health and safety of suppliers, contractors, and other business partners is embedded in the company's Code of Conduct and in the Supplier Requirements. Details on the accessibility and accountability of the implementation of these frameworks is provided in the chapter Policies on pollution (E2-1).

With its Code of Conduct, Wärtsilä promotes a safe and healthy working environment across its operations by requiring suppliers and business partners to uphold similar high ethical standards and occupational health and safety principles to those of Wärtsilä itself. Complementing this, the Supplier Requirements set expectations for suppliers to ensure safe, hazard-free working conditions and to implement an occupational health and safety management system.

The Code outlines Wärtsilä's commitment to health, safety and wellbeing. It affirms the belief that all accidents are preventable by promoting a strong safety culture, continuously enhancing safety performance, and adhering to high standards in occupational health and safety. The company rigorously follows health, safety, and security requirements, with proactive identification of potential hazards and systematic reporting of near misses to support effective risk management. Contractors are empowered to stop work if conditions are unsafe.

Wärtsilä's Code of Conduct is aligned with internationally recognised human rights frameworks, including the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights. Wärtsilä strives to identify, prevent and mitigate adverse impacts on human rights within the company's own activities and business relationships. As outlined in the Code, Wärtsilä does not tolerate forced labour, child labour, or any form of exploitation within the company's own activities or business relationships. Any suspected violation of human rights in the company's own operations, or in those of the business partners, must be addressed and reported through the reporting channels.

Wärtsilä monitors compliance with these standards primarily through reporting mechanisms such as the whistleblowing channel, and supplier assessment and engagement processes. In 2025, no cases of non-respect of the standards, that involve value chain workers, have been reported.

In line with the Code, the company fosters transparency and engagement with value chain workers by encouraging open communication and continuous dialogue. Wärtsilä aims to build trust with stakeholders by sharing information that is clear, accurate, and honest, and by promoting a culture of openness.

3.4.2. Engagement with value chain workers (S2-2)

The key topics of supplier engagement, along with the channels used and how the outcomes assist Wärtsilä's decision-making, are presented in chapter 1.5 Interest and views of stakeholders. As detailed in that section, Wärtsilä engages with its value chain primarily through direct interactions with suppliers and customers. During supplier evaluations, Wärtsilä's Supply Management personnel are in close contact with supplier representatives. These interactions include discussions and assessments that also cover Occupational Health and Safety (OHS) topics, ensuring that such considerations are integrated into the evaluation process. There is, however, no formal process for direct engagement with value chain employees.. The roles accountable for sourcing activities within each Business Unit are responsible for ensuring that engagement mechanisms are in place and effective.

3.4.3. Processes for providing or contributing to remedy (S2-3)

Wärtsilä provides an externally hosted, anonymous whistleblowing channel that is accessible to suppliers, consultants, contractors, and other individuals with a work connection to the company. The channel is publicly available via Wärtsilä's external website in multiple languages and is monitored by the compliance function. While the channel is accessible online, Wärtsilä recognises that awareness and access among value chain workers may be limited, particularly in workplaces without internet connectivity or digital infrastructure.

Currently, Wärtsilä does not have a formal non-retaliation policy specifically for value chain workers. However, anonymous reporting is supported to help mitigate risks of retaliation. Value chain workers have not been involved in the design or evaluation of the whistleblowing mechanism.

The remedy for realised harm is expected to be delivered by suppliers and contractors in accordance with applicable legislation and contractual obligations. Wärtsilä requires legal compliance and ethical business conduct as part of its supplier expectations, as reflected in the Wärtsilä Code of Conduct.

Contracted workers delivering services to Wärtsilä, whether at Wärtsilä's own sites or customer locations such as shipyards, power plants, and energy storage facilities, are exposed to similar occupational risks as those of Wärtsilä's own employees. Wärtsilä applies its health and safety standards to all workers under its operational control, including contractors. Safety is continuously developed and monitored in collaboration with contractors, who are encouraged to report safety observations and improvement ideas. All accidents and hazardous situations involving contractors are investigated to identify root causes, prevent recurrence, and assess potential gaps in the safety management system. Wärtsilä sets clear expectations for contractors and partners to adhere to its safety protocols and ethical standards, and promotes a shared responsibility for maintaining safe working conditions across all operational sites.

3.4.4. Actions and resources on value chain workers (S2-4)

Wärtsilä continues to take targeted action to address material occupational health and safety impacts on value chain workers through its Supplier Compliance Assurance (SCA) process. This process ensures that suppliers align with Wärtsilä's Supplier Requirements, which include expectations for social accountability, ethical conduct, and occupational health and safety management.

The Supplier Requirements, publicly available on Wärtsilä's website and embedded in supplier agreements and purchase orders, set clear expectations for OHS management. These include:

- Supporting and respecting human rights as defined by the UN Universal Declaration of Human Rights and basic labour rights as defined by the International Labour Organization (ILO).
- Maintaining a certified OHS management system (ISO 45001), or equivalent policies and procedures including a valid and implemented safety plan.
- Being fully responsible for employer liabilities.
- Providing installation and commissioning instructions for complex equipment, including safety precautions.
- Ensuring operational safety equipment is available and functional.
- Guaranteeing employee competence for safe task execution and emergency response.
- Reporting accidents and near-misses and taking appropriate follow-up actions.
- Complying with local OHS legislation and providing evidence of compliance.

To address identified risks, Wärtsilä has strengthened its supplier evaluation practices. Since 2024, the Supplier Assessment Questionnaire (SAQ) has included specific questions on injury data, near-miss incidents, employee competences, and health and safety documentation. Category teams conduct periodic evaluations and safety walks at supplier sites to identify hazards, recognise safe practices, and promote continuous improvement. Personnel conducting supplier visits are required to observe safety conditions and report concerns through Wärtsilä's internal channels. In line with Wärtsilä's Code of Conduct, they are empowered to intervene or stop work in unsafe situations.

In 2025, Wärtsilä achieved 96% coverage of its Global Direct Procurement spend evaluated and rated through the SCA process, meeting the annual target. More than 60 specialists across category teams manage supplier evaluations, supported by EHS experts from Business Units when needed. While OHS assessments are embedded in the broader SCA process, Wärtsilä does not currently quantify resources allocated specifically to OHS-related activities.

Corrective actions are mandated when risks are identified during supplier visits or audits. These are documented in audit reports, supplier ratings, or the WeCare system. Wärtsilä's aim is to ensure proper OHS management in its supplier base by selecting suppliers that meet its requirements, or by supporting improvements where gaps exist. If a supplier fails to meet Wärtsilä's requirements after being given the opportunity to improve, it is excluded from the approved supplier list.

Contracted workers delivering services to Wärtsilä, whether at Wärtsilä's own sites or customer locations, are subject to similar safety protocols. Wärtsilä encourages contractors to report safety observations and improvement ideas, and all incidents are investigated to identify root causes and prevent recurrence.

Wärtsilä acknowledges current limitations in its ability to ensure that remedy processes are available and effective across the full value chain. In 2025, no actions were taken to provide or enable remedial actions in relation to actual injury or illness cases outside Wärtsilä-controlled sites. The company does not currently receive systematic information about injuries or fatalities in its broader supply chain.

3.4.5. Targets on value chain workers (S2-5)

Wärtsilä has set long-term targets to improve occupational health and safety (OHS) outcomes for value chain workers, aligned with the company's Code of Conduct and responsible sourcing strategy. OHS is a key component of the Supplier Compliance Assurance (SCA) process, which Wärtsilä applies to its suppliers. Global Direct Procurement accounts for 34% of Wärtsilä's total spend. The company aims to ensure that at least 96% of this spend is covered by suppliers evaluated through the SCA process. Annual targets are set based on the previous year's performance to drive continuous improvement in coverage. In 2025, Wärtsilä achieved this goal, with 96% of Global Direct Procurement spend assessed through the SCA process. The target-setting process is governed through Wärtsilä's supply management structure, with annual proposals for key performance indicators and methodologies. Targets are cascaded across global, regional, and local teams, and performance is monitored regularly.

In 2024, Wärtsilä launched a sustainability target under the Success Through Safety programme: Zero Injuries to Contractors: a continuous, long-term commitment to reduce the total recordable injury frequency (TRIF) year-on-year. The baseline year is 2024, with a TRIF of 5.01, based on 34 total recordable injuries. In 2025, contractor TRIF decreased to 4.05, with 25 total recordable injuries. This development reflects progress toward the target and supports Wärtsilä's commitment to creating and maintaining a safe and healthy work environment for employees, contractors, and partners, wherever it operates.

Progress against targets is tracked using both reactive and proactive indicators, including contractor TRIF, near-miss and hazard observations, and supplier evaluation (SCA) coverage. Safety performance is reviewed regularly across operational levels.

Contractors working at Wärtsilä premises or under Wärtsilä supervision at customer sites, are subject to Wärtsilä's OHS management practices. These include incident reporting through the WeCare platform and adherence to safety protocols during project execution, such as turnkey power plant deliveries.

Value chain workers have not been directly involved in setting or reviewing these targets, nor in identifying improvements based on performance.

 **Accounting principles:**

The number of recordable work-related accidents for contractors (number of contractor TRI): a work-related injury to a contractor is one that results in any of the following: fatality, days away from work, restricted work or transfer to another job, or medical treatment beyond first aid. Commuting injuries are not included as recordable work-related accidents. Contractor injuries are reported in the WeCare reporting tool by a Wärtsilä representative. Some contractors have access to the tool, and can report cases by themselves, but it is always Wärtsilä's responsibility to ensure reporting in WeCare.

The rate of recordable work-related accidents for contractors (Contractor TRIF) is expressed as the total recordable contractor injuries per million working hours. Working hours are actual paid working hours. Contractor hours are collected by local subsidiaries or by project organisation in Energy projects. The contractor TRIF is reviewed on a yearly basis and is based on the previous year's results.

Contractors are defined as any company or individual not employed by Wärtsilä, who performs work at Wärtsilä premises or under Wärtsilä supervision at customer locations. This includes production and service workers at factories, workshops, and warehouses, as well as external personnel engaged in maintenance, engineering, finance, and project management. Contractors may be hired through labour-hire agencies or provided by Wärtsilä's suppliers, and the work agreements can be short-term or long-term.

No measurements of the metrics are validated by an external body other than the assurance provider.

Five years in figures

Wärtsilä provides certain financial performance measures, which are accounting measures that are not defined by IFRS Accounting Standards. These alternative performance measures, such as comparable operating result, EBITDA, cash flow from operating activities, and gearing, are followed and used by management to measure the Group's performance and financial position. In addition, Wärtsilä's targets of financial performance are linked to, for example, comparable operating result and gearing. Thus, these alternative performance measures provide useful information to the capital markets. The alternative performance measures should not be evaluated in isolation from the corresponding Accounting Standards measures. The alternative performance measure calculation definitions are disclosed in Calculations of financial ratios.

MEUR	2025	2024	2023	2022	2021
Net sales	6,914	6,449	6,015	5,842	4,778
of which outside Finland	%	98.4	98.4	98.3	99.2
Exports from Finland		2,956	2,466	2,060	1,975
Personnel on average		18,295	18,110	17,666	17,482
of which in Finland		4,421	4,187	3,957	3,808
Order book		8,248	8,366	6,694	5,906
From the consolidated statement of income					
Depreciation, amortisation and impairment		211	131	193	263
Share of result of associates and joint ventures		17	12	9	6
Comparable operating result		829	694	497	325
as a percentage of net sales	%	12.0	10.8	8.3	5.6
Operating result		833	716	402	-26
as a percentage of net sales	%	12.1	11.1	6.7	-0.4
Operating result before depreciation, amortisation and impairment (EBITDA)		1,045	847	595	237
as a percentage of net sales	%	15.1	13.1	9.9	4.1
Financial income and expenses		-5	-29	-37	-6
Result before taxes		828	687	364	-32
as a percentage of net sales	%	12.0	10.7	6.1	-0.5
Result for the financial period		630	507	269	-58
as a percentage of net sales	%	9.1	7.9	4.5	-1.0

From the consolidated statement of financial position					
Non-current assets		2,447	2,581	2,551	2,558
Current assets		5,823	4,928	4,247	3,997
Assets held for sale		205	184	5	54
Total equity attributable to equity holders of the parent company		2,877	2,525	2,225	2,136
Non-controlling interests		6	6	8	12
Interest-bearing debt		581	766	858	949
Non-interest-bearing liabilities		4,606	4,264	3,713	3,489
Liabilities directly attributable to assets held for sale		403	132		22
Total equity and liabilities		8,474	7,694	6,803	6,608
From the consolidated statement of cash flows					
Cash flow from operating activities		1,598	1,208	822	-62
Cash flow from investing activities		-51	-149	-138	-151
Cash flow from financing activities		-494	-323	-308	-289
Gross capital expenditure		150	170	149	161
as a percentage of net sales	%	2.2	2.6	2.5	2.8
Research and development expenditure*		329	296	258	241
as a percentage of net sales*	%	4.8	4.6	4.3	4.1
Dividends paid**		624	259	188	153
of which extraordinary dividends**		306	-	-	-
Financial ratios					
Earnings per share (EPS), basic and diluted	EUR	1.06	0.85	0.44	-0.11
Dividend per share**	EUR	1.06	0.44	0.32	0.26
Dividend per earnings**	%	99.7	51.5	73.2	-234.9
Interest coverage		15.4	12.3	9.2	7.3
Return on investment (ROI)	%	26.2	23.7	13.9	0.1
Return on equity (ROE)	%	23.3	21.3	12.3	-2.6
Return on capital employed (ROCE)	%	65.4	37.1	17.1	-1.1
Solvency ratio	%	40.5	37.4	37.0	35.3
Gearing		-0.70	-0.31	0.02	0.23
Equity per share	EUR	4.89	4.29	3.78	3.62
Working capital (WCAP)	MEUR	-1,263	-787	-169	179

The financial ratios include assets and liabilities pertaining to assets held for sale.

* Figure in the comparison period 2021 has been restated to reflect a change in the definition of R&D expenditure.

** Based on the dividend proposal of the Board of Directors for 2025.

Quarterly figures

MEUR	10-12/ 2025	7-9/ 2025	4-6/ 2025	1-3/ 2025	10-12/ 2024	7-9/ 2024	4-6/ 2024	1-3/ 2024	10-12/ 2023
	2025	2025	2025	2025	2024	2024	2024	2024	2023
Order intake									
Marine	988	970	1,031	937	918	902	901	916	844
Energy*									868
Energy	758	644	913	625	727	500	473	538	
Energy Storage	364	11	50	31	608	53	232	236	
Portfolio Business	110	165	196	309	239	348	248	234	144
Total	2,220	1,790	2,190	1,902	2,491	1,803	1,854	1,924	1,856
Order book at the end of the financial period									
Marine	3,725	3,660	3,586	3,489	3,409	3,289	3,155	3,008	2,808
Energy*									2,693
Energy	3,009	2,977	2,729	2,454	2,296	2,049	2,143	2,077	
Energy Storage	719	573	800	904	1,117	755	977	956	
Portfolio Business	796	1,427	1,648	1,686	1,544	1,491	1,332	1,252	1,192
Total	8,248	8,637	8,764	8,533	8,366	7,583	7,607	7,294	6,694
Net sales									
Marine	935	870	862	827	847	739	759	708	759
Energy*									720
Energy	723	382	529	415	560	543	404	390	
Energy Storage	207	235	125	128	257	261	213	62	
Portfolio Business	138	146	204	190	190	175	179	162	165
Total	2,002	1,632	1,719	1,560	1,854	1,718	1,556	1,321	1,644
Share of result of associates and joint ventures	3	5	4	5	3	4	3	2	2
Operating result before depreciation, amortisation and impairment (EBITDA)	314	273	251	207	250	230	205	162	173
as a percentage of net sales	15.7	16.7	14.6	13.3	13.5	13.4	13.2	12.3	10.5
Depreciation, amortisation and impairment	-63	-42	-65	-41	-21	-38	-37	-35	-45

Purchase price allocation amortisation	-3	-3	-4	-5	-5	-5	-5	-5	-5
Comparable operating result as a percentage of net sales	256	195	207	171	209	177	176	132	177
Items affecting comparability, total	-5	35	-20	-5	20	15	-8	-5	-49
Operating result as a percentage of net sales	251	230	186	165	229	192	168	127	128
Financial income and expenses		-3		-2	-11	-2	-8	-9	-8
Result before taxes	251	227	186	164	219	190	160	118	120
Income taxes	-63	-45	-49	-41	-58	-47	-43	-32	-24
Result for the financial period	187	182	138	123	161	144	117	86	96
Earnings per share (EPS), basic and diluted, EUR	0.32	0.31	0.23	0.21	0.27	0.24	0.20	0.14	0.16
Gross capital expenditure	40	39	37	34	59	37	39	36	51
Investments in securities and acquisitions									1
Cash flow from operating activities	652	340	416	190	437	296	216	258	389
Working capital (WCAP) at the end of the financial period	-1,263	-1,091	-924	-770	-787	-501	-420	-329	-169
Personnel at the end of the financial period									
Marine	11,252	11,188	11,070	10,887	10,794	10,702	10,817	10,657	10,602
Energy*									5,430
Energy	5,227	5,182	5,107	5,115	5,126	5,103	5,088	5,022	
Energy Storage	588	599	589	571	543	536	484	438	
Portfolio Business	812	1,194	1,986	1,918	1,875	1,830	1,835	1,792	1,774
Total	17,879	18,163	18,753	18,490	18,338	18,171	18,224	17,909	17,807

As of 1 April 2025, reportable segment Energy is separated into reportable segments Energy and Energy Storage. The segment-related comparison figures for 1-3/2025 and 2024 have been restated to reflect the current organisational structure.

* Energy-related comparison figures for 2023 have not been restated accordingly, they represent the organisational structure as it was on 31 March 2025.

Calculations of financial ratios

Operating result

Net sales + other operating income – expenses +/- result from net position hedges – depreciation, amortisation and impairment +/- share of result of associates and joint ventures

Operating result before depreciation, amortisation and impairment (EBITDA)

Operating result + depreciation, amortisation and impairment

Earnings per share (EPS), basic

Result for the financial period attributable to equity holders of the parent company

Number of shares outstanding, average over the financial period

Earnings per share (EPS), diluted

Result for the financial period attributable to equity holders of the parent company

Number of shares outstanding, average over the financial period + number of potential ordinary shares with dilutive effect

Items affecting comparability

Certain income and expenses are presented as items affecting comparability when they have significant impact on the consolidated statement of income. Items affecting comparability consist of income and expenses, which result from restructuring activities aiming to adjust the capacity of Wärtsilä's operations. They may also include other income and expenses incurred outside Wärtsilä's normal course of business, such as impairment charges, acquisition related costs, settlements recorded as a result of legal proceedings with third parties or unforeseen obligations from earlier discontinued businesses.

Comparable operating result

Operating result – items affecting comparability

Gross capital expenditure

Investments in securities and acquisitions + investments in intangible assets and property, plant and equipment

Net interest-bearing debt

Non-current and current lease liabilities + non-current and current other interest-bearing debt – interest-bearing receivables – cash and cash equivalents

Equity per share

Equity attributable to equity holders of the parent company

Number of shares outstanding at the end of the financial period

Solvency ratio

Total equity

Total equity and liabilities – advances received

x 100

Gearing

Interest-bearing liabilities – cash and cash equivalents

Total equity

Order intake

Total amount of orders received during the financial period to be delivered either during the current financial period or thereafter.

Order book

The presentation in value of orders that are placed by customers but not yet delivered. For service agreements, only the expected net sales for the next 24 months are included in the order book.

Working capital (WCAP)

(Inventories + trade receivables + current tax receivables + other non-interest-bearing receivables)

– (trade payables + advances received + pension obligations + provisions + current tax liabilities + other non-interest-bearing liabilities – dividend payable)

Return on investment (ROI)

Result before taxes + interest and other financial expenses, 12 months rolling

Total equity and liabilities - non-interest-bearing liabilities - provisions, average of end of the financial period and end of the corresponding period previous year

x 100

Return on equity (ROE)

Result for the financial period, 12 months rolling

Total equity, average of end of the financial period and end of the corresponding period previous year

x 100

Capital employed (CE)

Intangible assets + property, plant and equipment + right-of-use assets + investments in associates and joint ventures + other investments + working capital (WCAP) – current tax receivables + current tax liabilities

Return on capital employed (ROCE)Operating result, 12 months rolling

x 100

Capital employed (CE), average of end of the financial period and end of the corresponding period previous year

Interest coverageResult before taxes + depreciation, amortisation and impairment + interest and other financial expenses

Interest and other financial expenses

Dividend per shareDividends paid for the financial period

Number of shares outstanding at the end of the financial period

Dividend per earningsDividend per share

x 100

Earnings per share (EPS), basic

Effective dividend yieldDividend per share

x 100

Adjusted share price at the end of the financial period

Price/earnings (P/E)Adjusted share price at the end of the financial period

Earnings per share (EPS), basic

Price/carrying amount per share (P/BV)Adjusted share price at the end of the financial period

Equity per share

Financial statements



Consolidated financial statements

Consolidated statement of income

MEUR	2025	2024	Note
Net sales	6,914	6,449	2.1., 2.2.
Other operating income	118	75	2.3.
Materials and services	-3,689	-3,474	2.4.
Employee benefit expenses	-1,620	-1,493	2.5.
Result from net position hedges	-14		
Depreciation, amortisation and impairment	-211	-131	3.5.
Other operating expenses	-681	-720	2.3.
Share of result of associates and joint ventures	17	12	6.5.
Operating result	833	716	
as a percentage of net sales	12.1	11.1	
Financial income	67	44	5.1.
Financial expenses	-72	-73	5.1.
Result before taxes	828	687	
Income taxes	-198	-180	2.6.
Result for the financial period	630	507	
Attributable to:			
equity holders of the parent company	626	503	
non-controlling interests	4	4	
	630	507	
Earnings per share attributable to equity holders of the parent company:			
Earnings per share (EPS), basic and diluted, EUR	1.06	0.85	2.7.

The notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

MEUR	2025	2024	Note
Result for the financial period	630	507	
Other comprehensive income:			
Items that will not be reclassified to the statement of income			
Remeasurements of defined benefit liabilities	11	-9	4.7.
Tax on items that will not be reclassified to the statement of income	-2	2	
Total items that will not be reclassified to the statement of income	9	-7	
Items that may be reclassified subsequently to the statement of income			
Exchange rate differences on translating foreign operations			
for equity holders of the parent company	-91	31	
transferred to the statement of income	2		
for non-controlling interests	-1		
Associates and joint ventures, share of other comprehensive income	-3	1	
Cash flow hedges			
measured at fair value	96	-80	5.5.
transferred to the statement of income	-11	17	
Tax on items that may be reclassified to the statement of income	-22	-22	
Cash flow hedges			
measured at fair value	-16	12	
transferred to the statement of income	2	-3	
Total items that may be reclassified to the statement of income	-22	-22	
Other comprehensive income for the financial period, net of taxes	-14	-29	
Total comprehensive income for the financial period	616	478	
Total comprehensive income attributable to:			
equity holders of the parent company	614	474	
non-controlling interests	3	3	
	616	478	

The notes are an integral part of these consolidated financial statements.

Consolidated statement of financial position

MEUR	31.12.2025	31.12.2024	Note
Assets			
Non-current assets			
Goodwill	1,214	1,299	3.1.
Other intangible assets	413	446	3.2.
Property, plant and equipment	338	306	3.3.
Right-of-use assets	220	251	3.4.
Investments in associates and joint ventures	45	41	6.5.
Other investments	13	17	5.2.
Deferred tax assets	156	175	4.6.
Trade receivables	3	6	4.2., 5.2.
Other receivables	45	39	4.3.
Total non-current assets	2,447	2,581	
Current assets			
Inventories	1,440	1,483	4.1.
Trade receivables	985	1,018	4.2., 5.2.
Current tax receivables	43	32	
Contract assets	532	571	4.2.
Other receivables	233	269	4.3.
Cash and cash equivalents	2,590	1,554	5.3., 5.4.
Total current assets	5,823	4,928	
Assets held for sale	205	184	6.4.
Total assets	8,474	7,694	
Equity and liabilities			
Equity			
Share capital	336	336	5.5.
Share premium	61	61	5.5.
Translation differences	-248	-156	5.5.
Fair value reserve	48	-23	5.5.
Remeasurements of defined benefit liabilities	-14	-29	4.7.
Retained earnings	2,695	2,337	

Total equity attributable to equity holders of the parent company	2,877	2,525
Non-controlling interests	6	6
Total equity	2,884	2,531
Liabilities		
Non-current liabilities		
Lease liabilities	188	215
Other interest-bearing debt	315	409
Deferred tax liabilities	63	57
Pension obligations	76	82
Provisions	141	144
Contract liabilities	177	121
Other liabilities	26	12
Total non-current liabilities	985	1,041
Current liabilities		
Lease liabilities	41	43
Other interest-bearing debt	38	99
Provisions	187	207
Trade payables	666	793
Current tax liabilities	111	84
Contract liabilities	2,112	1,825
Other liabilities	1,048	938
Total current liabilities	4,202	3,990
Total liabilities	5,187	5,030
Liabilities directly attributable to assets held for sale	403	132
Total equity and liabilities	8,474	7,694

The notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

MEUR	2025	2024	Note
Cash flows from operating activities:			
Result for the financial period	630	507	
Adjustments for:			
Depreciation, amortisation and impairment	211	131	3.5.
Financial income and expenses	5	29	5.1.
Gains and losses on sale of intangible assets and property, plant and equipment and other changes	-48	5	
Share of result of associates and joint ventures	-17	-12	6.5.
Income taxes	198	180	2.6.
Other non-cash adjustments	11	15	
Cash flows before changes in working capital	991	856	
Changes in working capital:			
Receivables, non-interest-bearing, increase (-) / decrease (+)	-154	19	
Inventories, increase (-) / decrease (+)	-120	-71	4.1.
Liabilities, non-interest-bearing, increase (+) / decrease (-)	1,038	552	
Changes in working capital	763	501	
Cash flows from operating activities before financial items and taxes	1,754	1,357	
Financial items and taxes:			
Interest income	38	33	
Interest expenses	-22	-29	
Other financial income and expenses	-7	-25	
Income taxes paid	-164	-128	
Financial items and paid taxes	-156	-149	
Cash flows from operating activities	1,598	1,208	
Cash flows from investing activities:			
Investments in property, plant and equipment and intangible assets	-150	-170	3.2., 3.3.
Proceeds from sale of property, plant and equipment and intangible assets	4	11	3.2., 3.3.
Proceeds from sale of shares in subsidiaries	93		6.3.

Proceeds from sale of other investments		6
Loan receivables, increase (-) / decrease (+), and other changes		4
Dividends received	1	
Cash flows from investing activities		
	-51	-149
Cash flows after investing activities	1,547	1,059
Cash flows from financing activities:		
Repurchase of own shares		-16
Proceeds from non-current debt	61	
Repayments and other changes in non-current debt	-274	-124 5.4., 5.6.
Loan receivables, increase (-) / decrease (+)	2	-4
Current loans, increase (+) / decrease (-)	-5	-1
Dividends paid	-263	-194
Cash flows from financing activities	-494	-323
Change in cash and cash equivalents, increase (+) / decrease (-)	1,053	736
Cash and cash equivalents at the beginning of the financial period*	1,557	819
Exchange rate changes	-20	2
Cash and cash equivalents at the end of the financial period*	2,590	1,557

* Cash and cash equivalents include the cash and cash equivalents pertaining to assets held for sale.

The notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

MEUR	Total equity attributable to equity holders of the parent company						Non-controlling interests	Total equity
	Share capital	Share premium	Translation differences	Fair value reserve	Remeasurements of defined benefit liabilities	Retained earnings		
Equity on 1 January 2025	336	61	-156	-23	-29	2,337	2,525	6 2,531
Result for the financial period						626	626	4 630
Other comprehensive income								
Translation differences			-94				-94	-1 -95
Translation differences transferred to the statement of income			2				2	2
Cash flow hedges								
net change in fair value, net of taxes				80			80	80
transferred to the statement of income, net of taxes				-9			-9	-9
Defined benefit plans					9		9	9
Other changes					6	-6		
Other comprehensive income, total			-92	71	15	-6	-12	-1 -14
Total comprehensive income for the financial period			-92	71	15	620	614	3 616
Transactions with equity holders of the parent company and non-controlling interests								
Dividends paid						-259	-259	-2 -262
Repurchase of own shares						-16	-16	-16
Share-based payments						15	15	15
Equity on 31 December 2025	336	61	-248	48	-14	2,695	2,877	6 2,884

MEUR	Total equity attributable to equity holders of the parent company						Non-controlling interests	Total equity
	Share capital	Share premium	Translation differences	Fair value reserve	Remeasurements of defined benefit liabilities	Retained earnings	Total	
Equity on 1 January 2024	336	61	-188	31	-4	1,989	2,225	8 2,232
Result for the financial period						503	503	4 507
Other comprehensive income								
Translation differences			32				32	32
Cash flow hedges								
net change in fair value, net of taxes				-67			-67	-67
transferred to the statement of income, net of taxes				13			13	13
Defined benefit plans					-7		-7	-7
Other changes					-18	18		
Other comprehensive income, total		32	-54	-25	18	-29		-29
Total comprehensive income for the financial period		32	-54	-25	521	474	3	478
Transactions with equity holders of the parent company and non-controlling interests								
Dividends paid						-188	-188	-6 -194
Share-based payments						15	15	15
Equity on 31 December 2024	336	61	-156	-23	-29	2,337	2,525	6 2,531

Additional information on share capital, share premium, translation differences and fair value reserve is presented in Note 5.5. Equity.

The notes are an integral part of these consolidated financial statements.



Notes to the consolidated financial statements

1. Accounting principles and other disclosure requirements

Content in this section:

- 1.1. Entity information**
- 1.2. Basis of preparation**
- 1.3. New and amended IFRS accounting standards**
- 1.4. Management judgement and use of estimates**

Majority of the accounting principles applied to the consolidated financial statements, as well as the most significant judgements, estimates, and assumptions made by the management, are presented in the relevant notes to provide readers a better understanding of the financial statements.

1.1. Entity information

Wärtsilä Corporation is a Finnish listed company organised under the laws of Finland and domiciled in Helsinki. The address of its registered office is Hiililaiturinkuja 2, 00180 Helsinki. Wärtsilä Corporation is the ultimate parent company in the Wärtsilä Group.

Wärtsilä is a global leader in innovative technologies and lifecycle solutions for the marine and energy markets. By emphasising sustainable innovation, total efficiency and data analytics, Wärtsilä maximises the environmental and economic performance of the vessels and power plants of its customers.

In 2025, Wärtsilä's net sales totalled EUR 6.9 billion with 17,879 employees. The company has operations in over 199 locations in 78 countries around the world. Wärtsilä is listed on Nasdaq Helsinki.

These consolidated financial statements were authorised for release by the Board of Directors of Wärtsilä Corporation on 3 February 2026, after which, in accordance with the Finnish Corporate Act, the shareholders have a right to approve or reject the financial statements in the Annual General Meeting. The Annual General Meeting also has the possibility to decide upon changes to the financial statements.

1.2. Basis of preparation

The consolidated financial statements are prepared in accordance with international accounting standards, which were in force on 31 December 2025. International accounting standards are defined in EU regulation (EC) No. 1606/2002 and embodied in Finnish accounting legislation. They refer to IFRS® Accounting Standards, IAS® Standards, SIC® Interpretations and IFRIC® Interpretations developed by International Accounting Standards Board (IASB). The consolidated financial statements also comply with the Finnish corporate legislation.

All intragroup transactions, dividend distributions, receivables and liabilities, as well as unrealised margins, are eliminated in the consolidated financial statements. In the consolidated statements of income and comprehensive income, non-controlling interests have been separated from the result and the total comprehensive income for the financial period. In the consolidated statement of financial position, non-controlling interests are shown as a separate item under equity.

Reporting is based on the historical cost convention. Exceptions are the financial assets and liabilities at fair value through the statement of income, the assets and liabilities arising from pension plans, hedged items under fair value hedging, the cash- and share-settled share-based payment transactions measured at fair value, and assets held for sale measured at the lower of the carrying amount and the fair value less costs to sell. The figures are in millions of euros except Note 7.2. Related party disclosures, which is presented in thousands of euros.

1.3. New and amended IFRS accounting standards

In 2025, the Group has adopted the following amended Accounting Standards issued by IASB.

Lack of Exchangeability amends IAS 21 The Effects of Changes in Foreign Exchange Rates (effective for financial periods beginning on or after 1 January 2025). The amendment specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. The amendments have no impact on the consolidated financial statements.

Other new or amended Accounting Standards already effective do not have a significant impact on the consolidated financial statements or other disclosures.

In 2026 or later, the Group will adopt the following new or amended Accounting Standards issued by IASB.

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (effective for financial periods beginning on or after 1 January 2026) clarify that a financial asset or liability is recognised or derecognised on the settlement date, and introduce an option to derecognise financial liabilities settled through electronic payment system at an earlier date if certain criteria is met. The amendments also clarify how to assess the contractual cash flow characteristics of certain financial assets, such as ESG-related, and affect disclosure requirements. The amendments are not expected to have a significant impact on the consolidated financial statements.

New Accounting Standard IFRS 18 Presentation and Disclosure in Financial Statements* (effective for financial periods beginning on or after 1 January 2027) improves the quality of financial reporting by requiring defined subtotals in the statement of income and disclosure about management-defined performance measures, as well as adding new principles for aggregation and disaggregation of information. The standard requires that all income and expenses are classified into five categories in the statement of income: operating, investing, financing, income taxes, and discontinued operations. In addition, it is required to use the operating profit subtotal as a starting point for statement of cash flows. The standard changes the presentation of disclosed information and increases the amount of disclosed information and it has no impact on recognition or measurement.

The Group is currently assessing the impact of IFRS 18 as it is expected that the standard will have a significant impact on the presentation of the statement of income. The primary identified areas of changes are the following:

- The share of profit from joint ventures and associates will be presented in the investing category instead of the operating category.
- Foreign exchange differences, and income and expenses related to cash and cash equivalents will be presented in the investing category instead of the financing category.
- Foreign exchange rate differences on intragroup loans and cash pooling arrangements are currently presented in the financing category. The presentation under IFRS 18 is currently being further discussed by the IFRIC, and the presentation will depend on its final decision.
- Foreign exchange rate differences from external derivates will be presented in the operating category, whereas currently financing-related portion of derivates is included in the financial items and the rest in the operating result.

The assessment may require judgements around aggregation and disaggregation of certain balances, as well as additional disclosures relating to management-defined performance measures.

Other new or amended Accounting Standards not yet effective are not expected to have a significant impact on the consolidated financial statements or other disclosures.

* Not yet endorsed for adoption by the European Commission as of 31 December 2025.

1.4. Management judgement and use of estimates

Preparation of the financial statements in accordance with the IFRS Accounting Standards requires management to make judgements, estimates, and assumptions that affect the valuation of the reported assets and liabilities, as well as other information, such as contingent assets and liabilities and the recognition of income and expenses in the statement of income. Although these continuously evaluated judgements, estimates, and assumptions are based on management's past experience and best knowledge of current events and actions, as well as expectations of future events, actual results may differ from the estimates.

For Wärtsilä, the most significant judgements, estimates, and assumptions made by the management relate to the items listed below, more information can be found in the corresponding note:

- revenue recognition, especially project estimates for long-term projects and agreements (Note 2.2. Revenue recognition),
- uncertain tax positions (Note 2.6. Income taxes),
- allocation of goodwill between cash generating units and impairment testing (Note 3.1. Goodwill),
- estimating useful lives and assessing indication of impairment (Notes 3.2. Other intangible assets and 3.3. Property, plant and equipment),
- determining the length of lease terms (Note 3.4. Leases),
- valuation of inventories (Note 4.1. Inventories),
- valuation of trade receivables (Note 4.2. Trade receivables and contract assets and liabilities),
- measurement of warranty provisions and recognition of provisions for legal cases (Note 4.5. Provisions),
- expected results on tax audits and deferred tax assets from tax losses (Note 4.6. Deferred taxes),
- defined pension benefit obligations (Note 4.7. Pension obligations),
- accounting for business combinations (Note 6.2. Acquisitions), and
- valuation of assets held for sale (Note 6.4. Assets held for sale).



2. Group financial performance

Content in this section:

- 2.1. Segment information**
- 2.2. Revenue recognition**
- 2.3. Other operating income and expenses**
- 2.4. Material and services**
- 2.5. Employee benefit expenses**
- 2.6. Income taxes**
- 2.7. Earnings per share**

2.1. Segment information

Wärtsilä's reportable segments are Wärtsilä Marine, Wärtsilä Energy and Wärtsilä Energy Storage. Furthermore, Wärtsilä reports Wärtsilä Portfolio Business as other business activities. The segments and other business activities cover both equipment sales and services for the respective business. In Wärtsilä, the operating segments are also reportable segments.

Until 31 March 2025, Wärtsilä was organised into two operating segments, which were Marine and Energy. As of 1 April 2025, the reporting segment Energy has been separated into two independent operating and reportable segments: Energy, focusing on the power plants business and related lifecycle business, and Energy Storage, focusing on the battery storage business and related lifecycle business. The segment-related comparison figures for 2024 and 1–3/2025 have been restated to reflect the current organisational structure.

Wärtsilä's highest operative decision maker (CODM, Chief Operating Decision Maker) is the President and CEO, with the support of the Board of Management, and in some cases the Board of Directors.

Marine, Energy, Energy Storage and Portfolio Business are each led by their President. Discrete financial information on each business is provided to the CODM to support decision-making. The segment information presented by Wärtsilä reflects internal management reporting. Segment information is reported to the level of operating result, as items below operating result are not allocated to the businesses.

Internal sales between segments and other business activities are not reported in management reporting, but revenue and costs of sales are booked directly to the respective customer projects and orders. In the beginning of 2025, management has reviewed allocation principles of indirect and administration costs to the segments and other business activities. Order intake has been included in the allocation principles, so as of 1 January 2025, the main factors affecting the allocation of indirect and administration costs to the segments and other business activities are net sales, order intake, and the number of personnel. The change in the allocation principles does not have a significant impact on segment reporting. Management

considers these allocation principles to be the most suitable means for reflecting the costs carried by each segment and other business activities. The allocation principles are reviewed regularly.

Wärtsilä Marine

Wärtsilä's marine customer base covers all the main vessel segments, including traditional merchant vessels, gas carriers, cruise & ferry, navy, and special vessels. In the oil & gas industry, Wärtsilä is active in serving offshore installations and related industry vessels, as well as land-based gas installations. Wärtsilä's customers comprise ship owners, shipyards, and ship management companies.

Marine has seven business units: Power Supply, Propulsion, Parts and Field Service, Performance Services, Voyage Services, Project Services and Shaft Line Solutions. The Marine setup has been specifically designed to support its customers throughout the entire lifecycle of their vessels: from designing, developing, and delivering high quality products and solutions that ensure superior performance and that are capable of meeting evolving environmental requirements, to assisting customers with a wide service network supplying spare parts, competent field service personnel, and product and solution upgrades, as well as reducing operational risk.

Marine focuses on Wärtsilä's comprehensive range of engine and propulsion solutions. Its offering, which includes engines, generating sets, gearboxes, propulsion equipment, as well as LNG fuel handling, power management, and NOx reduction technologies, positions Marine as a leading partner for its customers in the decarbonisation of the maritime industry, particularly through fuel flexibility and hybrid solutions.

Wärtsilä Energy

Wärtsilä Energy is at the forefront of the transition towards a 100% renewable energy future. Wärtsilä helps customers and the power sector to accelerate their decarbonisation journeys through companies market-leading technologies and power system expertise. Wärtsilä's solutions include flexible engine power plants and services for the whole lifecycle of installations. Wärtsilä's engines are future-proof and can run on sustainable fuels.

Wärtsilä Energy's main customer segments are utilities, independent power producers, data centers, and industrial customers. Solutions are used for a wide variety of applications: balancing engine power plants to support greater integration of intermittent renewables, such as wind and solar, as well as baseload power generation.

Wärtsilä Energy Storage

Wärtsilä Energy Storage is driving the transition to a 100% renewable energy future. Wärtsilä's comprehensive solutions include advanced energy storage hardware, intelligent controls and optimisation software, and end-to-end lifecycle services. With deep expertise in power systems, Wärtsilä is helping customers and the broader energy sector accelerate global decarbonisation efforts.

Wärtsilä Energy Storage delivers flexible solutions tailored to customer needs—from modular, high-density systems for precise capacity to scalable, grid-scale deployments supporting critical energy infrastructure. Advanced software responds in real time to grid fluctuations and market dynamics, driving intelligent control and performance at every level. Seamlessly

integrated with critical energy systems, Wärtsilä's technologies enhance visibility, optimise assets, and deliver proven reliability, flexibility, and safety worldwide.

Wärtsilä Portfolio Business

Wärtsilä reports Portfolio Business as other business activities. Portfolio Business consists of Gas Solutions and Water & Waste, and both business units have been classified as assets held for sale since the last quarter of 2025. The business units are run independently to accelerate performance improvement and unlock value through divestments or other strategic alternatives.

Portfolio Business also included business units Automation, Navigation and Control Systems until it was divested on 1 July 2025 and Marine Electrical Systems until it was divested on 31 October 2025.

2025

MEUR	Marine	Energy	Energy Storage	Portfolio Business	Total
Net sales	3,494	2,048	694	677	6,914
Depreciation and amortisation	-108	-32	-16	-8	-163
Impairment	-12	-4	-2	-30	-48
Share of result of associates and joint ventures	17				17
Operating result	449	315	23	46	833
as a percentage of net sales (%)	12.9	15.4	3.3	6.8	12.1
Items affecting comparability	6		-1	-1	4
Comparable operating result	443	315	24	47	829
as a percentage of net sales (%)	12.7	15.4	3.4	6.9	12.0

2024

MEUR	Marine	Energy	Energy Storage	Portfolio Business	Total
Net sales	3,053	1,897	794	706	6,449
Depreciation and amortisation	-101	-29	-8	-14	-151
Impairment	-1			20	19
Share of result of associates and joint ventures	12				12
Operating result	364	267	33	52	716
as a percentage of net sales (%)	11.9	14.1	4.1	7.4	11.1
Items affecting comparability	4	-1		20	23

Comparable operating result	360	269	33	32	694
as a percentage of net sales (%)	11.8	14.2	4.2	4.5	10.8

Alternative performance measures

Wärtsilä provides certain financial performance measures, which are not defined by Accounting Standards. These alternative performance measures are followed and used by management to measure the Group's performance and financial position, and also to provide useful information to the capital markets. The alternative performance measures should not be evaluated in isolation from the corresponding Accounting Standards measures. The alternative performance measure calculation definitions are disclosed in Calculations of financial ratios.

Wärtsilä discloses certain comparable performance measures to enhance comparability between periods. Certain income and expenses are presented as items affecting comparability when they have significant impact on the consolidated statement of income. Items affecting comparability consist of income and expenses, which result from restructuring activities aiming to adjust the capacity of Wärtsilä's operations. They may also include other income and expenses incurred outside Wärtsilä's normal course of business, such as impairment charges, acquisition related costs, settlements recognised as a result of legal proceedings with third parties or unforeseen obligations from earlier discontinued businesses.

The reconciliation of the comparable operating result to the operating result is presented in the following table.

Measures of profit and items affecting comparability

MEUR	2025	2024
Comparable operating result	829	694
Items affecting comparability:		
Social plan costs	-3	35
Impairment and write-downs	-35	19
Gains and losses on disposal of assets	46	2
Other costs	-5	-35
Items affecting comparability, total	4	23
Operating result	833	716

Items affecting comparability include EUR 31 million of capital gains related to the divestment of business unit Automation, Navigation and Control Systems, EUR 20 million of impairment related to classifying business unit Gas Solutions as assets held for sale, and EUR 10 million of impairment related to the divestment of business unit Marine Electrical Systems.

Related to the restructuring of engine manufacturing in Europe, items affecting comparability include EUR 15 million of capital gains, EUR 11 million of other costs, and EUR 4 million of impairment.

In addition, items affecting comparability include EUR 4 million of other income and other costs.

Entity wide information

In addition to segment information, Wärtsilä reports the service net sales for all segments and for other business activities.

Wärtsilä continues to report information on the geographical areas Finland, other European countries, Asia, the Americas, and other. In the geographical information provided, net sales are split by customer destination and non-current assets by origin. Non-current assets consist of goodwill, intangible assets, property, plant and equipment, right-of-use assets, and investments in associates and joint ventures.

Geographical information

During the financial period 1 January - 31 December 2025 and 1 January - 31 December 2024 Wärtsilä did not have any individual significant customers. Of the total net sales, sales to the USA represented 17% (19) and sales to China 12% (9).

MEUR	2025	2024
Net sales		
Finland	113	100
Other European countries	1,807	1,998
Asia	2,086	1,698
The Americas	1,798	1,835
Other	1,110	818
Total	6,914	6,449
Non-current assets		
Finland	670	641
Other European countries	1,186	1,302
Asia	112	119
The Americas	257	277
Other	5	4
Total	2,230	2,343

Service net sales

MEUR	2025	2024
Net sales		
Marine, service	2,222	2,050
Energy, service	1,188	1,158
Energy Storage, service	23	15
Portfolio Business, service	142	198
Total	3,575	3,422

2.2. Revenue recognition

① Accounting principles

Principles of revenue recognition

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 Group expects to be entitled in exchange for those goods and services. The Group recognises revenue when it satisfies an identified performance obligation by transferring promised goods and services to the customer. The control is transferred either at a point in time or over time. Revenue recognised by the end of the reporting period corresponds to the benefit of the service provided by Wärtsilä to the customer. Revenue is presented net of indirect sales taxes, liquidated damages, and discounts.

Methods of revenue recognition

Revenue can be recognised over time or at a point in time, depending on the nature of the contractual arrangement. For contracts where revenue is recognised over time, the input method is generally used, measuring progress based on costs incurred when the outcome of the contract can be reliably estimated. If the outcome cannot be reliably measured, costs are expensed as incurred, and revenue is recognised only to the extent that corresponds the actual costs. Any losses associated with the contract are expensed immediately. For contracts where revenue is recognised at a point in time, the recognition typically occurs when control is transferred to the customer, which is generally aligned with the transfer of risks and rewards as specified by the delivery terms.

Performance obligations

A performance obligation is a distinct promise within a contract to transfer goods or services to a customer. The Group reviews each contract to identify all performance obligations. Typically, most contracts contain a single performance obligation, such as the delivery of a specified product or service. However, if a contract includes several units of delivery or installations, multiple performance obligations may be identified. Each performance obligation is accounted for separately and revenue is allocated accordingly, ensuring that the timing and amount of revenue recognised reflects the transfer of control over each promised good or service.

Variable consideration and transaction price

Transaction prices may include variable considerations such as liquidated damages, performance bonuses, and discounts. Long-term agreements often feature variable fees based on operational metrics, such as power plant running hours or megawatts produced in Energy or vessel running hours in Marine. These estimated fees are based on customer future load plans or other parameters such as historical demand trends and are included in revenue only if it is highly probable that they will not be reversed. Transaction price including variable components are reassessed at the end of each reporting period.

Payment terms

Specific payment terms can vary depending on the nature of the contract, project size, and region. Wärtsilä often requires advance payments or issues invoices based on milestones which may be structured around key project milestones. Most common payment terms for invoices may vary between 20 days to 90 days from the invoice date, unless otherwise specified in the contract. Advances received or contract assets do not include a financing component, as payment schedules align with the satisfaction of the performance obligations.

Revenue streams

Wärtsilä operates in marine and energy markets, deriving revenue from contracts with customers from four revenue types: products, goods and services, projects, and long-term agreements. All revenue types are represented across the Group's reportable segments and other business activities: Marine, Energy, Energy Storage, and Portfolio Business.

- **Product sales:** Revenue from spare parts and standard equipment is recognised at a point in time when the control of the product has transferred to the customer, typically upon delivery.
- **Goods and services:** Revenue from short-term field service jobs, including combined service and equipment delivery, is recognised when the service is rendered and costs are reliably measured.
- **Projects:** Depending on contract terms and duration, revenue is recognised either at a point in time or over time.

Revenue from tailor-made equipment delivery projects is recognised at a point in time when the control of the equipment is transferred, in general upon delivery. Tailor-made equipment sales are mainly in Marine, for example, engine, propulsion and scrubber system sales.

Long-term projects are typically large-scale projects, such as energy power plants in Energy, energy storages or gas solution construction contracts in Portfolio Business, or equipment which requires engineering. The revenue is recognised over time as the asset produced does not have alternative use and the Group has an enforceable right to payment. The progress is measured by using the cost-to-cost method, where sales and profits are recognised after considering the ratio of accumulated costs to estimated total costs to complete the performance obligation.

Service-related projects, such as modernisation and upgrade projects, are recognised over time as the customer typically controls the enhanced asset.

- Long-term agreements:** Long-term operating and maintenance agreements are recognised over time as the customer simultaneously receives and consumes the service. Progress is measured by the proportion of actual service costs to total estimated costs.

Warranties

Contracts with customers often include warranties in line with Wärtsilä's General terms and conditions, which are considered as part of the promise to the customer. Typically, the standard warranty period is one year to three years from the delivery onwards.

Contract costs

The Group applies the IFRS 15.94 practical expedient, expensing incremental contract acquisition costs when the amortisation period is one year or less. Wärtsilä has not incurred any costs for obtaining a contract to be recognised as an asset.

Information on contract assets and liabilities is available in Note 4.2. Trade receivables and contract assets and liabilities.

① Accounting estimates and judgements

Revenue from certain projects and long-term agreements is recognised over time according to the input method when the profit on the project or agreement can be reliably determined. The progress and the profitability are based on management's estimates, which require significant judgement concerning the stage of completion, the cost to complete, and the time of completion. These estimates are reviewed regularly. Revenue and costs recognised are adjusted during the project when assumptions concerning the outcome of the entire project are updated. Changes in assumptions relate to changes in the project's or agreement's schedule, the scope of supply, technology, costs, and any other relevant factors.

Establishing whether distinct goods or services are considered as separate performance obligations requires judgement and might impact the timing and amount of revenue recognition.

Project business contracts usually involve elements of variable consideration. At the end of each reporting period, management reassesses the transaction price, which requires significant judgement as it affects the timing of the revenue recognition. The valuation of accounts receivables also includes estimates mainly concerning the recoverability of receivables.

Determining whether different contracts with the same customer are accounted for as one contract involves the use of judgement, as it requires an assessment of whether the contracts are negotiated together or linked in any other way. The timing and amount of revenue recognition can vary depending on whether two contracts are accounted for separately, or as one single arrangement.

Net sales by revenue type and timing of satisfying performance obligations

2025

MEUR	Marine	Energy	Energy Storage	Portfolio Business	Total
At a point in time					
Products	1,056	519	3	84	1,662
Goods and services	561	130		57	748
Projects	1,439	682	1	75	2,196
Total	3,056	1,330	4	217	4,607
Over time					
Projects	95	302	671	454	1,522
Long-term agreements	343	416	19	6	785
Total	438	718	690	460	2,307
Total	3,494	2,048	694	677	6,914

2024

MEUR	Marine	Energy	Energy Storage	Portfolio Business	Total
At a point in time					
Products	1,005	489	1	122	1,616
Goods and services	528	109		92	730
Projects	1,171	485	6	100	1,762
Total	2,703	1,083	7	314	4,107
Over time					
Projects	63	380	773	380	1,597
Long-term agreements	286	433	13	11	744
Total	349	814	787	391	2,341
Total	3,053	1,897	794	706	6,449

The segment related comparison figures for 2024 have been restated to reflect the current organisational structure.

2.3. Other operating income and expenses

① Accounting principles

Other operating income and expenses do not directly relate to the operating activities.

Other operating income includes, for example, gains from the sale of assets and regular incomes, such as rental income, and gains relating to business combinations, which have not been derived from primary activities. Other operating income includes also grants. Governmental and other grants are recognised in the statement of income on a systematic basis in the same periods in which the expenses are incurred.

Other operating expenses include, for example, travel costs, legal and consultancy costs, rental costs, voluntary personnel related costs, and administrative costs. Also, expenses related to short-term lease contracts and lease contracts of low-value assets are recognised in other operating expenses. In addition, losses related to the sale of assets, as well as losses arising from modifications and terminations of lease agreements, are recognised in other operating expenses.

Other operating income

MEUR	2025	2024
Capital gains	48	7
Government grants	17	20
Sale of scrapped material	1	2
Sale of by-products	1	2
Rental income	2	2
Insurance indemnities	3	3
Gains on derivatives not included in hedge accounting and ineffective hedging*	23	11
Other**	22	28
Total	118	75

* The portion of ineffective hedging is EUR 1 million (2).

** In 2025 and 2024, other does not include any significant single items.

Other operating expenses

MEUR	2025	2024
Travel costs	192	180
Rental costs	37	45
Legal and consultancy costs	98	109
Information technology costs	102	87
Other personnel related costs	73	73

Administrative costs	44	43
Temporary labour	38	43
Losses on derivatives not included in hedge accounting and ineffective hedging*	15	17
Other**	82	123
Total	681	720

* The portion of ineffective hedging is EUR 2 million (2).

** In 2024, other included loss on sales of fixed assets of EUR 12 million.

2.4. Materials and services

① Accounting principles

Materials and services expenses relate to purchases of goods and consumables from suppliers for manufacturing less discounts and tax refunds related to purchases. Exchange gains or losses on accounts payable are included.

MEUR	2025	2024
Purchases during the financial period	-2,539	-2,215
Change in inventories	41	-46
Change in inventories of finished goods & work in progress	33	17
Work performed by the Group and capitalised	41	27
External services	-1,265	-1,257
Total	-3,689	-3,474

2.5. Employee benefit expenses

① Accounting principles

Employee benefits are all forms of consideration given in exchange for services rendered by employees or for the termination of employment. In addition, the Group has personnel expenses related to share-based payments and other personnel expenses.

The measurement of the share-based long-term incentive schemes is dependent on the terms of the respective scheme. Incentive rights, which are settled in company's shares, are measured at fair value on grant date. Incentive rights, which are settled in cash, are measured at fair value at the end of each reporting period, and the change is recognised in the statement of income.

Fair value on grant date is determined based on Wärtsilä's share price on grant date, reduced by the discounted value of expected dividends during the vesting period according to the consensus estimates available at the time.

After the grant date, fair values of equity-settled rights are not remeasured, whereas fair value of the liability for cash-settled payments is remeasured at the end of each reporting period and at the date of payment.

Market based vesting conditions, such as share price development, are considered when determining the fair value of the incentive right. Non-market vesting conditions, such as Economic Value Added, or service time required are considered when estimating the number of shares to vest. Estimates of the number of shares to vest are revised at the end of each reporting period and the change is recognised through the statement of income.

Cost of the share-based long-term incentive schemes is recognised in the statement of income as employee benefit expenses over the service period required in the scheme. For incentive rights settled in company's shares, the expense is recognised against equity, and for incentive rights settled in cash, the expense is recognised against liabilities.

When company is obliged to withhold and settle in cash employee's tax obligation associated with the shares vested to tax authority, the portion is accounted in the same manner as the portion which is settled in shares.

The Group companies have various pension and other post-employment benefit plans in accordance with local conditions and practices worldwide. These plans are classified either as defined contribution plans or defined benefit plans.

In defined contribution plans, the Group pays fixed contributions into a separate entity, such as an insurance company. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The contributions are recognised in the statement of income as employee benefit expenses in the period to which they relate.

Accounting principles for defined benefit plans are presented in Note 4.7. Pension obligations.

MEUR	2025	2024
Wages and salaries	1,343	1,271
Pension costs		
Defined benefit plans	9	9
Defined contribution plans	107	97
Other compulsory personnel costs	161	116
Total	1,620	1,493

Management remuneration is specified in Note 7.2. Related party disclosures.

Long-term incentive schemes

Wages and salaries include EUR 25 million (20) in expenses arising from share-based long-term incentive schemes. At the end of 2025, Wärtsilä had five active long-term incentive schemes.

The long-term incentive scheme for period 2023-2025 is a performance share plan. The participants are granted company shares if the pre-determined minimum level in company's Economic Value Added (85% weight) and sustainability targets (15% weight) are reached, as well as employment requirement for the period is met. The number of shares depends on the level of achievement and is capped to 175% of the target level. There is also a cap set to the pay-out in relation to individuals' base pay at grant date. On target level, the scheme would entitle the participants to a total reward of 1,560,615 shares. In certain countries the equivalent reward would be settled in cash due to local legislation. The fair value of the share determined at grant date for accounting of the scheme is EUR 7.82.

The long-term incentive scheme for period 2024-2026 is a performance share plan. The participants are granted company shares if the pre-determined minimum level in company's Economic Value Added (85% weight) and sustainability targets (15% weight) are reached, as well as employment requirement for the period is met. The number of shares depends on the level of achievement and is capped to 175% of the target level. There is also a cap set to the pay-out in relation to individuals' base pay at grant date. On target level, the scheme would entitle the participants to a total reward of 1,081,855 shares. In certain countries the equivalent reward would be settled in cash due to local legislation. The fair value of the share determined at grant date for accounting of the scheme is EUR 13.31.

The long-term incentive scheme for period 2025-2027 is a performance share plan. The participants are granted company shares if the pre-determined minimum level in company's Economic Value Added (80% weight) and sustainability targets (20% weight) are reached, as well as employment requirement for the period is met. The number of shares depends on the level of achievement and is capped to 175% of the target level. There is also a cap set to the pay-out in relation to individuals' base pay at grant date. On target level, the scheme would entitle the participants to a total reward of 972,719 shares. In certain countries the equivalent reward would be settled in cash due to local legislation. The fair value of the share determined at grant date for accounting of the scheme is EUR 14.86.

Wärtsilä has also two restricted share plans for retention of individually selected key employees in specific situations. The restricted share plan 2023-2025 entitles participants to a total reward of 607,018 shares. The reward will be payable after the retention period of three years. If the individual's employment with Wärtsilä terminates before the payment of the reward, the individual is not entitled to any reward based on the respective plan. In certain countries the equivalent reward would be settled in cash due to local legislation. The fair value of the share determined at grant date for accounting of the plan is EUR 9.32.

The restricted share plan 2024-2026 entitles participants to a total reward of 14,500 shares. The reward will be payable after the retention period of three years. If the individual's employment with Wärtsilä terminates before the payment of the reward, the individual is not entitled to any reward based on the respective plan. In certain countries the equivalent reward would be settled in cash due to local legislation. The fair value of the share determined at grant date for accounting of the plan is EUR 14.05.

	2025	2024
Personnel on average, full-time equivalent	18,295	18,110
Personnel at the end of the financial period, full-time equivalent	17,879	18,338

2.6. Income taxes

① Accounting principles

The statement of income includes taxes payable based on the Group's consolidated taxable income for the financial period in accordance with local tax regulations, tax adjustments for previous financial periods, and changes in deferred taxes. Tax effects related to transactions recognised through the statement of income and other events are recognised in the statement of income. Tax effects related to transactions or other events to be presented as components of other comprehensive income or directly in equity are also recognised, respectively, in other comprehensive income or directly in equity.

The current income tax charge is calculated according to tax laws enacted, or substantively enacted, at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income.

① Accounting estimates and judgements

The Group is subject to income taxes in several jurisdictions and the computation of the Group's income tax expense and income tax liabilities require judgement and estimation. Income tax positions are regularly evaluated by management to identify situations when there might be uncertainty due to tax regulation being subject to interpretation. Provisions for these uncertain tax positions are recognised when it is considered more likely than not that the positions will be challenged by the tax authorities. The provision recognised is based on the estimation of the amount of the final taxes to be paid to the tax authorities.

MEUR	2025	2024
Income taxes		
for the financial period	-162	-128
for prior financial periods	-22	-13
Change in deferred tax		
origination and reversal of temporary differences	-15	-38
changes in tax rates	-2	-2
Total	-198	-180
Reconciliation of effective tax rate:		
Result before taxes	828	687
Tax calculated at the domestic corporate tax rate 20.0%	-166	-137
Effect of changed tax rates	-2	-2
Effect of different tax rates in foreign subsidiaries	-12	-10
Effect of income not subject to tax and non-deductible expenses	6	-5
Effect of share of result of associates and joint ventures	3	2

Utilisation of previously unrecognised tax losses carried forward	7	3
Unrecognised taxes on losses carried forward	-6	-4
Other taxes*	-12	-9
Other temporary differences	4	-5
Income taxes for prior financial periods	-22	-13
Tax charge in the consolidated statement of income	-198	-180
Effective tax rate (%)	23.9	26.2

* Other taxes consist mainly of withholding taxes not utilised and taxes not directly based on taxable income.

Income taxes related to other comprehensive income are presented in Consolidated statement of comprehensive income. Changes in deferred tax assets and liabilities are presented in Note 4.6. Deferred taxes.

In some countries Wärtsilä is subject to tax audits, which can result in tax reassessment decisions and obligations to pay additional taxes and related payments.

Wärtsilä is within the scope of the OECD Pillar Two Model Rules since 1 January 2024. Wärtsilä has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. Wärtsilä has assessed its tax exposure considering Pillar Two Model Rules in jurisdictions where the Group operates. The Group's effective tax rate is above 15% in all major locations except for subsidiaries located in United Arab Emirates, Cyprus, Switzerland and Pakistan. According to the Group, the amount of top-up taxes is not significant and has no significant current tax impact for year 2025.

2.7. Earnings per share

Earnings per share (EPS) is calculated by dividing the result for the financial period attributable to equity holders of the parent company by the weighted average number of shares outstanding during the period.

Equity-settled share-based payments

Wärtsilä has long-term incentive schemes, which can be settled in company shares. These contingently issuable ordinary shares and unvested shares are issuable when certain pre-defined conditions in the incentive programmes are met during a timeframe set in the incentive programmes' conditions. If the settlement were to happen at the reporting date, it would result in issuing 3,367,549 shares (1,883,981). These shares are considered as potential ordinary shares causing dilutive effect on the EPS.

MEUR	2025	2024
Result for the financial period attributable to equity holders of the parent company	626	503
Weighted average number of shares outstanding during the period	588,708,902	589,071,715
Weighted average number of dilutive potential ordinary shares during the period		
Contingently issuable ordinary shares	2,836,196	1,453,789
Unvested shares	531,353	430,191
Weighted average number of shares outstanding during the period to be used in the calculation of diluted EPS	592,076,451	590,955,696
Earnings per share attributable to equity holders of the parent company:		
Earnings per share (EPS), basic and diluted, EUR	1.06	0.85

Additional information on the number of shares is presented in Note 5.5. Equity.



3. Intangible and tangible assets

Content in this section:

- 3.1. Goodwill**
- 3.2. Other intangible assets**
- 3.3. Property, plant and equipment**
- 3.4. Leases**
- 3.5. Depreciation, amortisation and impairment**

3.1. Goodwill

(i) Accounting principles

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

Goodwill allocation

Goodwill arising from business acquisitions has been allocated to the operating segments and other business activities, which are also the Group's cash generating units (CGU) in impairment testing of goodwill. These are Marine, Energy, Energy Storage, and multiple individually smaller CGUs, which are aggregated to Portfolio Business for disclosure purposes.

Impairment of goodwill

The carrying amount of goodwill allocated to cash generating units is reviewed annually for signs of possible impairment, or more frequently should any indication of impairment arise. If any such indication exists, the recoverable amount of the goodwill is estimated. In order to define a possible impairment, the Group's assets are divided into the smallest possible cash generating units, which are mainly independent of other units, and the cash flows of which are separately identifiable and to a large extent independent of the cash flows of other similar units.

An impairment loss is recognised when the carrying amount of an asset is greater than its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The value in use for goodwill is based on the expected discounted future net cash flows resulting from the asset or cash generating unit.

A pre-tax rate, which reflects the markets' position on the time value of money and asset-specific risks, is used as the discount rate.

An impairment loss is recognised immediately in the statement of income as depreciation, amortisation and impairment. An impairment loss recognised for goodwill is not reversed under any circumstances.

① Accounting estimates and judgements

The recoverable amounts of goodwill are determined for all cash generating units annually, or more often if there is an indication of an impairment, where its value in use is determined. The value in use is determined using estimates of future cash flows, which are impacted by future market development, such as growth and profitability, as well as other significant factors. The most important factors underlying such estimates are the net sales growth in the market area, the operating margin, the useful life of the assets, future investment needs, and the discount rate. Changes in these assumptions can significantly affect the expected future cash flows.

In 2025, the goodwill allocation between the two new CGUs, Energy and Energy Storage, required an estimation of the relative fair value of these CGUs. The models, assumptions and other inputs for this estimate were consistent with those used for the annual goodwill impairment testing.

Goodwill 2025

MEUR	2025
Wärtsilä Group	
Wärtsilä on 1 January	1,299
Changes in exchange rates	-36
Reclassification to assets held for sale and impairment	-8
Wärtsilä on 30 June	1,255
Changes in exchange rates	-7
Reclassification to assets held for sale and impairment	-33
Wärtsilä on 31 December	1,214

Goodwill allocation and intermediate impairment testing of goodwill during the second quarter of 2025

As of 1 April 2025, the reportable segment Energy has been separated into two independent operating and reportable segments: Energy, focusing on the power plants business and related lifecycle business, and Energy Storage, focusing on the battery storage business and related lifecycle business.

Due to the new organisational structure, Wärtsilä performed an intermediate impairment testing of goodwill during the second quarter of 2025 for CGUs Energy and Energy Storage. As a result of the impairment test, no impairment loss was recognised for the CGUs for the reporting period ended 30 June 2025.

During the second quarter of 2025, goodwill relating to CGU Energy was allocated to CGUs Energy and Energy Storage. The reallocation of goodwill has been performed using a relative value approach, in which the goodwill is allocated to businesses based on the fair values of the businesses at the reallocation date.

Reclassification to assets held for sale and impairment performed during the second quarter of 2025 relate to business unit Marine Electrical Systems, which was divested on 31 October 2025. Reclassification to assets held for sale and impairment performed during the fourth quarter of 2025 relate to business units Gas Solutions and Water & Waste. All business units belonged to Portfolio Business.

The total impact of the divestments on the result for the financial period is presented in Note 6.3. Disposals. The total impact of the reclassification to assets held for sale and testing the disposal group for impairment on the result for the financial period is presented in Note 6.4. Assets held for sale.

MEUR	Marine	Energy	Energy Storage	Portfolio Business	Total
Wärtsilä on 31 December 2024	735	522		43	1,299
Wärtsilä on 30 June 2025	714	492	15	33	1,255
Wärtsilä on 31 December 2025	710	489	15		1,214

Annual impairment testing of goodwill

The Group performed its annual impairment testing of goodwill during the third quarter of the year. Wärtsilä compared the recoverable amount of each CGU against its carrying amount to define whether there were any indications of goodwill impairment.

For Marine, Energy and Energy Storage, the recoverable amounts were defined based on the discounted cash flow method, derived from the order book and five-year cash flow projections from strategic plans. The estimated cash flows of the CGUs were based on the utilisation of existing property, plant and equipment in their current condition with normal maintenance capital expenditure, excluding any potential future acquisitions. Cash flows beyond the five-year period were calculated using the terminal value method.

Also, for CGUs under Portfolio Business, the recoverable amounts were defined based on the discounted cash flow method. Cash flows beyond the five-year period were calculated using the terminal value method. The terminal growth rate used in projections is based on management's assessment on conservative long-term growth. The terminal growth rate used in the calculations were:

Terminal growth rate, %	2025
Marine	1.5
Energy	1.5
Energy Storage	2.5
Portfolio Business (average for CGUs)	1.0

The key driver for the valuation is growth in the global economy, and in particular, the development of the global power market, the global shipbuilding industry, and the demand for any related services. The projected development of total costs

in the market affects the profitability, whereas no single cost item is considered to have a material impact. The valuation driver for new equipment sales is growth in the global economy, whereas for after sales the drivers also include the demand for related services and the projected development in labour costs.

The applied discount rates are the weighted average pre-tax cost of capital (WACC) for each CGU as defined by Wärtsilä. The components of the WACC rates are risk-free rate, market risk premium, industry specific beta, cost of debt, and debt to equity ratio. Wärtsilä has used the following WACC rates for each CGU:

WACC rate, %	2025
Marine	9.7
Energy	10.6
Energy Storage	11.4
Portfolio Business (average for CGUs)	14.0

As a result of the impairment test, no impairment loss for the CGUs was recognised for the financial period. The recoverable amounts of all CGUs exceeded their respective carrying amounts substantially.

Sensitivity analysis

Management has assessed that no reasonable possible changes in the key assumptions (i.e. Terminal growth rate, WACC rate, change in profitability) for any of the CGUs would cause the carrying amount of any CGU to exceed its recoverable amount.

In the testing Wärtsilä compared the recoverable amount of each CGU against its carrying amount. Carrying amount equals total fixed assets plus working capital. Currently Wärtsilä working capital is negative. In Energy Storage and in CGUs under Portfolio Business the carrying amount of the CGUs were close to zero or even negative. When carrying amount is negative the recoverable amount will exceed the carrying amount if the estimated cash flows are positive. Any future negative changes in these factors would have an adverse impact on the valuation of the business. In Energy Storage, CGU's working capital would need to increase approximately by EUR 200 million from the time of testing for the recoverable amount to equal carrying amount, if other assumptions would remain the same. In addition, when CGUs included in Portfolio Business are classified as assets held for sale in the future, the possible impairment is dependent on the selling price on cash-free debt-free basis.

Classifying CGUs Gas Solutions and Water & Waste as assets held for sale after annual impairment test

Since the last quarter of 2025, Wärtsilä has classified business units Gas Solutions and Water & Waste as assets held for sale. From the date of the classification, non-current assets held for sale are measured at the lower of the carrying amount and the fair value less costs to sell, and the recognition of depreciation and amortisation is discontinued.

Classifying business unit Gas Solutions as assets held for sale has an impact of EUR -20 million on the result for the financial period 2025, which has been recognised in the statement of income as depreciation, amortisation and impairment, and it is considered as an item affecting comparability. In the consolidated statement of financial position, EUR -9 million has been recognised as asset write-downs, rest as additional provisions and accruals.

There are no other indications of impairment of goodwill after the annual impairment testing.

Goodwill 2024

MEUR	2024
Wärtsilä Group	
Wärtsilä on 1 January	1,273
Changes in exchange rates	5
Wärtsilä on 31 March	1,277
Changes in exchange rates	22
Wärtsilä on 31 December	1,299

Goodwill allocation and intermediate impairment testing of goodwill during the first quarter of 2024

As of 1 January 2024, business units Exhaust Treatment and Shaft Line Solutions were transferred from Wärtsilä Marine Systems to Wärtsilä Marine Power, and business unit Gas Solutions was transferred from Marine Systems to Wärtsilä Portfolio Business. Consequently, Wärtsilä Marine Systems no longer constituted an organisational unit or a reporting segment, and the name of Marine Power was changed to Marine.

Due to the new organisational structure, Wärtsilä performed an intermediate impairment testing of goodwill during the first quarter of 2024 for cash generating unit Marine Systems. As a result of the impairment test, no impairment loss for the CGU was recognised for the reporting period ended 31 March 2024.

During the first quarter of 2024, goodwill relating to CGU Marine Systems was allocated to CGUs Marine and Gas Solutions (latter included in Portfolio Business). The reallocation of goodwill has been performed using a relative value approach, in which the goodwill is allocated to businesses based on the fair values of the businesses at the reallocation date.

MEUR	Marine	Marine Power	Marine Systems	Energy	Portfolio Business	Total
Wärtsilä on 31 December 2023	588	160	511	13	1,273	
Wärtsilä on 31 March 2024	723		513	42	1,277	
Wärtsilä on 31 December 2024	735		522	43	1,299	

Annual impairment testing of goodwill

The Group performed its annual impairment testing of goodwill during the third quarter of the year. Wärtsilä compared the recoverable amount of each CGU against its carrying amount to define whether there were any indications of goodwill impairment.

For Marine and Energy, the recoverable amounts were defined based on the discounted cash flow method, derived from the order book and five-year cash flow projections from strategic plans. The estimated cash flows of the CGUs were based on the utilisation of existing property, plant and equipment in their current condition with normal maintenance capital expenditure, excluding any potential future acquisitions. Cash flows beyond the five-year period were calculated using the terminal value method.

Also, for CGUs under Portfolio Business, the recoverable amounts were defined based on the discounted cash flow method. Cash flows beyond the five-year period were calculated using the terminal value method. The terminal growth rate used in projections is based on management's assessment on conservative long-term growth. The terminal growth rate used in the calculations were:

Terminal growth rate, %	2024
Marine	1.5
Energy	2.0
Portfolio Business (average for CGUs)	1.3

The key driver for the valuation is growth in the global economy, and in particular, the development of the global power market, the global shipbuilding industry, and the demand for any related services. The projected development of total costs in the market affects the profitability, whereas no single cost item is considered to have a material impact. The valuation driver for new equipment sales is growth in the global economy, whereas for after sales the drivers also include the demand for related services and the projected development in labour costs.

The applied discount rates are the weighted average pre-tax cost of capital (WACC) for each CGU as defined by Wärtsilä. The components of the WACC rates are risk-free rate, market risk premium, industry specific beta, cost of debt, and debt equity ratio. Wärtsilä has used the following WACC rates for each CGU:

WACC rate, %	2024
Marine	11.0
Energy	10.4
Portfolio Business (average for CGUs)	11.2

As a result of the impairment test, no impairment loss for the CGUs was recognised for the financial period. The recoverable amounts of CGUs Marine and Energy exceeded their respective carrying amounts substantially. Also, the recoverable

amounts of CGUs included in Portfolio Business exceeded their respective carrying amounts. There are no indications of impairment of goodwill after the annual impairment testing.

Sensitivity analysis

Management has assessed that no reasonable possible changes in the key assumptions for CGUs Marine or for Energy would cause the carrying amount of any CGU to exceed its recoverable amount.

A sensitivity analysis has been carried out for Portfolio Business for the valuation of the recoverable amount of each CGU by changing the assumptions used in the calculation. A change in an assumption that would cause the recoverable amount to equal the carrying amount in the CGU, which is closest to the break-even point is presented in the following table.

	Change
Portfolio Business	
Pre-tax discount rate	increase more than 15 percentage points
Terminal growth rate	decrease more than 19 percentage points
Profitability	decrease more than 53 percentage

The defined recoverable amounts of CGUs within Portfolio Business also exceeded the carrying amounts of the units in the annual impairment test.

The key assumptions for CGUs within Portfolio Business relate to terminal growth rate of each unit, and to profitability used for terminal value of each unit. Key assumptions used in the testing for terminal values are the average terminal growth rate of 1.3% and that the average terminal value profitability of CGUs, that is comparable operating result as a percentage of net sales, would amount to 4.6% on average. Any future negative changes in these assumptions would have an adverse impact on the valuation of the business. In addition, when CGUs included in Portfolio Business would be classified as assets held for sale in the future, the possible impairment would be dependent on the selling price on cash-free debt-free basis.

In management's opinion, the changes in the basic assumptions shall not be seen as an indication that these factors are likely to materialise. The sensitivity analyses are hypothetical and should therefore be treated with caution.

3.2. Other intangible assets

① Accounting principles

Research and development costs

Research costs are expensed in the reporting period during which they occur. Development costs are capitalised when it is probable that the development project will generate future economic benefits for the Group and when the related criteria, including commercial and technological feasibility, have been met. These projects involve the development of new or significantly improved products or production processes. Earlier expensed development costs are not capitalised.

Capitalised development costs are measured at cost less accumulated amortisations and impairment. Capitalised development costs are amortised and the cost of machinery and equipment for development depreciated on a straight-line basis over their expected useful lives of 5-10 years. Amortisations are started when the asset is completed and can be taken into use. Before that, the asset is tested annually for impairment. Grants received for research and development are reported as other operating income. Grants related to capitalised development costs are netted with the costs incurred before the capitalisation.

Other intangible assets

Other intangible assets are recognised at cost if the cost is reliably measurable and the future economic benefits for the Group are probable. Wärtsilä's other intangible assets include patents, license rights, IT software, intangible assets recognised in business combinations, such as technologies and customer relations, and other intellectual property rights that can be transferred to a third party. These are measured at cost, except for intangible assets identified in connection with acquisitions, which are measured at the fair value at the acquisition date. The cost of intangible assets comprises the purchase price and all costs that can be directly attributed to preparing an asset for its intended use.

Other intangible assets are amortised on a straight-line basis over their estimated useful lives. Intangible assets, for which the time limit for the right of use is agreed, are amortised over the life of the contract. Intangible assets identified in connection with acquisitions are amortised over their delivery times or estimated useful lives.

The general guidelines for scheduled amortisation are:

- Software 3-7 years
- Development expenses 5-10 years
- Other intangible assets 5-20 years

The amortisation of intangible assets is discontinued when an item is classified as held for sale

A gain or loss arising from the sale of intangible assets is recognised as other operating income or other operating expenses in the statement of income.

Impairment of assets

The carrying amounts of assets are reviewed annually for signs of possible impairment or more frequently should any indication of impairment arise. If any such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount of the asset. An impairment loss is recognised when the carrying amount of an asset is greater than its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

An impairment loss is recognised immediately as depreciation, amortisation and impairment in the statement of income. In connection with the recognition of the impairment loss, the useful life of the amortisable asset is reassessed. An earlier impairment loss recognised for an asset is reversed if the estimates used to determine the

recoverable amount change. However, any reversal of impairment shall not exceed the asset's carrying amount if no impairment loss would have been recognised.

i Accounting estimates and judgements

Assessing the probability of expected future economic benefits and the useful lives of intangible assets require management judgement. The estimated useful lives and the residual values are reviewed at least at the end of each reporting period, and if they differ significantly from previous estimates, the amortisation periods are adjusted accordingly. Also, assessing any indication of impairment requires management judgement.

2025

MEUR	Development expenses	Construction in progress and advances paid	Other intangible assets	Total
Cost on 1 January 2025	349	201	808	1,359
Changes in exchange rates	-3	-4	-14	-21
Disposals	-18	-13	-10	-42
Additions	9	68	12	89
Decreases and other changes	3	11	-125	-110
Reclassification to assets held for sale	-12			-12
Other reclassifications	98	-132	-10	-44
Cost on 31 December 2025	426	131	661	1,218
Accumulated amortisation and impairment on 1 January 2025	-185	-10	-718	-913
Changes in exchange rates	1		12	12
Disposals	4	1	2	7
Reclassification to assets held for sale	6			6
Accumulated amortisation on decreases and other changes	9	-1	150	158
Amortisation during the financial period	-41		-25	-67
Impairment	-9		-1	-10
Accumulated amortisation and impairment on 31 December 2025	-215	-10	-580	-806
Carrying amount on 31 December 2025	211	121	81	413

Development costs for internally generated assets capitalised during the financial period amounted to EUR 71 million (79). The related depreciation amounted to EUR 41 million (26), and the carrying amount was EUR 328 million (318). Internally generated assets are included in development expenses, as well as in construction in progress as part of them.

Purchase price allocation amortisation amounted to EUR 16 million (19) and the related carrying amount was EUR 25 million (49).

Related to other intangible assets, decreases and other changes includes EUR -52 million, and accumulated amortisation on decreases and other changes includes EUR 52 million arising from derecognising fully depreciated intangible assets recognised in business combinations.

During 2025, leasehold improvements have been reclassified from other intangible assets to other tangible assets. As the result, other reclassifications includes EUR -42 million, and accumulated amortisation on decreases and other changes includes EUR 23 million. The comparison figures have not been restated accordingly.

2024

MEUR	Development expenses	Construction in progress and advances paid	Other intangible assets	Total
Cost on 1 January 2024	282	209	796	1,287
Changes in exchange rates		1	7	8
Additions	9	92	6	106
Decreases and other changes	-4		-8	-12
Reclassification to assets held for sale	-17	-11	-3	-30
Other reclassifications	78	-90	11	
Cost on 31 December 2024	349	201	808	1,359
Accumulated amortisation and impairment on 1 January 2024	-175	-15	-695	-885
Changes in exchange rates			-6	-6
Reclassification to assets held for sale	3	1	1	5
Accumulated amortisation on decreases and other changes	4		7	11
Amortisation during the financial period	-26		-27	-54
Impairment	10	3	1	14
Accumulated amortisation and impairment on 31 December 2024	-185	-10	-718	-913
Carrying amount on 31 December 2024	165	191	91	446

In 2024, an impairment of EUR 17 million was reversed related to other intangible assets in Portfolio Business.

3.3. Property, plant and equipment

i Accounting principles

Property, plant and equipment acquired by the Group are measured at cost less accumulated depreciation and impairment losses. The cost of an asset includes costs directly attributed to preparing the asset for its intended use. Grants received are reported as a reduction in costs. The property, plant and equipment of acquired subsidiaries are measured at their fair value at the acquisition date. The borrowing costs that are directly attributable to the asset acquisition, construction or production, and to the completion of the asset for its intended use or sale requiring necessarily a considerable length of time, will be capitalised in the statement of financial position as part of the cost of the asset. Other than directly attributable borrowing, costs are expensed in the period in which they are incurred.

Subsequent expenditure is included in the cost of an asset only if the future economic benefits are probable and the costs are reliably measurable. Expenditure related to regular, extensive inspections and maintenance is treated as an investment, capitalised and depreciated during its separately estimated useful life. All other expenditure, such as ordinary maintenance and repairs, is recognised in the statement of income as an expense as incurred.

Depreciation is based on the following estimated useful lives:

- Buildings 10-40 years
- Machinery and equipment 5-20 years
- Other tangible assets 3-10 years

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

A gain or loss arising from the sale of property, plant and equipment is recognised as other operating income or other operating expenses in the statement of income.

Impairment of assets

The carrying amounts of assets are reviewed annually for signs of possible impairment, or more frequently should any indication of impairment arise. If any such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount of the asset. An impairment loss is recognised when the carrying amount of an asset is greater than its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

An impairment loss is recognised immediately as depreciation, amortisation and impairment in the statement of income. In connection with the recognition of the impairment loss, the useful life of the depreciable asset is

reassessed. An earlier impairment loss recognised for an asset is reversed if the estimates used to determine the recoverable amount change. However, any reversal of impairment shall not exceed the asset's carrying amount if no impairment loss would have been recognised.

① Accounting estimates and judgements

Assessing the probability of expected future economic benefits and useful lives of property, plant and equipment require management judgement. The estimated useful lives and residual values are reviewed at least at the end of each reporting period, and if they differ significantly from previous estimates, the depreciation periods are adjusted accordingly. Also, assessing any indication of impairment requires management judgement.

2025

MEUR	Land and water	Buildings and structures	Machinery and equipment	Construction in progress and advances paid	Other tangible assets	Total
Cost on 1 January 2025						
20	193	691	54	32	991	
Changes in exchange rates	-3	-10			-13	
Acquisitions and disposals	-3	-9			-13	
Additions	25	1	18	30	2	76
Decreases		-20	-32		-3	-54
Reclassification to assets held for sale			-1			-1
Other reclassifications		3	31	-29	45	50
Cost on 31 December 2025	44	171	689	55	76	1,036
Accumulated depreciation and impairment on 1 January 2025	-1	-146	-511		-27	-685
Changes in exchange rates	2	8			10	
Accumulated depreciation on decreases and disposals	20	36		2	59	
Depreciation during the financial period	-7	-39		-3	-49	
Impairment		-2	-3		-5	
Reclassification to assets held for sale		1			1	
Other reclassifications			-4		-24	-28
Accumulated depreciation and impairment on 31 December 2025	-1	-133	-513	-51	-698	
Carrying amount on 31 December 2025	44	38	176	55	25	338

During 2025, leasehold improvements have been reclassified from other intangible assets to other tangible assets. As a result, other reclassifications (cost side) includes EUR 42 million, and other reclassifications (accumulated depreciation and impairment side) includes EUR -23 million. The comparison figures have not been restated accordingly.

2024

MEUR	Land and water	Buildings and structures	Machinery and equipment	Construction in progress and advances paid	Other tangible assets	Total
Cost on 1 January 2024	22	256	810	57	33	1,177
Changes in exchange rates		1	-1			-1
Additions	2	30		30	2	64
Decreases	-2	-66	-178		-2	-247
Reclassification to assets held for sale		-1	-5			-6
Other reclassifications		2	35	-32		5
Cost on 31 December 2024	20	193	691	54	32	991
Accumulated depreciation and impairment on 1 January 2024	-1	-198	-644		-27	-870
Changes in exchange rates			1			1
Accumulated depreciation on decreases and disposals		56	164		1	221
Depreciation during the financial period	-7	-37			-2	-47
Impairment		3	2			5
Reclassification to assets held for sale			3			4
Other reclassifications					1	
Accumulated depreciation and impairment on 31 December 2024	-1	-146	-511	-27	-685	
Carrying amount on 31 December 2024	20	47	180	54	5	306

In 2024, an impairment of EUR 3 million was reversed related to property, plant and equipment in Portfolio Business. In addition, an impairment of EUR 3 million was reversed related to the restructuring of engine manufacturing in Europe.

3.4. Leases

① Accounting principles

The Group's capitalised lease agreements consist mainly of land, buildings used as office premises, factories, workshops, vehicles, and production machinery and equipment. The average lease period for buildings is approximately eight years, and for machinery and equipment approximately four years. The Group recognises a right-of-use (ROU) asset and a lease liability at the commencement of the lease. Whether a contract contains a lease is determined based on whether Wärtsilä has the right to control the use of an identified asset for a period of time.

At the commencement date, a right-of-use asset as defined by IFRS 16 is measured at cost. The cost of the right-of-use asset shall comprise the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

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

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

The lease term is the non-cancellable period of the lease together with the period covered by an option to extend or terminate if the lessee is reasonably certain to exercise the option.

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

Lease payments are presented as repayments of liabilities and related interest expenses. The lease payments are presented in the cash flow from financing activities, and the interest related to leases are presented in the cash flow from operating activities. Lease payments related to short-term leases, low-value assets, and variable payments are presented in the cash flow from operating activities.

Contracts may combine different kinds of obligations to the supplier, which might be a combination of lease components or a combination of lease and non-lease components. These lease and non-lease components are accounted for separately and the consideration is allocated between the components based on relative stand-alone selling prices. The selection of separating the non-lease component or not from the lease, is applied to the whole asset class, buildings, and machinery and equipment.

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

In a sale-and-leaseback transaction, the seller-lessee sells the asset to the buyer-lessor and leases that asset back. The underlying asset is derecognised, and the right-of-use asset retained is measured through the leaseback of the item as a proportion of its carrying amount. Only the amount of gain or loss related to the rights transferred are recognised in the statement of income in such a transaction. The same accounting policies described above apply to the lease liabilities recognised in a sale-and-leaseback situation, as well as to subsequent modifications of these.

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

① Accounting estimates and judgements

Management is required to consider the duration of the lease term if there is an option for extension, early termination or purchase, as well as determine the lease term for agreements with indefinite lease term. When evaluating the probability of the option being exercised and, therefore, the duration of the lease term, management considers all known facts and circumstances, for example, businesses' short- and long-term strategies that create a financial incentive to exercise, or not to exercise the option.

MEUR	2025	2024
Land and buildings, right-of-use assets		
Carrying amount on 1 January	240	246
Changes in exchange rates	-4	
Acquisitions and disposals	-20	
Additions	37	58
Depreciation and impairment	-42	-44
Decreases and reclassifications	-3	-21
Carrying amount on 31 December	208	240

Machinery and equipment, right-of-use assets		
Carrying amount on 1 January	11	9
Acquisitions and disposals	-2	
Additions	9	9
Depreciation and impairment	-6	-6
Decreases and reclassifications		-1
Carrying amount on 31 December	12	11
Lease liabilities		
Carrying amount on 1 January	258	268
Changes in exchange rates	-5	
Acquisitions and disposals	-22	
Additions	46	62
Payments	-49	-49
Other adjustments	4	-8
Reclassification to assets held for sale	-4	-15
Carrying amount on 31 December	228	258
Total lease liabilities		
Non-current	188	215
Current	41	43

MEUR	2025	2024
Amounts recognised in statement of income		
Depreciation	-48	-50
Interest expenses	-8	-10
Expense - short-term leases	-22	-28
Expense - leases of low-value assets	-5	-6
Expense - variable lease payments	-8	-8

The lease for the Sustainable Technology Hub in Vaasa contains a floating interest rate, and therefore the related lease liability is remeasured at the end of each interest period. The floating interest rate is partially hedged.

The residual value guarantees related to the Sustainable Technology Hub that are not considered in capitalised lease payments are disclosed in Note 7.1. Collateral, contingent liabilities, and other commitments.

3.5. Depreciation, amortisation and impairment

MEUR	2025	2024
Development expenses	41	26
Purchase price allocation amortisation	16	19
Other intangible assets	10	9
Buildings and structures	7	7
Land and buildings, right-of-use assets	42	45
Machinery and equipment	39	37
Machinery and equipment, right-of-use assets	6	6
Other tangible assets	3	2
Impairment	48	-20
Total	211	131

In 2025, impairment includes EUR 20 million related to classifying business unit Gas Solutions as assets held for sale and EUR 10 million related to the divestment of business unit Marine Electrical Systems.



4. Working capital and other balance sheet items

Content in this section:

- 4.1. Inventories**
- 4.2. Trade receivables and contract assets and liabilities**
- 4.3. Other receivables**
- 4.4. Trade payables and other liabilities**
- 4.5. Provisions**
- 4.6. Deferred taxes**
- 4.7. Pension obligations**

4.1. Inventories

i Accounting principles

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

Materials and consumables are valued at weighted average cost or at moving average price. Finished products are valued at direct purchasing and manufacturing costs plus allocated purchasing and manufacturing overhead costs. Work in progress includes costs for direct labour and material costs, and allocated overhead costs related to manufacturing and purchasing when control has not yet been transferred to the customer. Project specific items are valued at individual cost whereas other items at moving average price.

Inventories are presented net of provision for obsolete inventories.

i Accounting estimates and judgements

Valuation of inventory, mainly concerning obsolete stock and future selling price of stock items, requires management judgement. Writing down inventories to net realisable value due to obsolete and excess stock, is performed based on management's best estimate at the end of the reporting period taking into consideration the business and market specific circumstances and outlook. A systematic and continuous evaluation of inventory ageing, turn-over, and composition compared to anticipated future use, is the basis for the estimates.

MEUR	2025	2024
Materials and consumables	674	665
Work in progress	650	673
Finished products	41	42
Advances paid	74	102
Total	1,440	1,483

In 2025, EUR 19 million (4) impairment for obsolete inventories has been recognised in the statement of income. In 2025, the total value of inventories related to assets held for sale amounted to EUR 82 million (77).

4.2. Trade receivables and contract assets and liabilities

① Accounting principles

Trade receivables are recognised when the right to consideration becomes unconditional. The Group's trade receivables are measured at amortised cost, which is the original invoiced amount less an estimated valuation allowance for impairment. The Group assesses any possible increase in the credit risk for trade receivables and contract assets measured at amortised cost at the end of each reporting period individually. The methodology applied depends on whether there has been a significant increase in credit risk. If there has been a significant increase in credit risk, the loss allowance is estimated at an amount equal to lifetime expected credit losses at the end of the reporting period.

For trade receivables and contract assets, a simplified approach is used, and the loss allowance is measured at the estimate of the lifetime expected credit losses. The Group uses a provision matrix for estimating the expected credit loss where receivables are segregated depending on the ageing category and the origin of the receivable. The Group has an effective collection process in place which decreases the possible risk of credit losses. Also, to mitigate the credit risk, advance payments and payment guarantees are in use. In calculating the expected credit loss rates, the Group considers historical loss rates for each category, and adjusts for forward looking macroeconomic data. Based on the analysis, for trade receivables not due, or a maximum of 359 days overdue, as well as contract assets, an impairment of 0.1%-2.0% is made. In addition to that, trade receivables more than 360 days old are assessed individually for impairment. Examples of events giving rise to impairment include debtor's serious financial problems, and a debtor's probable bankruptcy or other financial arrangement.

Trade receivables are permanently written off when there is no reasonable expectation of recovery.

The Group may sell undivided interests in trade receivables on an ongoing and one-time basis to lending institutions. Financial assets sold under these arrangements are excluded from trade receivables in the statement of financial position at the time of payment from the acquirer, providing that substantially all risks and rewards have been transferred. If the acquirer has not settled payment to the extent that the ownership, risk, and control over the receivable have been substantially transferred, then such financial assets sold are re-recognised in the statement of financial position at the end of the reporting period.

Contract assets and liabilities are related to contracts with customers.

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 a future consideration. Contract assets primarily relate to the Group's right to consideration for transferred goods or services, but which are not yet invoiced at the end of the reporting period. The contract assets are transferred to trade receivables when the rights become unconditional.

Contract liabilities include advances received (payments received in advance) and deferred revenue (invoicing in excess of revenue recognised). Contract liabilities are recognised as revenue when the Group performs under the contract.

① Accounting estimates and judgements

Estimated expected credit loss provisions are based on management's best judgement. Management judgement includes past years' experience and a forward-looking understanding of the client's payment behaviour and economic situation. In addition, assessing whether it is probable that the consideration from contracts with customers will be collected requires judgement, and might impact the timing and amount of revenue recognition.

Contract assets and liabilities

MEUR	2025	2024
Trade receivables	988	1,025
Contract assets	532	571
Contract liabilities		
Advances received	1,347	898
Deferred income	942	1,048
Trade receivables and contract assets	3	6
Non-current		
Current	1,516	1,590
Contract liabilities	177	121
Non-current		
Current	2,112	1,825
Revenue recognised in the financial period that was included in the contract liability on 1 January	1,825	1,534

Unsatisfied performance obligations, all revenue types	10,624	10,365
of which remaining performance obligations from projects and contracts under execution	5,621	5,440

The contract assets and liabilities arise i.a., from long-term agreements and projects recognised over time, such as gas solutions construction contracts, integrated solutions projects, and energy solutions turnkey contracts.

EUR 4,991 million (5,075) of unsatisfied performance obligations is expected to be recognised during next year, and the remaining later.

Ageing of trade receivables

MEUR	Trade receivables	2025		2024	
		of which impaired	Trade receivables	of which impaired	Trade receivables
Not past due	750		783	1	
Past due 1–30 days	113		123	9	
Past due 31–180 days	106	4	113	9	
Past due 181–360 days	30	5	18	5	
Past due 1 year	46	46	54	51	
Total	1,044	56	1,091	66	

In 2025, the result impact of write-offs was EUR -9 million (-2).

Impairment

MEUR	2025	2024
Impairment on 1 January	66	57
Money received	-7	-8
Increase in loss allowance recognised	19	19
Receivables written off during the financial period as uncollectible	-9	-2
Disposals	-11	
Other	-2	
Impairment on 31 December	56	66

The Group also sells trade receivables. The total amount of sold receivables at the end of the financial period is EUR 37 million (45). The funded amount has been derecognised in the statement of financial position.

4.3. Other receivables

i Accounting principles

Other receivables are recognised at amortised cost with the exception for derivatives and defined benefit plan assets. Accounting principles for derivatives are presented in Note 5.2. Financial assets and liabilities by measurement category, and for defined benefit plan receivables in Note 4.7. Pension obligations.

MEUR	2025	2024
Derivatives	24	15
Interest and other financial items	9	3
Insurance receivables	4	3
Rental accruals	2	2
Prepaid expenses	12	3
Other accruals	44	42
Loan receivables	1	1
Defined benefit plans	20	14
VAT receivables	96	156
Other*	66	68
Total	278	308
Non-current	45	39
Current	233	269

* Other includes payroll related tax receivables of EUR 7 million (7) in Brazil, which are not likely to be utilised within a year.

4.4. Trade payables and other liabilities

i Accounting principles

Trade payables are initially recognised at fair value and subsequently measured at amortised cost.

Accounting principles for derivatives are presented in Note 5.2. Financial assets and liabilities by measurement category. Other liabilities are initially recognised at fair value and subsequently measured at amortised cost.

MEUR	2025	2024
Trade payables	666	793
Accrued expenses	523	410
Personnel costs	282	263
Derivatives	34	72
Interest and other financial items	6	8

Other accruals	64	59
VAT liabilities	65	49
Other	99	89
Total	1,740	1,743
Non-current	26	12
Current	1,714	1,731

Wärtsilä has several supplier finance arrangements with its banks under which the banks acquire rights to trade receivables from suppliers. Suppliers choosing to participate in the supplier finance arrangements can benefit from accelerated payment by discounting receivables, which they have assigned to the bank. Wärtsilä pays the receivables to the banks by their original payment due dates. Wärtsilä's payment terms for trade payables related to supplier finance arrangements are not impacted by the suppliers' decisions to sell receivables under the arrangements. Wärtsilä is not a party to the receivable purchase agreements between the banks and the suppliers and therefore has no visibility of financing terms nor control over the occurrence of payments from the banks to the suppliers.

Carrying amounts of payables under supplier finance arrangements are recognised as part of trade payables, and they are not reclassified after initial recognition.

	31.12.2025	31.12.2024
Carrying amount of trade payables under supplier finance arrangements, MEUR	271	350
Range of payment term dates, in days		
Trade payables under supplier finance arrangements	90–180	90–180
Comparable trade payables not under supplier finance arrangement	0–150	0–150

Wärtsilä sees very limited liquidity risk associated with the supplier finance arrangements provided by its long-term relationship banks. Additional information on liquidity risk related to supplier finance arrangements is presented in Note 5.8. Financial risks.

4.5. Provisions

i Accounting principles

Provisions are recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions can arise, for example, from warranties, environmental risks, litigation, foreseeable losses on projects, and restructuring costs. The amount to be recognised as provisions corresponds to management's best estimate of the expenses that will be necessary to meet the existing obligation at the end of the reporting period.

Warranty provisions include estimated future warranty costs relating to products delivered, and they are recognised when goods and services have been rendered to the customer. Typically, the standard warranty period is 1-3 years from the delivery onwards.

Onerous contracts are contracts in which the unavoidable costs of meeting the obligations exceed the economic benefits expected. The present obligation under the contract is measured and a provision is recognised to reflect the expected loss.

Provisions for restructuring costs are made once the restructuring plan has been approved and the implementation started, or the personnel concerned have been informed of the terms. The plan must indicate which activities and personnel will be affected, as well as the timing and cost of implementation.

The Group is a defendant in a number of legal cases which arise out of, or are incidental to, the ordinary course of its business. These lawsuits concern mainly issues, such as contractual and other liability, labour relations, property damage and regulatory matters. The Group receives from time to time claims of different amounts and with varying degrees of substantiation. It is the Group's policy to provide for amounts related to the claims, as well as for the litigation and arbitration matters when an unfavourable outcome is probable and the amount of loss can be reasonably estimated.

i Accounting estimates and judgements

Provisions are accounted for based on management's best estimate of the future outcome concerning the expected expenses in a specific situation. Management uses judgement and relies on estimates based on accumulated historical experience, situation specific circumstances, estimated risks, uncertainties, and future events, such as changes in the law or development of a technology.

Warranty provisions are based on management's best estimate of future warranty costs. These estimates rely on accumulated historical experience of warranty cost occurrence concerning similar deliveries. Products can contain new and complex technology that can affect warranty estimates, with the result that earlier recognised provisions might not be sufficient. Warranty provisions for new products are estimated according to the same process as for other products, although these individual provisions are adjusted for additional risk related to new products. These provisions and estimates are then subsequently adjusted based on accumulated experience.

Management judgement is also required in estimating provisions for legal cases. A provision for a court case is recognised when an unfavourable result is probable, and the loss can be determined with reasonable certainty. The Group is a defendant in a number of legal cases arising from its business operations. The final result from these cases can differ from these estimates.

2025

MEUR	Litigation	Warranties	Onerous contracts	Restructuring	Other provisions	Total
Provisions on 1 January 2025	7	149	85	2	109	352
Changes in exchange rates		-1	-1		-2	-5
Disposals	-2	-8	-1		-1	-11
Additions	2	82	47	3	20	153
Used provisions	-1	-68	-29	-3	-17	-117
Released provisions			-7		-7	-15
Other adjustments		7	1			8
Reclassification to assets held for sale		-14	-23		-2	-38
Provisions on 31 December 2025	6	147	72	2	101	328
Non-current						141
Current						187

There is currently one unusually sizeable claim, but it is highly unlikely that the outcome of it will be unfavourable.

2024

MEUR	Litigation	Warranties	Onerous contracts	Restructuring	Other provisions	Total
Provisions on 1 January 2024	5	144	66	62	96	373
Changes in exchange rates					1	
Additions	4	81	62	2	33	182
Used provisions	-1	-69	-40	-15	-15	-140
Released provisions			-2	-46	-5	-54
Reclassification to assets held for sale		-7	-1			-8
Provisions on 31 December 2024	7	149	85	2	109	352
Non-current						144
Current						207

4.6. Deferred taxes

① Accounting principles

Deferred tax liabilities and assets are calculated on temporary differences arising from the difference between the tax basis of assets and liabilities, and the carrying values using the enacted or substantially enacted tax rates at the

end of the reporting period. The statement of financial position includes deferred tax liabilities in their entirety and deferred tax assets at their estimated probable amount.

Deferred tax assets and liabilities are offset when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity, or different taxable entities which intend to settle the balances on a net basis.

① Accounting estimates and judgements

Estimates of tax liabilities and receivables relate mainly to the expected results of ongoing tax audits, and to the recognition of deferred tax receivables from tax losses. Deferred tax assets on unutilised tax losses and other temporary differences are recognised to the extent it is highly probable that taxable profit is available. No deferred tax assets are recognised from tax losses when there is uncertainty of their utilisation.

Changes in deferred taxes during 2025

MEUR	1 January 2025	Recognised in the consolidated statement of income	Recognised in the consolidated statement of comprehensive income	Recognised in the consolidated statement of financial position	Translation differences	Acquisitions and disposals	31 December 2025
Deferred tax assets							
Tax loss carry-forwards	20	2			-1		21
Pension obligations	17	1	-1			-4	13
Provisions	43	-4			-1	-1	37
Elimination of intragroup margin in inventories	10	1					11
Fair value reserve	3		4				6
Lease liabilities	60	-9		5	-1	-6	49
Other temporary differences	83	13			-4	-1	91
Reclassification to assets held for sale	-3			-22			-25
Set-off of deferred tax assets related to lease liabilities		-57		11			-46
Total	175	4	3	-7	-7	-13	156

Deferred tax liabilities						
Intangible assets and property, plant and equipment	30	-3		-8	18	
Fair value reserve		17			17	
Right-of-use assets	59	-9	5	-1	-7	47
Other temporary differences	33	32	1	-1	-18	49
Reclassification to assets held for sale	-7		-15		-23	
Set-off of deferred tax liabilities related to right-of-use assets	-57		11		-46	
Total	57	20	18	1	-2	-32
Net deferred tax assets/liabilities	118	-16	-16	-8	-5	19
						93

On 31 December 2025, the Group had unrecognised deferred taxes on temporary differences totaling EUR 93 million (96), as it is uncertain if they will be realised. Most of the unrecognised deferred tax assets are related to cumulative tax losses. Of these, EUR 12 million (11) will expire within the next five years and the rest will expire later or never. Most of the cumulative tax losses on which deferred tax assets have been booked will never expire.

Changes in deferred taxes during 2024

MEUR	1 January 2024	Recognised in the consolidated statement of income	Recognised in the consolidated statement of comprehensive income	Recognised in the consolidated statement of financial position	Translation differences	Acquisitions and disposals	31 December 2024
Deferred tax assets							
Tax loss carry-forwards	41	-20				20	
Pension obligations	17	-2	2			17	
Provisions	49	-6		-1		43	
Elimination of intragroup margin in inventories	9	1				10	
Fair value reserve	1		2			3	
Lease liabilities	59	-1		1		60	

Other temporary differences	92	-10		1	83
Reclassification to assets held for sale					-3
Set-off of deferred tax assets related to lease liabilities	-56				-57
Total	212	-37	3	1	175
Deferred tax liabilities					
Intangible assets and property, plant and equipment	32	-2			30
Fair value reserve	7		-7		
Right-of-use assets	56			1	59
Other temporary differences	30	4			33
Reclassification to assets held for sale					-7
Set-off of deferred tax liabilities related to right-of-use assets	-56				-57
Total	69	3	-7	1	57
Net deferred tax assets/liabilities	143	-40	10		118

4.7. Pension obligations

i Accounting principles

Group companies in different countries have various pension plans in accordance with local conditions and practices. These pension plans are classified either as defined contribution or defined benefit plans.

Defined benefit plans are funded through contributions to pension funds or pension insurance companies. Defined benefit plans may be unfunded or wholly or partly funded. The present value of the obligation arising from the defined benefit plans is determined per each plan using actuarial techniques, the projected unit credit method. The Group recognises the defined benefit obligation, net of fair value of the plan assets, at the end of the financial period.

Actuarial gains and losses and other re-measurements of the net defined benefit obligation are recognised immediately in the statement of other comprehensive income. Current service cost is the present value of the post-employment benefit, which is earned by the employees during the year. The Group determines the net interest expense on the net defined benefit plan by applying the discount rate used to measure the defined benefit obligation. Service cost is recognised in employee benefit expenses and the net interest in financial expenses. The defined benefit plans are calculated by qualified actuaries.

In addition to defined benefit plans, Wärtsilä has other long-term employee benefits, which are presented separately from the defined benefit plans. As with the accounting for a defined benefit plan, for any other long-term benefit the Group recognises a liability for the obligation, net of the fair value of the plan assets, if any. Changes in other long-term employee benefits are recognised in the statement of income.

Accounting principles for defined contribution plans are presented in Note 2.5. Employee benefit expenses.

i Accounting estimates and judgements

Estimates of pension obligations regarding each defined benefit plan are based on actuarial estimates of factors, including future salary increases, discount rates, and return on plan assets. Changes in these assumptions can significantly affect the Group's pension obligations and pension costs.

MEUR	2025	2024
Net defined benefit assets on 31 December	20	14
Net defined benefit liabilities on 31 December	76	82
Liability for other long-term employee benefits on 31 December	38	46

Wärtsilä has defined benefit plans for its employees mainly in Europe and Asia. The major plans are located in Switzerland, Germany, United Kingdom and Sweden. The Swiss defined benefit plan accounts for 44% of the Group's total defined benefit obligations and 68% of the plans' assets. Most of the plans provide a lifetime pension to the members at the normal retirement age, but there are also plans that provide a lump sum payment at the retirement date. Most of these defined benefit pension plans are managed by pension funds. Their assets are not included in the Group's assets. The plans' assets are typically invested according to the investment strategies approved by the funds' Board of Trustees, or in some cases are completely administered by insurance companies. Wärtsilä Group companies make their payments to pension funds in accordance with local legislation and practice. Authorised actuaries in each country have performed the actuarial calculations required for the defined benefit plans.

The Swiss plan

Wärtsilä operates a defined benefit plan in Switzerland in accordance with the local pension laws and regulations. The plan provides benefits to the members in the form of a pension payable after retirement. The level of benefits provided depends on the accrued retirement savings capital, which is a result of contributions paid up to retirement plus respective interest. The plan is run as a pension fund by the Board of Trustees separately from the company.

Contributions to the plan are paid both by the employees, as well as by the employers based on a percentage of the insured salary as defined in the pension fund regulations. Contributions by the employers vary depending on the age of the employee, and cover on average two thirds of the total contributions.

The investment strategy for a pension fund's asset is the responsibility of the Board of Trustees. Assets are invested in accordance with the strategy and the corridors for different investment categories as defined by local laws. Other risks of the plan are the longevity of plan members, as well as the death or disability of employees before their retirement. The pension plan is reinsured for the risk of death and disability until 31 December 2025. Inflationary increases for pensions in payment are at the discretion of the Board of Trustees when benefits paid by the plan are exceeding the minimum level required by law.

The German plans

Wärtsilä operates defined benefit plans in Germany in accordance with local pension laws and regulations. The plans provide benefits to the members in the form of a pension payable after retirement. The level of benefits provided depends on the accrued retirement savings capital, which is a result of contributions paid up to retirement plus respective interest. The plans vary from unfunded plans to a plan run as a pension fund.

In some of the plans, contributions are paid to the plan, both by the employees and the employers based on a percentage of the insured salary as defined in the pension fund regulations. However, in some plans only the employer is obliged to make the payments. Contributions by the employers vary depending on the age of the employee, the duration of the employment, and also on the position of the employee.

The main risks of the plans are the longevity of plan members, and the death or disability of employees before their retirement. In a funded plan, the investment strategy chosen also includes certain risk. Inflationary increases for pensions in payment are evaluated on a yearly basis.

MEUR	2025	2024
Present value of unfunded defined benefit obligations	64	71
Present value of funded defined benefit obligations	155	153
Fair value of plan assets	-163	-157
Net liability in the statement of financial position	56	67

%	2025		2024	
	Present value of defined benefit obligations	Fair value of plan assets	Present value of defined benefit obligations	Fair value of plan assets
Switzerland	44	68	41	65
Germany	15		16	
Other Europe	25	18	29	20
Asia	14	14	13	15
Other	2			
Total	100	100	100	100

MEUR	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Balance on 1 January 2024	220	-151	66
Changes in exchange rates	-1	1	
Other adjustments	-3		-3
Recognised in the statement of income:			
Current service cost	8		8
Gains (-) / losses (+) on curtailments and settlements	1		1
Interest cost (+) / interest income (-)	7	-4	3
Remeasurements recognised in other comprehensive income:			
Return on plan assets, excluding interest income		-5	-5
Experience adjustments	1		1
Changes in financial assumptions	12		12
Contribution paid by the plan members	2	-2	
Contribution paid by the employer		-6	-6
Benefits paid	-15	9	-6
Reclassification to assets held for sale	-4		-4
Balance on 31 December 2024	228	-158	67
Balance on 1 January 2025	228	-158	67
Changes in exchange rates	-3	3	
Acquisitions and disposals	-6		-6

Recognised in the statement of income:		
Current service cost	9	8
Past service cost (- credit)	1	1
Gains (-) / losses (+) on curtailments and settlements	1	1
Interest cost (+) / interest income (-)	7	-4
Remeasurements recognised in other comprehensive income:		
Return on plan assets, excluding interest income	-5	-5
Changes in demographic assumptions	-3	-3
Changes in financial assumptions	-1	-1
Contribution paid by the plan members	2	-2
Contribution paid by the employer	-5	-5
Benefits paid	-12	7
Reclassification to assets held for sale	-1	-1
Balance on 31 December 2025	220	-164
56		

Plan assets invested in:

%	2025	2024
Shares and other equity instruments	17	17
Bonds and other debt instruments	37	43
Property	22	20
Other assets	24	20

The main actuarial assumptions at the end of the financial period are (expressed as weighted averages):

%	2025	2024
Discount rate	2.76	2.88
Future salary growth	2.08	2.22
Future pension growth	0.91	0.98

On 31 December 2025, the weighted average duration of the defined benefit obligation was 10 years (8). The Group expects to contribute EUR 3 million (3) to the plans during the next financial period.

Assumptions regarding future mortality are set based on actuarial advice in accordance with the published statistics and experience in each country. These assumptions translate into a weighted average life expectancy in years for a pensioner at the retirement age as follows:

	2025	2024
Plan participants retiring at the end of the financial period:		
Male	17.4	17.2
Female	19.1	19.2
Plan participants retiring 20 years after the end of the financial period:		
Male	17.0	16.1
Female	18.5	18.5

The following table presents a sensitivity analysis for each significant actuarial assumption showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at the end of the financial period. This sensitivity analysis applies to the defined benefit obligation only and not to the net defined benefit pension liability in its entirety.

	Change in assumption	Effect to defined benefit obligation, MEUR	
		2025	2024
Discount rate	increase 1%	-21	-25
Discount rate	decrease 1%	26	24
Future salary growth	increase 1%	5	7
Future salary growth	decrease 1%	-4	-6
Future pension growth	increase 1%	17	18
Future pension growth	decrease 1%	-8	-8



5. Capital structure and financial items

Content in this section:

- 5.1. Financial income and expenses**
- 5.2. Financial assets and liabilities by measurement category**
- 5.3. Cash and cash equivalents**
- 5.4. Net debt reconciliation**
- 5.5. Equity**
- 5.6. Maturity analysis of financial liabilities**
- 5.7. Derivative financial instruments**
- 5.8. Financial risks**

5.1. Financial income and expenses

Accounting principles

The net interest related to pension obligations is recognised in the financial statement as financial expenses. Also, gains and losses from fair valuation and disposal and impairments of other shares are included in financial income and expenses.

Changes in the fair value of interest rate hedges against Wärtsilä Group's loan portfolio are immediately recognised in financial income or expenses in the statement of income. The fair value of interest rate swaps is calculated by discounting the future cash flows.

Exchange rate differences related to financial assets and financial liabilities are reported as financial items in the statement of income, except exchange rate differences related to non-current debt that is part of the Group's net investment in a subsidiary.

MEUR	2025	2024
Dividend income on other investments	1	
Interest income on loans and receivables	1	1
Interest income on financial assets at fair value through the statement of income	19	14
Interest income on investments at amortised cost	37	33
Changes in fair values of financial assets/liabilities at fair value through the statement of income	-2	-5

Exchange rate differences*	9	
Other financial income	3	1
Total financial income	67	44
Interest expenses on financial liabilities recognised at amortised cost	-12	-17
Interest expenses on lease liabilities recognised at amortised cost	-8	-10
Interest expenses on financial liabilities at fair value through the statement of income	-41	-33
Net interest from defined benefit plans	-3	-3
Changes in fair values of financial assets/liabilities at fair value through the statement of income		-1
Exchange rate differences*		-2
Fee expenses	-2	-1
Other financial expenses	-6	-4
Total financial expenses	-72	-73
Total	-5	-29

* In 2025, exchange rate differences from unhedged internal loans, EUR -3 million (-2), were included in exchange rate differences.

5.2. Financial assets and liabilities by measurement category

i Accounting principles

Financial instruments

Financial instruments are initially recognised at fair value. Subsequently, financial assets are classified and measured at amortised cost or at fair value through statement of income. The classification of financial assets is defined by the business model and the cash flow characteristics of the asset. Financial liabilities are subsequently classified and measured at amortised cost or at fair value through statement of income.

Financial instruments are classified as current financial instruments unless the maturity of the financial instrument exceeds 12 months from the end of the reporting period. Financial instruments are derecognised only when the financial instrument is extinguished, or when the contractually specified right or obligation is discharged, cancelled, or when it expires. The status of financial instruments is evaluated at the end of each reporting period.

Financial instruments at amortised cost

Financial assets

Financial assets measured at amortised cost include cash and cash equivalents, investments in debt instruments, commercial papers, trade receivables and other receivables. The assets are initially recognised at fair value less the transaction costs, and are subsequently measured at amortised cost by using the effective interest rate method.

These assets are held for collecting contractual cash flows, which are solely payments of principal and interest. Interest income is recognised as financial income in the statement of income.

The expected credit losses associated with investments in debt instruments and commercial papers carried at amortised cost are assessed on a forward-looking basis based on investment maturity dates and counterparty credit risk on a quarterly basis.

The Group applies the simplified method in IFRS 9 for the expected credit losses from its trade receivables. This requires expected lifetime credit losses to be recognised from the initial recognition of the receivables, as defined in Note 4.2. Trade receivables and contract assets and liabilities.

Financial Liabilities

Financial liabilities measured at amortised cost include trade and other payables, loans, and borrowings. These liabilities are initially recognised at fair value less the transaction costs related to the acquisition of these liabilities. The liabilities are subsequently classified and measured using the effective interest rate method by amortising the discounted interest payments over the maturity of the liabilities. Interest expense is recognised in the financial expense in the statement of income.

Financial instruments at fair value through the statement of income

Financial assets

Financial assets measured at fair value through the statement of income include other financial investments, other short-term cash investments and derivatives. These financial investments include Wärtsilä's investments in other companies (both listed and unlisted shares).

Changes in fair value and gains and losses at derecognition of these financial assets are recognised in the statement of income.

Gains and losses from fair valuation and the disposal of shares that are attributable to operating activities are included in operating income, while gains and losses from fair valuation and the disposal of other shares are included in financial income and expenses.

Financial liabilities

Financial liabilities recognised at fair value through the statement of income include derivatives that are not eligible for hedge accounting.

Changes in fair value and gains and losses at derecognition of these financial assets are recognised in the statement of income.

Information on measurement categories of derivatives and financial instruments in hedge accounting are presented in Note 5.7. Derivative financial instruments.

2025

MEUR	Measured at amortised cost	At fair value through other comprehensive income	Carrying amounts of the statement of financial position items	Fair value
Non-current financial assets				
Trade receivables	3	3	3	3
Derivatives, included in hedge accounting	10	10	10	10
Derivatives, no hedge accounting	1	1	1	1
Other investments	13	13	13	13
Other receivables	1	1	1	1
Current financial assets				
Trade receivables	985	985	985	985
Trade receivables for sale	1	1	1	1
Derivatives, included in hedge accounting	7	7	7	7
Derivatives, no hedge accounting	6	6	6	6
Other financial receivables	9	9	9	9
Cash and cash equivalents	2,582	8	2,590	2,590
Carrying amount by measurement category	3,580	46	3,626	3,626
Non-current financial liabilities				
Interest-bearing debt	503	503	503	503
Derivatives, no hedge accounting	25	25	25	25
Current financial liabilities				
Interest-bearing debt	78	78	78	78
Trade payables	666	666	666	666
Derivatives, included in hedge accounting	5	5	5	5
Derivatives, no hedge accounting	4	4	4	4
Other financial liabilities	6	6	6	6
Carrying amount by measurement category	1,253	34	1,287	1,287

2024

MEUR	Measured at amortised cost	At fair value through other comprehensive income	Carrying amounts of the statement of financial position items	Fair value
Non-current financial assets				
Trade receivables	6	6	6	6
Derivatives, included in hedge accounting	10	10	10	10
Derivatives, no hedge accounting	2	2	2	2
Other investments	17	17	17	17
Other receivables	1	1	1	1
Current financial assets				
Trade receivables	1,018	1,018	1,018	1,018
Trade receivables for sale	1	1	1	1
Derivatives, included in hedge accounting	1	1	1	1
Derivatives, no hedge accounting	2	2	2	2
Other financial receivables	3	3	3	3
Cash and cash equivalents	1,538	16	1,554	1,554
Carrying amount by measurement category	2,566	49	2,616	2,616
Non-current financial liabilities				
Interest-bearing debt	624	624	624	621
Derivatives, no hedge accounting	8	8	8	8
Current financial liabilities				
Interest-bearing debt	142	142	142	142
Trade payables	793	793	793	793
Derivatives, included in hedge accounting	36	36	36	36
Derivatives, no hedge accounting	28	28	28	28
Other financial liabilities	8	8	8	8
Carrying amount by measurement category	1,567	72	1,639	1,636

In 2024, the Group had also cash and cash equivalents measured at amortised cost of EUR 4 million related to assets held for sale.

Fair value hierarchy

① Accounting principles

Wärtsilä uses the following categorisation for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: The quoted prices for the financial instruments are directly and regularly available on active publicly traded markets or other publicly available sources.
- Level 2: The prices for the financial instruments are determined by using a valuation method for which the input data is directly or indirectly available on a publicly traded markets or other publicly available sources.
- Level 3: The financial instruments are categorised into level 3 fair value if the prices for the inputs of the valuation method are not publicly available, and when the financial instruments are measured using an independent valuation method.

Specific valuation methodologies employed for financial instruments include:

- determining the fair value of forward foreign exchange contracts using forward rates as of the reporting period's end
- calculating the fair value of interest rate swaps by discounting the projected future cash flows utilising observable yield curves
- employing quoted market prices or dealer quotations for comparable instruments.

MEUR	2025		2024	
	Level 2	Level 3	Level 2	Level 3
Financial assets				
Other investments		13		17
Other receivables, non-current	1		1	
Derivatives	24		15	
Financial liabilities				
Interest-bearing debt, non-current*	503		621	
Derivatives	34		72	

* Measured at amortised cost in the statement of financial position.

Additional information on financial liabilities is presented in Note 5.6. Maturity analysis of financial liabilities.

Other investments

Other investments consist of unlisted shares measured at fair value. These valuations employ specific discounted cash flow (DCF) models, with key assumptions including the weighted average cost of capital (WACC) and projected future dividend-related cash flows. Given the substantial variation across various scenarios, management has concluded that valuation at amortised cost provides the most reliable estimate of fair value.

MEUR	2025	2024
Carrying amount on 1 January	17	19
Disposal of shares		-1
Impairment	-4	
Carrying amount on 31 December	13	17

In 2025, the cost for other unlisted shares (level 3) was EUR 13 million (17), and the market value of them was EUR 13 million (17).

5.3. Cash and cash equivalents

① Accounting principles

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, and other short-term cash investments. Other short-term cash investments are highly liquid investments that are subject to only minor fluctuations in value, and which have a maturity of up to three months on the date of acquisition. Cash in hand and deposits held at call are presented at amortised cost. Other cash investments are mainly measured at fair value, except for commercial paper investments that are presented at amortised cost. Credit accounts related to Group cash pool accounts are included in current financial liabilities.

MEUR	2025	2024
Cash and bank balances*	2,582	1,538
Cash equivalents	8	16
Total	2,590	1,554

* EUR 221 million (196) of cash and bank balances relate to funds in countries where repatriation is restricted by local regulations. As a result, these funds are not immediately accessible to the parent company. However, there are no limitations on the use of these cash and bank balances locally within the respective jurisdictions.

On 31 December 2025, EUR 306 million of the total cash and cash equivalents relate to intragroup cash pool receivables from the parent company of the entities classified as assets held for sale. In the consolidated statement of financial position, these are presented as cash and cash equivalents of the Group.

In 2024, the Group also had cash and cash equivalents of EUR 4 million related to assets held for sale.

5.4. Net debt reconciliation

Net interest-bearing debt

MEUR	2025	2024
Lease liabilities, non-current	188	215
Other interest-bearing debt, non-current	315	409
Lease liabilities, current	41	43
Other interest-bearing debt, current	38	99
Interest-bearing liabilities pertaining to assets held for sale	4	15
Total interest-bearing liabilities	585	781
 Cash and cash equivalents	 -2,590	 -1,554
Cash and cash equivalents pertaining to assets held for sale		-4
Total interest-bearing assets	-2,591	-1,558
 Total net interest-bearing debt	 -2,006	 -777

Net debt reconciliation

2025

MEUR	Carrying amount on 1 January 2025	Cash flows	Changes in exchange rates	Other non-cash movements	Acquisitions and disposals	Carrying amount on 31 December 2025
Lease liabilities*	273	-57	-5	43	-22	232
Other interest-bearing debt, non-current	409	-77	-17			315
Other interest-bearing debt, current	99	-62				38
Cash and cash equivalents*	-1,557	-1,155	20	102	-2,590	
Net debt	-777	-1,351	-2	43	81	-2,006

* On 31 December 2025, lease liabilities include EUR 4 million pertaining to assets held for sale. There is no cash and cash equivalents pertaining to assets held for sale.

2024

MEUR	Carrying amount on 1 January 2024	Cash flows	Changes in exchange rates	Other non-cash movements	Acquisitions and disposals	Carrying amount on 31 December 2024
Lease liabilities*	268	-60	1	65		273
Other interest-bearing debt, non-current	515	-99	-7			409
Other interest-bearing debt, current	76	23	-1			99
Interest-bearing receivables	-4	4				
Cash and cash equivalents*	-819	-736	-2			-1,557
Net debt	35	-868	-9	65		-777

* On 31 December 2024, lease liabilities included EUR 15 million and cash and cash equivalents EUR 4 million pertaining to assets held for sale.

5.5. Equity

Equity consists of share capital, share premium, translation differences, fair value reserve, remeasurements of defined benefit liabilities and retained earnings.

Share capital and number of shares

At the beginning of 2025, the total amount of own shares held by the Company was 2,642,575. The shares are to be used for pay-outs under the share-based incentive programmes of Wärtsilä Corporation. During the year, 356,145 own shares were used to settle share-based payments, and 1,000,000 own shares were repurchased, resulting in the total amount of 3,286,430 at the end of the financial period.

MEUR	Share capital	Share premium	Total
Share capital			
1 January 2024	336	61	397
31 December 2024	336	61	397
31 December 2025	336	61	397

Number of shares and votes	
Number of shares outstanding on 1 January 2025	589,080,815
Share-based payments settled in company shares	356,145
Repurchase of own shares on 28 April 2025	-150,000
Repurchase of own shares on 29 April 2025	-150,000
Repurchase of own shares on 30 April 2025	-140,000
Repurchase of own shares on 2 May 2025	-140,000
Repurchase of own shares on 5 May 2025	-140,000
Repurchase of own shares on 6 May 2025	-150,000
Repurchase of own shares on 7 May 2025	-130,000
Number of shares outstanding on 31 December 2025	588,436,960
Weighted average number of shares outstanding during the period	588,708,902

Wärtsilä's share does not have a nominal value. Wärtsilä has one series of shares. Each share is assigned one vote in the Annual General Meeting and has an equal right to dividend.

Share Capital

The subscription price of a share received by the company in connection with share issues is credited to the share capital, unless it is provided in the share issue decision that a part of the subscription price is to be recorded in the fund for invested non-restricted equity.

Share Premium

Share premium is restricted equity. It may be reduced in accordance with the rules applying to decreasing share capital in accordance with the Finnish Limited Liability Companies Act. It can also be used to increase the share capital.

Translation differences

Translating foreign subsidiaries' financial statements by using different exchange rates in the statement of comprehensive income and in the statement of financial position causes translation differences, which are recognised in equity. Translation differences of foreign subsidiaries' acquisition cost eliminations and post-acquisition gains and losses are also presented in equity. Also, translation differences arising from subsidiary net investments and non-current subsidiary loans without agreed settlement dates are presented in equity. The change in translation differences is recognised in other comprehensive income.

Fair value reserve

The fair value reserve includes changes in the fair value of derivative financial instruments when hedging is effective, eligible for hedge accounting, and the hedge relationship continues. These changes are recognised in other comprehensive income.

	Foreign exchange hedges	Interest rate hedges	Total cash flow hedges
MEUR			
Fair value reserve on 1 January 2024, gross	23	14	37
Taxes related to fair value adjustments	-3	-3	-6
Fair value reserve on 1 January 2024, net	20	11	31
Transferred to the statement of income or financial position as basis adjustments, net of taxes	14		14
Fair value adjustments	-77	-3	-80
Taxes related to fair value adjustments	12	1	13
Fair value reserve on 31 December 2024, net	-31	8	-23
Transferred to the statement of income or financial position as basis adjustments, net of taxes	-9		-9
Fair value adjustments	96		97
Taxes related to fair value adjustments	-16		-16
Fair value reserve on 31 December 2025, net	39	9	48

Parent company's distributable funds

Accounting principles

The dividend proposed by the Board of Directors is deducted from distributable equity when approved by the company's Annual General Meeting. Unpaid dividends are presented as liability in the consolidated financial statements.

After the balance sheet date, the Board of Directors proposed that a dividend of EUR 1.06 per share be paid for the financial period 2025, the total dividend payable being EUR 624 million based on shares outstanding on 31 December 2025. The remaining part of the retained profits will be carried further in the unrestricted equity. For the result for the financial period 2024, a dividend of EUR 0.44 per share was distributed, totalling EUR 259 million, and the rest of the retained profits were carried further in the unrestricted equity.

Additional information on equity is presented in Notes to the parent company financial statements, in Note 10. Shareholders' equity.

5.6. Maturity analysis of financial liabilities

2025

MEUR	Current		Non-current			Total
	< 1 year	1-3 years	3-5 years	> 5 years		
Loans from other financial institutions*	38	186	95	35	353	
Lease liabilities	48	75	51	89	264	
Trade payables	666				666	
Interest rate derivatives, payable	6	112	63		181	
Interest rate derivatives, receivable	-5	-98	-62		-165	
Foreign exchange forwards, payable	2,715				2,715	
Foreign exchange forwards, receivable	-2,714				-2,714	
Other liabilities	6				6	
Total	760	276	147	124	1,307	
* Estimated interest expenses, total	8	11	4	1	23	
Estimated contractual cash flows	768	286	151	124	1,330	

2024

MEUR	Current		Non-current			Total
	< 1 year	1-3 years	3-5 years	> 5 years		
Loans from other financial institutions*	99	201	156	52	508	
Lease liabilities	55	85	59	121	320	
Trade payables	793				793	
Interest rate derivatives, payable	81	108	2		192	
Interest rate derivatives, receivable	-66	-102	-6		-174	
Foreign exchange forwards, payable	2,418				2,418	
Foreign exchange forwards, receivable	-2,368				-2,368	
Other liabilities	8				8	
Total	1,020	292	211	173	1,696	
* Estimated interest expenses, total	12	16	7	1	35	
Estimated contractual cash flows	1,032	307	218	174	1,731	

* Interest expenses for long-term loans are calculated by using the average interest rate prevailing at the end of the financial period.

Fair values of financial liabilities, as well as information on measurement categories of financial liabilities, are presented in Note 5.2. Financial assets and liabilities by measurement category.

5.7. Derivative financial instruments

i Accounting principles

Derivatives and hedge accounting

Derivatives including embedded derivatives are initially recognised on the statement of financial position at fair value and are subsequently classified and measured at their fair value at the end of each reporting period. Gains and losses from the fair value measurement are recognised in the statement of income.

Wärtsilä has a guideline in place to identify embedded derivatives.

Hedge accounting

Wärtsilä hedges in net position its sales and purchases in foreign currencies with foreign exchange forwards or currency options, and Wärtsilä applies hedge accounting according to IFRS 9 to the majority of these foreign exchange forwards. Forward points are excluded from the hedge relationship and they are booked directly in the statement of income as financial income or expenses. In case of a hedge being fully or partially discontinued, the discontinued portion is immediately recognised in the statement of income as other operating income or expenses.

The Group documents the relationship between each hedging instrument and the hedged item upon entering into a hedging arrangement, along with the risk management objective and the strategy applied. Through this process, the hedging instrument is linked to the relevant assets and liabilities, projected business transactions, or binding contracts.

Wärtsilä designates its hedge relationships of foreign exchange hedges as either hedges of highly probable forecast transactions or firm commitments. Hedge accounting relationships are designated up to the point of recognition of the related receivable or payable.

The Group uses a hedge designation for foreign exchange hedging, where critical terms, currency and amount, match or are closely aligned between the hedging instrument and the hedged item. Additionally, hedge designation documentation includes the time period when forecasted transactions are expected to affect the statement of income. The hedge ratio is typically 100%. Since underlying risks match, hedging instruments are considered to offset any changes related to the hedged transactions. However, Wärtsilä applies a roll-forward strategy where derivatives are roll-forwarded or terminated early to match these underlying transactions. Hedge effectiveness requirements are assessed in accordance with IFRS 9 requirements, including requirements for economic relationship, credit risk and hedge ratio.

As external hedges are typically made for short maturities (up to 1 year) and only high credit quality (A-minimum rating requirement) counterparties are utilised, counterparty credit risk is expected to have minimal effect on hedge valuations. Due to some underlying hedged cash flows having longer maturities than related hedges, the changes

in present value of the hedge and the underlying cash flow do not always fully offset each other during the lifetime of a hedge. This source of ineffectiveness is calculated on a quarterly basis and recognised in the statement of income as other operating income or expenses on Group level.

Additionally hedge accounting may be applied to interest rate hedges. In these cases, critical terms, floating rate reference rate, and amortisation schedule, are matched so the hedge is expected to be highly effective. As only high credit quality counterparties under ISDA Master Agreements are utilised, counterparty credit risk is expected to have minimal effect on hedge valuations.

Cash flow hedge

Changes in the fair value of derivative contracts designated and qualifying as cash flow hedges are recognised in other comprehensive income and presented in the fair value reserve in equity, provided that the hedging is effective. In the case of foreign exchange forwards, the spot element is included for the hedging relationship whereas forward points have been excluded from the hedge designation. Any gain or loss in the fair value reserve related to derivatives accumulated through other comprehensive income is reported in the statement of income in the same period as any transactions relating to the hedged obligations or estimates. Result from net position hedges is reported on a separate line in the statement of income. Basis adjustments related to derivatives are reported in contract assets, contract liabilities, and inventories, according to the hedged item. The ineffective portion is immediately recognised in the statement of income as other operating income or expenses. Changes in fair value of foreign exchange derivatives due to interest rate differentials (impact of forward points) are recognised in the statement of income as financial income or expenses.

Cash flow hedge against a variable interest rate in a lease contract is included in the statement of income as other operating income and financial income and expenses.

More information on fair value adjustments related to cash flow hedges is presented in Note 5.5. Equity, and more information on the ineffective portion of cash flow hedges is presented in Note 5.1. Financial income and expenses.

The Group applies hedge accounting to the majority of its foreign currency forward contracts.

The open operative currency positions including financing are hedged by using derivative financial instruments according to the table below.

Nominal amounts for hedged foreign exchange items and hedging instruments

MEUR	2025			2024	
	Against hedge accounting	Against net loans	Against other items	Against hedge accounting	Against net loans
Currency forwards, nominal amount (both legs)					
EUR*	1,834	326	493	1,578	478
USD	1,158	140	98	963	201
NOK	154	11	287	222	209
GBP	69	34	25	75	76
CHF	158	107	1	180	187
CNY	12	7	1	2	8
AUD	105		6	5	
MXN	47	15		51	
SGD	3			13	6
SEK	6	11	22	11	1
CAD	22			25	
Other currencies**	105		172	69	102
Total amount of currency derivatives (single leg)	1,836	326	553	1,598	478
					317

* EUR is not considered to be a currency risk for the parent company.

** Other currencies do not include any material single currencies.

Net loans include non-euro intragroup loans and deposits given by the parent company.

Hedge accounting has been applied to EUR 1,836 million (1,598) in currency forwards, with no options used for hedging in 2025 and 2024. A 5% change in the exchange rates would result in an approximately EUR 102 million (105) impact on equity related from these forwards. Since all significant sales and purchase contracts are hedged, profit and loss sensitivity to foreign exchange is minimal (excluding internal financing).

Currency forwards associated with cash flow hedging resulted in EUR 96 million (-77) being recognised in other comprehensive income as cash flow hedges measured at fair value. In 2025, EUR -14 million has been recognised in the statement of income as result from net position hedges. Additionally, EUR 9 million (-1) has been recognised in the statement of financial position reflecting a change in contract liabilities. At year-end, currency forwards related to cash flow hedging recognised in contract liabilities amounted to EUR 4 million (-5).

In 2025, a net of EUR -1 million was recognised in the statement of income as other operating income or expenses due to discontinued cash flow hedges.

MEUR	2025			2024		
	Hedged cash flows, net amount	Hedges, net amount	Hedges, gross amount	Hedged cash flows, net amount	Hedges, net amount	Hedges, gross amount
Nominal amounts						
EUR	661	656	1,834	536	567	1,578
USD	870	871	1,158	959	957	963
NOK	123	124	154	192	192	222
GBP	12	9	69	77	75	75
MXN	46	47	47	55	51	51
DKK	39	38	42	40	40	43
SEK	1	2	6	15	11	11
CNY	12	12	12	1	2	2
AUD	102	102	105	2	5	5
SGD	3	3	3	17	13	13
CHF	105	108	158	146	146	180
CAD	19	19	22	23	25	25
Other currencies	45	44	63	30	22	26
Total	2,036	2,034	3,672	2,092	2,107	3,195

MEUR	2025	2024
External currency forwards under hedge accounting by year		
2025	-	1,598
2026	1,836	
Hedged highly probable forecasted cash flows by year		
2025	-	2,899
2026	3,240	626
2027	816	184
2028	302	57
2029	15	
2030-	6	

Derivatives

MEUR	2025	of which closed	2024	of which closed
Nominal values of derivative financial instruments (level 2)				
Interest rate swaps, included in hedge accounting	115		118	
Interest rate swaps, no hedge accounting	80		50	
Cross currency swaps	136		153	
Non-deliverable forwards, included in hedge accounting	5		4	
Currency forwards, included in hedge accounting	1,831	1,097	1,594	949
Currency forwards, no hedge accounting	878	131	795	207
Total	3,045	1,229	2,714	1,156
Fair values of derivative financial instruments (level 2)				
Interest rate swaps, included in hedge accounting	10		10	
Interest rate swaps, no hedge accounting	1		2	
Cross currency swaps	-25		-22	
Currency forwards, included in hedge accounting	2		-35	
Currency forwards, no hedge accounting	1		-12	
Total	-10		-57	

In 2024, the Group had also copper swaps amounting to 1,665, valued at EUR 14 million.

Foreign currency forward contracts with maturities currently within the next 11 months (12) hedge transactional risks. A contract is considered closed when offsetting cash flows occur in the same currency on the same value date. Interest rate swaps, all in euros, have an average maturity of 45 months (62), while cross currency swaps average 37 months (24).

Changes in the market value of interest rate derivatives are typically recognised immediately in the statement of income as financial income or expenses. However, cash flow hedge accounting in accordance with IFRS 9 has been applied to a EUR 115 million (118) amortising interest rate swap maturing in 2031. This interest rate hedge converts variable interest payments on a significant lease agreement to fixed interest payments. As there is a perfect match between the critical terms of the hedge and the underlying cash flow, the hedge ratio is 1:1, and the hedge is expected to be highly effective. In 2025, a fair value adjustment of EUR 11 million (10) related to the cash flow hedge was recognised in other comprehensive income. Realised and accrued interest of EUR 2 million (3) was recognised in the statement of income as other operating income, and in 2024, EUR 1 million was recognised in the statement of income as financial income or expenses.

In 2025 and 2024, no embedded derivatives were identified.

Normally all of the Groups' derivatives are carried out according to International Swaps and Derivatives Association's Master Agreements (ISDA). In case of an event of default under these agreements, the non-defaulting party may request

early termination and set-off of all outstanding transactions. These agreements do not meet the criteria for offsetting in the statement of financial position. The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

MEUR	2025	2024
Gross fair values of derivative financial instruments subject to ISDAs		
Assets		
Interest rate swaps	11	12
Currency forwards	12	3
Total	23	15
Liabilities		
Cross currency swaps	-25	-22
Currency forwards	-9	-49
Copper swaps		-1
Total	-34	-72
Net fair values of derivative financial instruments subject to ISDAs		
Assets	15	7
Liabilities	-25	-64
Total	-11	-57

5.8. Financial risks

General

Wärtsilä maintains a centralised Corporate Treasury with two primary objectives: first, to secure sufficient funding for the Group's operations on competitive terms; and second, to identify, assess, and manage the Group's financial risks, including implementing appropriate hedging for the Group companies.

The purpose is to mitigate adverse market movements and reduce the effects of foreign exchange, interest rate, credit, and liquidity risks to the Group.

The Financial Risk Policy is approved by the Board of Directors. The Corporate Treasury employs only such instruments whose market value and risk profile it can reliably monitor.

Foreign exchange risk

Foreign exchange exposures are monitored on business level, while hedging is made on a subsidiary level against the Corporate Treasury, and then netted and covered externally on Group level by the Corporate Treasury. As principle, all material sales and purchase contracts with fixed foreign currency amounts, including both future cash flows and related accounts receivable and payable, are hedged. The estimated future commercial exposures (such as risks associated with offers) are evaluated by the Businesses, and the level of hedging is decided in accordance with the applicable policies.

Hedge accounting in accordance with IFRS 9 is applied to most of the hedges of foreign exchange risk exposures. The hedges cover such time periods that both the sales prices and purchase costs can be adjusted to new relevant exchange rates. These periods vary among Group companies mainly from one month to two years. The Group also hedges its position of the statement of financial position, which includes cash balances, loans/deposits, as well as other receivables and payables denominated in foreign currencies.

As field service work is typically invoiced in local currencies, there is some foreign exchange change related volatility in the consolidated net sales. However, the effect on the profitability is limited as the related costs are in the same currency. Spare part sales are based on a euro price list and related purchases in non-euro currencies are hedged, so the effect from foreign currency rate changes on spare part sales is minimal. As project/hardware sales/purchases, as well as estimated currency exposures from long-term agreements, are hedged, the Group does not expect significant gains/losses from foreign exchange rate changes in 2025 related to its operations, excluding internal financing.

The instruments, and their nominal values, used to hedge the Group's foreign exchange exposures are listed in Note 5.7. Derivative financial instruments.

Since Wärtsilä has subsidiaries and joint ventures outside the euro zone, the Group's equity, goodwill and purchase price allocations are sensitive to exchange rate fluctuations. At the end of 2025, the net assets of Wärtsilä's foreign subsidiaries and joint ventures outside the euro zone totalled EUR 1,220 million (1,261). In addition, goodwill and purchase price allocations from acquisitions nominated in foreign currencies amounted to EUR 743 million (805). In 2025, the translation differences recognised in other comprehensive income mainly come from changes in the GBP exchange rate.

Approximately 57% (54) of sales and 54% (53) of operating costs were denominated in euros, and approximately 29% (32) of sales and 19% (23) of operating costs were denominated in US dollars. The remainder were split between several currencies. The Group's profits and competitiveness are also indirectly affected by the home currencies of its main competitors.

As Wärtsilä's operations are global, they often involve currency risks. The largest operative currency positions (excluding financing) open as of 31 December 2025 by currency pair are listed below.

2025

MEUR	Statement of financial position		Estimated cash flows		
	Base currency received	Base currency paid	Base currency received	Base currency paid	Net
	EUR/USD	247	278	203	1,277
EUR/NOK	53	46	327	1	332
USD/NOK	20	5	438		454
EUR/CNY	27	19	126	18	115
EUR/GBP	27	24	68	8	63
EUR/AUD	8	7	12	148	135
EUR/CHF	31	6	44		69
USD/HKD	4	9	37		32
EUR/SGD	21	17	42		46
EUR/HKD	19	14		53	49
EUR/JPY	16	11	31	3	33
EUR/AED	29	12	25		41

2024

MEUR	Statement of financial position		Estimated cash flows		
	Base currency received	Base currency paid	Base currency received	Base currency paid	Net
	EUR/USD	173	250	225	1,425
EUR/NOK	75	42	344	1	376
USD/NOK	28	10	422		440
EUR/CNY	26	23	124		127
EUR/GBP	28	33	64	22	37
EUR/CHF	17	6	97		108
EUR/DKK	6	9	94		91
USD/HKD	6	12	88		82
EUR/SGD	16	17	41		41
EUR/HKD	11	10	39	1	39
EUR/JPY	11	7	35	7	32

USD/MXN	5	2	50	53
EUR/CAD	4	9	6	33
EUR/AED	14	9	26	31
USD/CNY	3	1	24	19
USD/JPY	3	2	37	38

Base currency received:

- if functional currency is EUR, payable is in USD
- if functional currency is USD, receivable is in EUR

Base currency paid:

- if functional currency is EUR, receivable is in USD
- if functional currency is USD, payable is in EUR

As the main funding currency for the Group, including the Corporate Treasury, is the euro (or converted into euro) and since the subsidiaries are normally funded in their home currencies by the Corporate Treasury, the Corporate Treasury had the following related open currency positions as of 31 December 2025.

MEUR	Loans	Deposits	2025		2024	
			Net	Loans	Deposits	Net
Intragroup loans/deposits						
USD	49	189	140	27	242	216
GBP	74	40	34	102	27	76
CHF	107		107	188		188
MXN	25		25	8	5	3
AUD				1	1	
SGD	4	7	3		9	9
CNY		7	7	11	11	
NOK	11		11			
SEK	12	1	11	1	1	
CAD		3	3	9	8	
External loans/deposits						
JPY*	136			153		160
Total	418	247	341	478	304	672

* External JPY loans are fully hedged with cross currency swaps.

Some Group companies in countries whose currencies are not fully convertible, such as Brazil, Philippines, and South Korea, have unhedged, intercompany loans nominated either in EUR or USD, which may result in some foreign exchange differences. The total amount of these loans is EUR 70 million (61).

Wärtsilä does not hedge translation risk. The most significant currencies for Wärtsilä are presented in Note 6.6. Exchange rates.

Interest rate risk

Wärtsilä's interest rate risk arises mainly from changes in the market value of its net debt portfolio (price risk), variations in interest rates upon refinancing or re-fixing, and fluctuations in the interest income earned on cash and cash equivalents. The company manages this risk by constantly monitoring the market value of its financial instruments and by conducting sensitivity analyses.

At the end of 2025, interest-bearing loan capital amounted to EUR 353 million (508). The average interest rate was 2.4% (2.6) and the average re-fixing period was 4 months (5).

Wärtsilä manages its interest rate risk by diversifying its exposure between fixed and floating rate loans, and by employing interest rate derivatives. The proportion of fixed-rate debt, including derivatives, may range between 30% and 70% of the total debt portfolio. To hedge its loan portfolio, Wärtsilä may use a range of derivative instruments, such as interest rate swaps, futures, and options. At the end of 2025, there was EUR 141 million (127) interest rate swaps.

MEUR	2025	2024
Fixed rate loans	100	
Floating rate loans	353	408
Derivatives	141	127
Share of fixed rate loans of total loans (including derivatives), %	40	45

At the end of 2025, a parallel shift of one percentage point in the Euribor curve, either an increase or a decrease, would result in an annual change of EUR 2 million (3) in the interest expenses of the floating-rate loan portfolio. This analysis is based on the floating-rate portion of the debt portfolio as of 31 December 2025.

The main funding currency of the Group is euro. Funding in any other currency is converted or swapped into euro.

Additional information related to loans can be found in Note 5.2. Financial assets and liabilities by measurement category and Note 5.6. Maturity analysis of financial liabilities. Information on interest rate derivatives is presented in Note 5.7. Derivative financial instruments.

Liquidity and refinancing risk

Wärtsilä ensures sufficient liquidity at all times by efficient cash management and by maintaining sufficient available committed and uncommitted credit lines. Refinancing risk is managed by having a balanced and sufficiently long loan portfolio.

The existing loan facilities include:

- Committed Revolving Credit Facilities totalling EUR 636 million (642).
- Finnish Commercial Paper programmes totalling EUR 850 million (850).

The average maturity of the non-current debt is 34 months (30) and the average maturity of the confirmed credit lines is 30 months (32). Additional information in Note 5.6. Maturity analysis of financial liabilities.

Wärtsilä does not have significant concentration of liquidity risk associated with the supplier finance arrangements provided by its long-term relationship banks. All are reputable and creditworthy banks that have operated and/or participated as investors to the supplier finance arrangements as their customary and continuous offering, and there is no reason to assume that the banks would become unwilling or unable to provide these arrangements in the future. In case of an unexpected withdrawal or reduction by a bank, Wärtsilä can opt to organise supplier finance arrangement to its suppliers through its other banks.

At year-end, the Group had cash and cash equivalents totalling EUR 2,590 million (1,554). The Group also had EUR 636 million (642) of non-utilised committed credit facilities, and in 2024, cash and cash equivalents of EUR 4 million related to assets held for sale. Commercial Paper Programmes were not utilised on 31 December 2025 nor on 31 December 2024.

Committed Revolving Credit Facilities, as well as the parent company's long-term loans, include a financial covenant (solvency ratio). The solvency ratio is expected to remain clearly over the covenant level for the foreseeable future.

Revolving credit facilities

Year	MEUR		Maturing	Available (end of period)	Maturing	Available (end of period)
	2025	2024				
2024			-	-		642
2025				636	100	542
2026			96	540	102	440
2027			140	400	140	300
2028			120	280	120	180
2029			150	130	150	30
2030			130		30	

Credit risk

Responsibility for managing the credit risks associated with ordinary commercial activities lies with the Businesses and the Group companies. Major trade and project finance credit risks are mitigated when applicable by transferring risks to banks, insurance companies, and export credit organisations.

Credit risks associated with the placement of liquid funds and trading in financial instruments are mitigated by establishing explicit counterparty limits and engaging exclusively with highly reputable domestic and international banks and financial institutions. Derivative financial instruments are transacted solely with counterparties holding at least an A- credit rating, and all transactions entered into by Corporate Treasury are governed by ISDA Master Agreements. As a result, credit losses from these instruments are not expected.

When permitted by local laws and central bank regulations, the Group companies place and deposit as much of their liquid financial assets as possible with the centralised Corporate Treasury. The Group may place its funds in instruments that offer sufficient liquidity, such as current bank deposits or Finnish Commercial Papers, and maintains a minimum rating standard of single-A or other instruments, all approved by the Group's CFO. The Corporate Treasury closely monitors these investments, and Wärtsilä does not expect any future defaults from them.

The expected credit losses associated with investments carried at amortised cost are assessed on a forward-looking basis based on investment maturity dates, and counterparty credit risk on a quarterly basis. 31 December 2025, the expected credit loss was not material. The expected credit losses are presented in Note 4.2. Trade receivables and contract assets and liabilities.

Equity price risk

Wärtsilä has equity investments totalling EUR 8 million (12) in power plant companies, most of which are located in developing countries and performing well according to expectations. Additional information is given in Note 5.2. Financial assets and liabilities by measurement category.

Capital risk management

Wärtsilä's policy is to secure a strong capital base, both to maintain the confidence of investors and creditors and for the future development of the business. The capital is defined as total equity, including non-controlling interests and net interest-bearing debt. The target for Wärtsilä is to maintain gearing below 0.50 and to pay a dividend of at least 50% of earnings over the cycle.

MEUR	2025	2024
Total interest-bearing liabilities	585	781
Total interest-bearing assets	-2,591	-1,558
Total net interest-bearing debt	-2,006	-777
Total equity	2,884	2,531
Gearing	-0.70	-0.31
In the capital management Wärtsilä also follows the gearing development:		
Total equity and liabilities	8,474	7,694
Advances received	-1,357	-923
7,117	6,770	
Solvency ratio, %	40.5	37.4

The figures in the above table include assets and liabilities pertaining to assets held for sale.

More information on net interest-bearing debt is available in Note 5.4. Net debt reconciliation.



6. Group structure

Content in this section:

- 6.1. Subsidiaries**
- 6.2. Acquisitions**
- 6.3. Disposals**
- 6.4. Assets held for sale**
- 6.5. Investments in associates and joint ventures**
- 6.6. Exchange rates**

6.1. Subsidiaries

① Accounting principles

The consolidated financial statements include the parent company Wärtsilä Corporation and all subsidiaries over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. When the Group has less than a majority of voting or similar rights in an entity, the Group considers all relevant facts and circumstances in assessing whether it has power over an entity, including the contractual arrangements, voting rights, and potential voting rights. The Group reassesses whether it controls an entity if facts and circumstances indicate that there are changes to the elements of control.

The financial information from subsidiaries in countries with hyperinflation are adjusted according to IAS 29, when the impact of the hyperinflation is considered significant for the consolidated financial statements.

Geographical area	Company name	Location	Activities	Share %
Europe				
	Wärtsilä Cyprus Limited	Cyprus	Sales and services	100.0
	Wärtsilä Danmark A/S	Denmark	Sales and services	100.0
	Wärtsilä BLRT Estonia OÜ	Estonia	Sales and services	51.7
	Wärtsilä Energy Storage Finland Oy	Finland	Sales and services	100.0
	Wärtsilä Finland Oy	Finland	Production, sales and services	100.0
	Wärtsilä Projects Oy	Finland	Sales and services	100.0
	Wärtsilä Solutions Oy	Finland	Sales and services	100.0

Wärtsilä Technology Oy Ab	Finland	Holding	100.0
Wärtsilä Voyage Oy	Finland	Sales and services	100.0
Wärtsilä France S.A.S.	France	Sales and services	100.0
Wärtsilä Voyage Mediterranean SAS	France	Sales and services	100.0
Wärtsilä Deutschland GmbH	Germany	Sales and services	100.0
Wärtsilä Serck Como GmbH	Germany	Sales and services	100.0
Wärtsilä Voyage Germany GmbH	Germany	Sales and services	100.0
Wartsila Defence Solutions Ltd	the United Kingdom	Sales and services	100.0
Wartsila Energy Storage UK Limited	the United Kingdom	Sales and services	100.0
Wärtsilä UK Limited	the United Kingdom	Production, sales and services	100.0
Wärtsilä Voyage UK Limited	the United Kingdom	Sales and services	100.0
Wärtsilä Water Systems Ltd	the United Kingdom	Sales and services	100.0
Wärtsilä Greece S.A.	Greece	Sales and services	100.0
Wärtsilä Hungary Kft.	Hungary	Sales and services	100.0
Wärtsilä Voyage Limited	Ireland	Sales and services	100.0
Wärtsilä Italia S.p.A.	Italy	Sales and services	100.0
Trident Italia Srl	Italy	Sales and services	100.0
Wärtsilä Moss AS	Norway	Production, sales and services	100.0
Wärtsilä Norway AS	Norway	Production, sales and services	100.0
Wärtsilä Gas Solutions Norway AS	Norway	Sales and services	100.0
Wärtsilä Polska Sp. z o.o	Poland	Sales and services	100.0
Wärtsilä Portugal, S.A.	Portugal	Sales and services	100.0
Wartsila Voyage doo Beograd	Serbia	Sales and services	100.0
Wärtsilä Ibérica S.A.	Spain	Production, sales and services	100.0
Burriel Navarro, S.L.	Spain	Sales and services	100.0
Wärtsilä Underwater Services Spain, S.L.	Spain	Sales and services	100.0
Wärtsilä Gas Solutions Sweden AB	Sweden	Sales and services	100.0
Wärtsilä Sweden AB	Sweden	Production, sales and services	100.0
Wärtsilä Voyage Sweden AB	Sweden	Sales and services	100.0
Wärtsilä Services Switzerland AG	Switzerland	Sales and services	100.0

Quantiparts B.V.	The Netherlands	Sales and services	100.0
Wärtsilä Netherlands B.V.	The Netherlands	Production, sales and services	100.0
Trident B.V.	The Netherlands	Sales and services	100.0
The Americas			
Wärtsilä Argentina S.A.	Argentina	Sales and services	100.0
Wartsila Brasil Ltda.	Brazil	Production, sales and services	100.0
Altyn Consulting Inc.	Canada	Sales and services	100.0
Wärtsilä Canada Inc.	Canada	Sales and services	100.0
Wärtsilä Chile Ltda.	Chile	Sales and services	100.0
Wärtsilä Colombia S.A.	Colombia	Sales and services	100.0
Wärtsilä Dominicana, S.R.L.	Dominican Republic	Sales and services	100.0
Wärtsilä Ecuador S.A.	Ecuador	Sales and services	100.0
Wärtsilä El Salvador, S.A. De C.V.	Guatemala	Sales and services	100.0
Wärtsilä Operations Guyana Inc.	Guyana	Sales and services	100.0
Wärtsilä de Mexico S.A. de C.V.	Mexico	Sales and services	100.0
Wärtsilä Panama Services, S.A.	Panama	Sales and services	100.0
Wärtsilä Peru S.A.	Peru	Sales and services	100.0
Wärtsilä Caribbean, Inc.	Puerto Rico	Sales and services	100.0
Wärtsilä Uruguay S.A.	Uruguay	Sales and services	100.0
Defense Maritime Solutions, Inc.	USA	Sales and services	100.0
Guidance Marine LLC	USA	Sales and services	100.0
LOCK-N-STITCH Inc.	USA	Sales and services	100.0
Wartsila Energy Storage, Inc.	USA	Sales and services	100.0
Wartsila Voyage Americas Inc	USA	Sales and services	100.0
Wärtsilä North America, Inc.	USA	Sales and services	100.0
Asia			
PT. Wärtsilä Indonesia	Indonesia	Sales and services	100.0
Wärtsilä Azerbaijan LLC	Azerbaijan	Sales and services	100.0
Wärtsilä Bangladesh Limited	Bangladesh	Sales and services	100.0
Wärtsilä Management (Shanghai) Co., Ltd.	China	Sales and services	100.0
Wärtsilä Propulsion (Wuxi) Company Limited	China	Production, sales and services	100.0
Wärtsilä Services (Shanghai) Co. Ltd.	China	Sales and services	100.0
Wärtsilä Suzhou Limited	China	Production, sales and services	100.0

Wärtsilä Voyage Shanghai Co., Ltd.	China	Sales and services	100.0
Wärtsilä China Ltd.	Hong Kong	Sales and services	100.0
Wärtsilä India Private Limited	India	Production, sales and services	100.0
Wärtsilä Japan Ltd.	Japan	Production, sales and services	100.0
Wärtsilä Malaysia Sdn. Bhd.	Malaysia	Sales and services	100.0
Wärtsilä Myanmar Company Ltd.	Myanmar	Sales and services	100.0
Wärtsilä Pakistan (Private) Limited	Pakistan	Sales and services	100.0
Wärtsilä Philippines Inc.	Philippines	Sales and services	100.0
Wärtsilä Doha L.L.C.*	Qatar	Sales and services	49.0
Wärtsilä Power Contracting Company Ltd.	Saudi Arabia	Sales and services	60.0
Wärtsilä Singapore Pte Ltd	Singapore	Sales and services	100.0
Wärtsilä Voyage Pacific Pte Ltd	Singapore	Sales and services	100.0
Wärtsilä Korea Ltd.	South Korea	Sales and services	100.0
Wärtsilä Lanka (Pvt) Limited	Sri Lanka	Sales and services	100.0
Wärtsilä Taiwan Ltd.	Taiwan	Sales and services	100.0
Wärtsilä - ENPA A.S.	Turkey	Sales and services	51.0
Wärtsilä Gulf FZE	United Arab Emirates	Sales and services	100.0
Wärtsilä Hamworthy Middle East (FZE)	United Arab Emirates	Sales and services	100.0
Wartsila LLC	United Arab Emirates	Sales and services	100.0
Wartsila Ships Repairing & Maintenance LLC	United Arab Emirates	Sales and services	100.0
Wartsila Voyage Middle East DMCEST	United Arab Emirates	Sales and services	100.0
Wartsila Samarkand Energy LLC	Uzbekistan	Sales and services	100.0
Wärtsilä Vietnam Company Limited	Vietnam	Sales and services	100.0
Other			
Wärtsilä Australia Pty Ltd.	Australia	Sales and services	100.0
Wartsila Energy Storage Australia Pty Ltd	Australia	Sales and services	100.0
Wärtsilä Burkina Faso	Burkina Faso	Sales and services	100.0
Wärtsilä Central Africa Plc	Cameroon	Sales and services	100.0
Wartsila Installations and Constructions	Egypt	Sales and services	100.0
Wärtsilä Central Africa Gabon	Gabon	Sales and services	100.0
Wärtsilä West Africa Guinea S.A.	Guinea	Sales and services	100.0
Wärtsilä Eastern Africa Limited	Kenya	Sales and services	100.0

Wärtsilä Energy Mauritanie SAU	Mauritania	Sales and services	100.0
Wärtsilä Mauritanie SA	Mauritania	Sales and services	100.0
Wärtsilä Mocambique Limitada	Mozambique	Sales and services	100.0
Wärtsilä Muscat S.P.C	Oman	Sales and services	100.0
Wärtsilä New Zealand Ltd	New Zealand	Sales and services	100.0
Wärtsilä Marine & Power Services Nigeria Limited	Nigeria	Sales and services	100.0
Wärtsilä PNG Limited	Papua New Guinea	Sales and services	100.0
Wärtsilä West Africa S.A.	Senegal	Sales and services	100.0
Wartsila Southern Africa Proprietary Ltd	South Africa	Sales and services	100.0
Wärtsilä South Africa Pty Ltd*	South Africa	Sales and services	75.0
Wärtsilä Tanzania Limited	Tanzania	Sales and services	100.0

* Despite share percentage being less than 100, the subsidiary is considered to be fully controlled by the Group.

Non-controlling interests are not significant in the Group's activities and cash flows in individual subsidiaries.

The list excludes subsidiaries, which do not have a significant impact on the result or assets of the Group. A complete list of shares and securities in accordance with the Finnish Accounting Ordinance is included in the official financial statements of the parent company prepared in accordance with the Finnish Accounting Standards (FAS).

6.2. Acquisitions

Accounting principles

Acquired and established companies are accounted for using the acquisition method. Accordingly, the purchase price and the acquired company's identifiable assets, liabilities, and contingent liabilities are measured at fair value on the date of acquisition. In the acquisition of additional interest, where the Group already has control, the non-controlling interest is measured either at fair value or at the non-controlling interests' proportionate share of the identifiable net assets. The difference between the purchase price, possible equity attributable to the non-controlling interests, and the acquired company's net identifiable assets, liabilities and contingent liabilities measured at fair value, is goodwill. The purchase price includes the consideration paid, measured at fair value. The consideration does not include transaction costs, which are recognised in the statement of income. The transaction costs are expensed in the same reporting period in which they occur, except those costs resulting from issued debt or equity instruments.

In significant business combinations, the Group has used external advisors when estimating the fair values of property, plant and equipment and intangible assets. For property, plant and equipment, comparisons have been made of the market prices of similar assets, and the depreciation of the acquired assets due to ageing, wear, and other similar factors has been estimated. The fair value measurement of intangible assets is based on estimates of the future cash flows associated with the assets. The acquired identifiable intangible assets typically include technology, customer relationships, and trademarks.

Any contingent consideration (additional purchase price) related to the combination of businesses is measured at fair value on the date of acquisition. It is classified either as a liability or equity. Contingent consideration classified as a liability is measured at fair value on the last day of each reporting period, and the resulting loss or gain is recognised through the statement of income. Contingent consideration classified as equity is not re-measured.

The acquired subsidiaries are included in the consolidated financial statements from the day the Group has control.

① Accounting estimates and judgements

Accounting for the business combinations may require estimates of the fair value of acquired assets and the expected amount of realised contingent consideration.

2025

In 2025, there were no acquisitions.

2024

In 2024, there were no acquisitions.

6.3. Disposals

① Accounting principles

The disposed subsidiaries are included in the consolidated financial statements until control is lost.

① Accounting estimates and judgements

Accounting may require estimates determining the level of post-closing indemnities.

2025

On 1 July 2025, Wärtsilä divested business unit Automation, Navigation and Control Systems (ANCS) to Solix Group AB. The divestment was announced in December 2024. In 2025, the net sales of ANCS was EUR 127 million until disposed (227).

The impact of the divestment on the result for the financial period 2025 is EUR 31 million. It has been recognised in the statement of income as other operating income, and is considered as an item affecting comparability. Business unit ANCS belonged to Portfolio Business.

On 31 October 2025, Wärtsilä divested business unit Marine Electrical Systems (MES) to VINCI Energies. The divestment was announced in July 2025. In 2025, the net sales of MES was EUR 92 million until disposed (105).

The impact of the divestment on the result for the financial period 2025 is EUR -10 million. It has been recognised in the statement of income as depreciation, amortisation and impairment, and is considered as an item affecting comparability. Business unit MES belonged to Portfolio Business.

Values of the assets and liabilities at the time of disposals

MEUR	
Assets	
Non-current assets	
Other intangible assets	29
Property, plant and equipment	5
Right-of-use assets	22
Deferred tax assets	7
Other receivables	1
Total non-current assets	63
Current assets	
Inventories	116
Trade receivables	47
Contract assets	40
Other receivables	54
Cash and cash equivalents	102
Total current assets	359
Liabilities	
Non-current liabilities	
Lease liabilities	17
Deferred tax liabilities	24
Pension obligations	6
Provisions	2
Total non-current liabilities	49
Current liabilities	
Lease liabilities	5
Provisions	9
Trade payables	28
Current tax liabilities	3

Contract liabilities	152
Other liabilities	44
Total current liabilities	241
Net assets	133

Preliminary consideration

MEUR	
Considerations received in cash	196
Total considerations received	196

Preliminary cash flow from the disposals

MEUR	
Considerations received in cash	196
Cash and cash equivalents of the divested companies	-102
Total cash flow from the disposals	93

2024

In 2024, there were no disposals.

6.4. Assets held for sale

① Accounting principles

The external assets and liabilities relating to non-current assets held for sale and discontinued operations are presented separately in the statement of financial position if their carrying amounts are expected to be recovered primarily through sale rather than through continuing use. Classification as held for sale requires that the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

Prior to classification as held for sale, the assets or assets and liabilities related to a disposal group in question are measured according to the respective Accounting Standards. From the date of classification, non-current assets held for sale are measured at the lower of the carrying amount and the fair value less costs to sell, and the recognition of depreciation and amortisation is discontinued.

Non-current assets held for sale are presented in the statement of financial position separately from other items. The comparison figures for the statement of financial position are not restated.

2025

Wärtsilä has classified business units Gas Solutions and Water & Waste as assets held for sale since the last quarter of 2025.

In December 2025, Wärtsilä announced the divestment of business unit Gas Solutions to the German private equity investor Mutares SE & Co. KGaA. In 2025, the net sales of Gas Solutions was EUR 394 million (301).

Classifying business unit Gas Solutions as assets held for sale has an impact of EUR -20 million on the result for the financial period 2025, which has been recognised in the statement of income as depreciation, amortisation and impairment, and it is considered as an item affecting comparability. In the consolidated statement of financial position, EUR -9 million has been recognised as asset write-downs, rest as additional provisions and accruals. Subject to approvals, the transaction is expected to be completed in the second quarter of 2026. Gas Solutions belongs to Portfolio Business.

Wärtsilä has also classified business unit Water & Waste as assets held for sale. Water & Waste belongs to Portfolio Business.

All assets held for sale are valued at the lower of book value or fair value.

2024

Wärtsilä has classified business unit Automation, Navigation and Control System (ANCS) as assets held for sale.

In December 2024, Wärtsilä announced the divestment of business unit ANCS to the Swedish investment company Solix Group AB.

ANCS is a global leader in innovative hardware and software technologies for marine navigation and automation, with solutions including integrated navigation and automation systems, advanced sensors enhancing safety and situational awareness, and dynamic positioning systems enabling precise vessel station keeping. Wärtsilä acquired ANCS in 2015 as part of Marine Systems International. In 2024, the net sales of ANCS was close to EUR 230 million.

During the second quarter of 2023, Wärtsilä performed an intermediate impairment testing of goodwill for CGU Portfolio Business due to the new organisational structure. As a result of the impairment test, an impairment of EUR 45 million was recognised, of which EUR 15 million related to goodwill and the rest to other non-current assets.

During the fourth quarter of 2024, Wärtsilä assessed if there has been a change in the estimates used to determine the asset's recoverable amount. As a result of the assessment, Wärtsilä recognised a reversal of an impairment loss related to other non-current assets amounting to EUR 20 million. The reversal is recognised in the statement of income as reduction of depreciation, amortisation and impairment, and considered as an item affecting comparability.

Subject to approvals, the transaction is expected to be completed in the second quarter of 2025. ANCS belongs to Portfolio Business.

All assets held for sale are valued at the lower of book value or fair value.

Items in the statement of financial position

MEUR	31.12.2025	31.12.2024
Assets		
Non-current assets		
Goodwill	33	
Other intangible assets	7	25
Property, plant and equipment		2
Right-of-use assets	4	14
Deferred tax assets	25	3
Total non-current assets	69	45
Current assets		
Inventories	82	77
Trade receivables	35	44
Current tax receivables	1	1
Contract assets	21	9
Other receivables	5	5
Cash and cash equivalents		4
Total current assets	145	139
Assets held for sale	214	184
Write-down of assets	-9	
Net for assets held for sale	205	184
Liabilities		
Non-current liabilities		
Lease liabilities	3	12
Deferred tax liabilities	22	7
Pension obligations	1	4
Provisions	6	
Total non-current liabilities	32	24
Current liabilities		
Lease liabilities	1	3
Provisions	32	8
Trade payables	63	18

Current tax liabilities	1	1
Contract liabilities	251	53
Other liabilities	23	26
Total current liabilities	372	109
Liabilities directly attributable to assets held for sale	403	132
Net assets	-199	52

On 31 December 2025, the Group's cash and cash equivalents amounted to EUR 2,590 million. Of this, EUR 306 million relate to intragroup cash pool receivables from the parent company of the entities classified as assets held for sale. In the consolidated statement of financial position, these are presented as cash and cash equivalents of the Group.

6.5. Investments in associates and joint ventures

(i) Accounting principles

Associated companies are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is established by contractual agreement.

Associated companies and joint ventures are included in the consolidated financial statements using the equity method from the date the Group's significant influence or joint control commences until the date it ceases. Investments in associates are initially recognised at cost, and the carrying amount is increased or decreased according to the Group's share of changes in the net assets of the associate after the date of the acquisition. The Group's share of the associated company's or joint venture's result for the reporting period is shown as a separate item before the Group's operating result, on the line Share of result of associates and joint ventures. The Group's share of the associated company's or joint venture's changes recognised in other comprehensive income is recognised in the Group's other comprehensive income. Wärtsilä's proportion of the associated company's or joint venture's post-acquisition accumulated equity is included in the Group's equity. If the Group's share of the associated company's or joint venture's losses exceeds its interest in the company, the carrying amount is written down to zero. After this, losses are only recognised if the Group has incurred obligations from the associated company or joint venture.

The accumulated exchange rate differences arising from the consolidation of associated companies and joint ventures, which are recognised in equity, are recognised in the statement of income as part of the gain or loss when change in ownership occurs.

MEUR	2025	2024
Carrying amount on 1 January	41	33
Share of result	17	12
Dividends	-10	-4
Translation differences	-3	1
Carrying amount on 31 December	45	41

Summary of financial information (100%):

2025

MEUR	Hold-ing %	Non-current assets	Current assets	Equity	Non-current liabilities	Current liabilities	Net sales	Result for the financial period
Joint ventures								
Wärtsilä Qiyao Diesel Company Ltd.	China	50.0	6	102	33	75	112	14
CSSC Wärtsilä Electrical & Automation Co., Ltd.	China	49.0		39	5	34	54	2
CSSC Wärtsilä Engine (Shanghai) Co., Ltd.	China	49.0	59	461	52	28	440	249
Repropel Sociedad de reparacao de helices	Portugal	50.0		2	1	1	2	

CSSC Wärtsilä Engine (Shanghai) Co., Ltd. manufactures medium and large bore medium speed diesel and dual-fuel engines at its factory in Lingang, Shanghai, China. Wärtsilä Qiyao Diesel Company Ltd. manufactures marine auxiliary engines in Shanghai, China. CSSC Wärtsilä Electrical & Automation Co., Ltd. manufactures advanced electronical and automation solutions for the cruise industry.

2024

MEUR	Hold-ing %	Non-current assets	Current assets	Equity	Non-current liabilities	Current liabilities	Net sales	Result for the financial period
Joint ventures								
Wärtsilä Qiyao Diesel Company Ltd.	China	50.0	6	86	30	63	83	10
CSSC Wärtsilä Electrical & Automation Co., Ltd.	China	49.0		29	4	25	23	1
CSSC Wärtsilä Engine (Shanghai) Co., Ltd.	China	49.0	64	388	49	31	371	189
Repropel Sociedad de reparacao de helices	Portugal	50.0		1	1	1	1	

6.6. Exchange rates

① Accounting principles

Translating the transaction in foreign currencies

The items included in the financial statements are initially recognised in the functional currency, which is defined for each Group company based on its primary economic environment. The presentation currency of the consolidated financial statements is the euro, which is also the functional and presentation currency of Wärtsilä Corporation.

Foreign subsidiaries

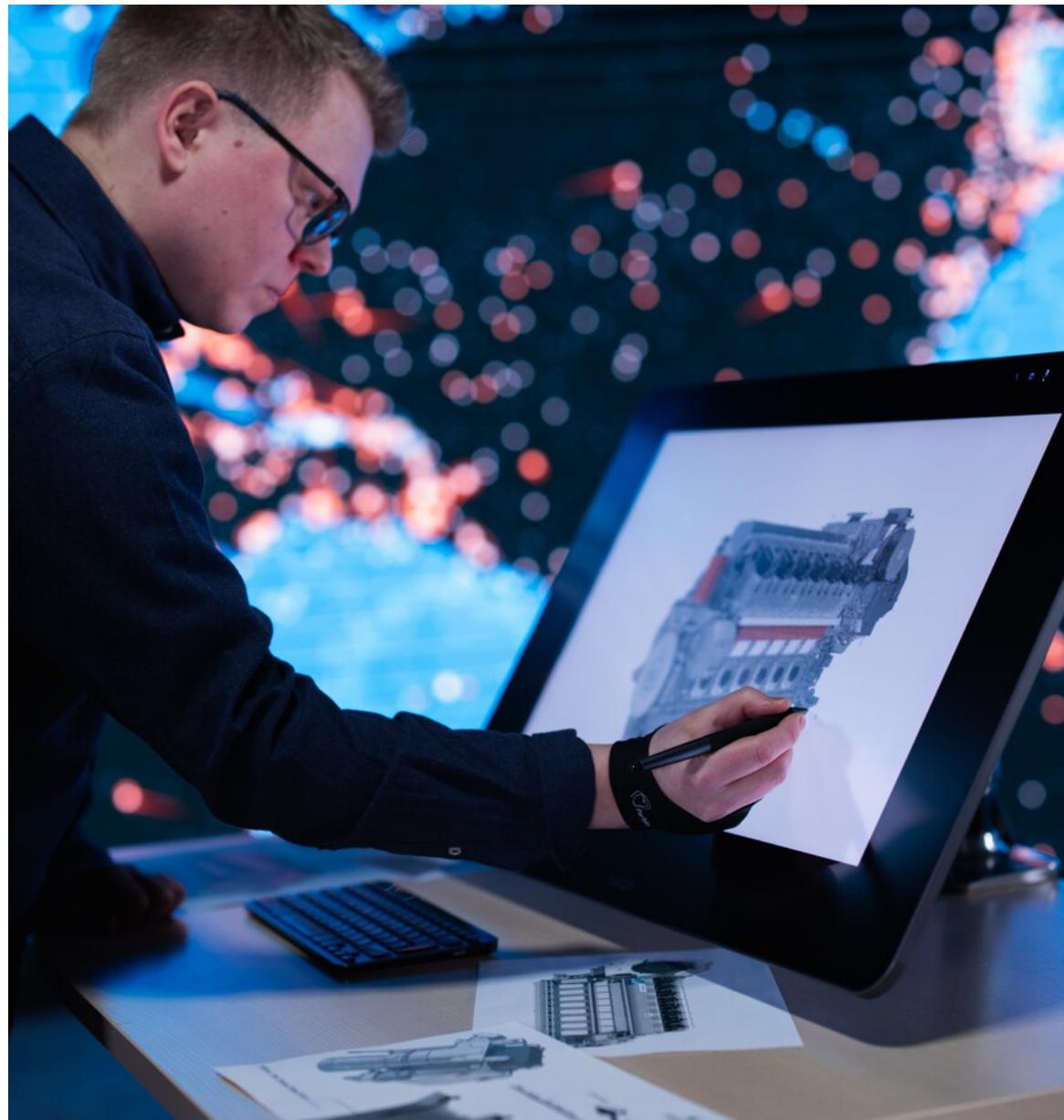
The income and expenses for statements of income and statements of comprehensive income of foreign subsidiaries are translated into euros at the quarterly average exchange rates. Statements of financial position are translated into euros at the exchange rates prevailing at the end of the reporting period. The translation of the result for the reporting period and other comprehensive income using different exchange rates in the statement of comprehensive income and the statement of financial position causes translation differences, which are recognised in equity and in other comprehensive income as change. Translation differences of foreign subsidiaries' acquisition cost eliminations and post-acquisition profits and losses are recognised in other comprehensive income and are presented as a separate item in equity. The goodwill generated in the acquisition of foreign entities and their fair value adjustments of assets and liabilities are considered as assets and liabilities of foreign entities, which are translated into euros using the exchange rates prevailing at the end of the reporting period. When a foreign subsidiary is sold, the accumulated exchange rate differences recognised in the equity related to the subsidiary are recognised in the statement of income as a part of the gain or loss on sale.

Transaction and balances in foreign currencies

Transactions denominated in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Receivables and liabilities are translated at the exchange rates prevailing at the end of the reporting period. Exchange rate gains and losses related to trade receivables and liabilities are reported on the applicable line in the statement of income and are included in the operating result. Exchange rate differences related to financial assets and financial liabilities are reported as financial items in the statement of income, except exchange rate differences related to non-current debt that is part of the Group's net investment in a subsidiary. Those are recognised in other comprehensive income and reported as translation differences in equity.

In the consolidated financial statements, there are approximately 60 currencies consolidated. The most significant currencies are presented here.

		Closing rates		Average rates	
		31 December 2025	31 December 2024	2025	2024
AED	UAE Dirham	4.31472	3.81546	4.14769	3.97399
AUD	Australian Dollar	1.75810	1.67720	1.75136	1.63995
BRL	Brazilian Real	6.43640	6.42530	6.30554	5.82679
CHF	Swiss Franc	0.93140	0.94120	0.93711	0.95261
CNY	Yuan Renminbi	8.22620	7.58330	8.11495	7.78626
DKK	Danish Krone	7.46890	7.45780	7.46338	7.45888
GBP	Pound Sterling	0.87260	0.82918	0.85662	0.84659
IDR	Indonesian Rupiah	19.64083	16,820.88000	18.61573	17,154.13000
INR	Indian Rupee	105.59650	88.93350	98.46465	90.53074
JPY	Yen	184.09000	163.06000	168.94570	163.81736
NOK	Norwegian Krone	11.84300	11.79500	11.71802	11.62684
RUB	Russian Ruble	92.77110	113.85000	94.34820	100.20892
SAR	Saudi Riyal	4.40707	3.89899	4.23624	4.05991
SEK	Swedish Krona	10.82150	11.45900	11.06470	11.43090
SGD	Singapore Dollar	1.51050	1.41640	1.47516	1.44567
USD	US Dollar	1.17500	1.03890	1.12934	1.08205



7. Other notes

Content in this section:

- 7.1. Collateral, contingent liabilities, and other commitments**
- 7.2. Related party disclosures**
- 7.3. Auditors' fees and services**

7.1. Collateral, contingent liabilities, and other commitments

① Accounting principles

Contingent liabilities are possible obligations resulting from previous events, the existence of which will only be ascertained once the uncertain event that is beyond the Group's control materialises. Existing obligations that are not likely to require the fulfillment of a payment obligation, or the amount of which cannot be reliably determined, are also considered contingent liabilities.

MEUR	2025		2024	
	Debt in the statement of financial position	Collateral	Debt in the statement of financial position	Collateral
Mortgages given as collateral for liabilities and commitments				
Other commitments	8		20	10
Total	8		20	10
Chattel mortgages and other pledges and securities given as collateral for liabilities and commitments				
Other commitments	31		32	
Total	31		32	

MEUR	2025		2024	
	Guarantees and contingent liabilities on behalf of Group companies		1,628	1,237
Total			1,628	1,237

Nominal amounts of lease liabilities		
Low-value lease liabilities	5	13
Short-term lease liabilities	3	3
Leases not yet commenced, but to which Wärtsilä is committed	17	14
Residual value guarantee	104	104
Total	129	134

7.2. Related party disclosures

Related parties comprise the parent company, subsidiaries, the associated companies, and joint ventures. Related parties also include the Board of Directors, the President and CEO, the Board of Management, their family members, and entities controlled directly or indirectly by them.

Management remuneration

TEUR	2025	2024
President and CEO		
Salaries and other short-term benefits	1,083	1,056
Short-term incentive schemes	822	687
Share based bonuses	1,290	172
Statutory pension costs	500	299
Voluntary pension costs	315	315
Other members of the Board of Management		
Salaries and other short-term benefits	3,192	2,645
Short-term incentive schemes	1,446	1,070
Share based bonuses	1,999	212
Statutory pension costs	908	554
Voluntary pension costs	576	509
Total	12,131	7,520
Board of Directors on 31 December 2025		
Tom Johnstone, Chair of the Board	245	243
Mika Vehviläinen, Deputy Chair of the Board	132	129
Karen Bomba, member	118	114
Henrik Ehrnrooth, member	91	
Morten H. Engelstoft, member	113	109
Karin Falk, member	106	104
Johan Forssell, member	95	93

Tiina Tuomela, member	123	121
Board of Directors, until 13 March 2025		
Mats Rahmström, member		91
Total	1,023	1,006
Management remuneration, total	13,154	8,526

In 2025, an accrual of EUR 3,699 thousand (2,267) has been recognised in the statement of income as employee benefit expenses related to the short-term incentive schemes for the management.

Additionally, EUR 4,871 thousand (3,478) has been recognised as employee benefit expenses in the statement of income related to management's long-term incentive schemes, of which EUR 1,794 thousand (1,187) relates to long-term incentive scheme ending 31 December 2025.

Remuneration of the President and CEO consists of fixed pay (a monthly base salary, pension and benefits) and variable pay (short- and long-term incentives). Benefits include a mobile phone benefit, a car benefit, and various insurance policies.

The holdings of Wärtsilä shares of the President and CEO, and the members of the Board of Directors and Board of Management were 496,848 shares (395,709) at year-end, dividends totalling EUR 212 thousand (124).

The President and CEO is entitled to retire on reaching 63 years of age. The members of the Board of Management are entitled to retire on reaching the statutory retirement age. One member of the Board of Management is entitled to retire earlier, on reaching 60 years of age. The Group has no loan receivables from the executive management or the Board of Directors. No pledges or other commitments have been given on behalf of management or shareholders.

Business transactions with the associated companies and joint ventures

MEUR	2025	2024
Sales to the associates and joint ventures	81	76
Purchases from the associates and joint ventures	104	25
Receivables from the associates and joint ventures	8	16
Advances paid to the associates and joint ventures	27	37
Payables to the associates and joint ventures	8	21

Detailed financial information on the associated companies and joint ventures is presented in Note 6.5. Investments in associates and joint ventures.

7.3. Auditors' fees and services

The following remuneration was paid to auditors and accounting firms for audits based on applicable legislation and for other services.

In 2025, the AGM appointed the audit firm PricewaterhouseCoopers Oy as Wärtsilä Corporation's auditor. PricewaterhouseCoopers Oy has provided non-audit services totalling EUR 0.2 million (0.2) to entities of Wärtsilä Group. These services include tax services of EUR 0.1 million and a minor amount related to other services.

MEUR	2025		2024	
	PwC	Others	PwC	Others
Audit	4.2	1.9	4.8	1.7
Audit related services	0.4	0.0	0.3	0.0
Tax advisory	0.1	0.2	0.1	0.3
Other services	0.2	1.2	0.1	0.0
Total	4.8	3.3	5.3	2.0

Audit related services include services, which are provided by the auditors under the Finnish Auditing Act chapter 1, section 1, paragraph 1, point 2.

Parent company financial statements (FAS)

Parent company income statement

MEUR	2025	2024	Note
Net Sales	103	119	
Other operating income	29	24	1
Personnel expenses	-68	-57	2
Depreciation, amortisation and impairment	-4	-3	3
Other operating expenses	-111	-133	4
Operating result	-51	-51	
Financial income and expenses	8	283	5
Result before appropriations and taxes	-43	233	
Appropriations	211	135	
Result before taxes	168	368	
Income taxes	-36	-4	6
Result for the financial period	132	363	

Parent company balance sheet

MEUR	2025	2024	Note
ASSETS			
Fixed assets			7
Intangible assets			
Other long-term expenditure	48	7	
Intangible assets and construction in progress	4	36	
	52	43	
Tangible assets			
Land and water	2	2	
Machinery, equipment and other tangible assets	2	1	
Construction in progress	1	1	
	6	5	
Financial assets			
Shares in Group companies	1,450	1,450	
Other shares and securities	2	2	
	1,452	1,452	
Total fixed assets	1,510	1,500	
Non-current receivables			
Other long-term receivables	13	13	
	13	14	
Current receivables			
Trade receivables	1		
Receivables from Group companies	1,262	1,927	8
Prepaid expenses and accrued income	24	13	9
	1,286	1,940	
Cash and bank balances	1,531	1,304	

Total current assets	2,817	3,244
Assets	4,341	4,758
EQUITY AND LIABILITIES		
Equity		10
Share capital	336	336
Share premium reserve	61	61
Reserve for own shares	-41	-28
Retained earnings	1,018	914
Result for the financial period	132	363
Total equity	1,507	1,646
Accumulated appropriations		
Depreciation difference	3	
Provisions	16	21
Liabilities		
Non-current		11
Loans from credit institutions	315	409
Other long-term liabilities	27	9
	342	418
Current		
Loans from credit institutions	38	99
Trade payables	18	14
Liabilities to Group companies	2,357	2,463
Other current liabilities	16	3
Accrued expenses and deferred income	44	94
	2,472	2,672
Total liabilities	2,814	3,090
Equity and liabilities	4,341	4,758

Parent company cash flow statement

MEUR	2025	2024
Cash flow from operating activities:		
Result before appropriations and taxes	-43	233
Adjustments for:		
Depreciation and amortisation	4	3
Financial income and expenses	-7	-283
Other adjustments	1	1
Cash flow before changes in working capital	-45	-47
Changes in working capital:		
Assets, non-interest-bearing, increase (-) / decrease (+)	81	-31
Liabilities, non-interest-bearing, increase (+) / decrease (-)	-45	66
	36	35
Cash flow from operating activities before financial items and taxes	-9	-12
Interest and other financial expenses	-154	-164
Dividends received from operating activities		252
Interest and other financial income from operating activities	162	181
Income taxes paid	-30	-3
	-22	266
Cash flow from operating activities	-31	254
Cash flow from investing activities:		
Investments in tangible and intangible assets	-14	-23
Investments in subsidiaries		-500
Loan receivables, increase	-32	-18
Loan receivables, decrease	652	408
Cash flow from investing activities	606	-133
Cash flow after investing activities	576	121

Cash flow from financing activities:		
Current loans, increase (+) / decrease (-)	-52	843
Proceeds from non-current borrowing	61	
Repayments and other changes of non-current loans	-218	-75
Purchase of own shares	-16	
Group contributions	135	21
Dividends paid	-259	-189
Cash flow from financing activities	-349	600
Change in cash and bank balances, increase (+) / decrease (-)	227	721
Cash and bank at beginning of period	1,304	583
Cash and bank at end of period	1,531	1,304

Accounting principles for the parent company

The financial statements of the parent company, Wärtsilä Corporation, have been prepared in accordance with the provisions of the Finnish Accounting Standards (FAS).

The preparation of the financial statements requires management, in compliance with the regulations in force and good accounting practice, to make estimates and assumptions that affect the measurement and timing of the reported information. Actual results may differ from these estimates.

Transactions denominated in foreign currencies and derivatives

Business transactions in foreign currencies are recorded at the rates of exchange prevailing on the transaction date. Receivables and payables on the balance sheet date are valued at the exchange rates prevailing on that date. Exchange gains and losses related to business operations are treated as adjustments to other operating income and operating expenses. Exchange gains and losses related to financing operations are entered under financial income and expenses.

Derivatives are measured at fair value. Open currency derivatives, including interest components, are valued at the balance sheet date. The fair value of interest rate swaps is calculated by discounting the future cash flows. Derivative changes in fair value are immediately recognised in financial income or expenses in the statement of income.

Research and development costs

Research and development costs are expensed in the financial period in which they occur.

Receivables

Receivables are valued to acquisition cost or to a lower probable value.

Revenue recognition

Net sales consist of service charges to Group companies. Wärtsilä Corporation's service charges include management service fee and information management service fee. Revenue is recognised for the period during which the service is performed.

Fixed assets and depreciation and amortisation

Fixed assets are valued in the balance sheet at their direct acquisition cost less accumulated depreciation and amortisation. Certain land areas also include revaluations. Fixed assets are amortised on a systematic basis over their estimated useful life.

Depreciation and amortisation is based on the following useful lives:

- Other long-term expenditure 3-10 years
- Buildings 20-40 years
- Machinery and equipment 5-20 years

Leasing

Lease payments are treated as rentals.

Provisions

Provisions in the balance sheet comprise those items which the company is committed to covering either through agreements or otherwise, but which are not yet realised. Changes to provisions are included in the income statement.

Income taxes

Income taxes in the income statement include taxes calculated for the financial year based on Finnish tax provisions, as well as adjustments to taxes in prior years. Income taxes also include parent company state top-up taxes in accordance with the income calculation rule (IIR).

Dividends

Dividends proposed by the Board of Directors are not recorded in the financial statements until they have been approved by the Annual General Meeting.

Notes to the parent company financial statements

1. Other operating income

MEUR	2025	2024
Rental income		3
Re-invoicing to Group companies	25	20
Other	4	2
Total	29	24

2. Personnel expenses

MEUR	2025	2024
Wages and salaries	-58	-46
Pension costs	-9	-8
Other compulsory personnel costs	-1	-4
Total	-68	-57

Salaries and remunerations paid to senior management

Salaries and remunerations paid to the President and CEO and members of the Board of Directors was EUR 5 million (3).

The President and CEO has the right to retire at the age of 63 years. The members of the Board of Management are entitled to retire on reaching the statutory retirement age. One member of the Board of Management is entitled to retire earlier, on reaching 60 years of age.

The company's Board of Directors decides the remunerations of the President and CEO and his immediate subordinates. Additional information on Management remuneration can be found in Consolidated Financial Statements Note 7.2. Related party disclosures.

Personnel on average during the year was 422 (402).

3. Depreciation and amortisation

MEUR	2025	2024
Depreciation and amortisation according to plan		
Other long-term expenditure	-4	-2
Machinery and equipment		-1
Total depreciation according to plan	-4	-3
Tax depreciations	-3	
Total	-7	-3

4. Other operating expenses

MEUR	2025	2024
Information technology costs	-51	-41
Rental costs	-5	-5
Legal and consultancy costs	-32	-36
Services from Group Companies	-9	-34
Other administrative costs	-15	-16
Total	-111	-133

5. Financial income and expenses

MEUR	2025	2024
Dividend income		
From Group companies		252
Total	252	
Other interest income		
From Group companies	53	105
From other companies	35	31
Total	88	136
Other financial income		
From Group companies	54	38
From other companies	20	9
Total	74	46

Exchange gains and losses	6	-2
Interest expenses		
To Group companies	-73	-75
To other companies	-10	-14
Total	-83	-89
Other financial expenses		
To Group companies	-34	-23
To other companies	-44	-36
Total	-78	-59
Financial income and expenses, total	8	283

6. Income taxes

MEUR	2025	2024
Income taxes		
For the previous periods	-3	1
For the financial period	-33	-5
Total	-36	-4

Income taxes for the financial period include top-up taxes of EUR 0 million (1) in accordance with OECD Pillar Two rules.

7. Fixed assets

Intangible assets

MEUR	Other long-term expenditures	Intangible assets and construction in progress	2025	2024
Acquisition cost on 1 January	100	36	137	130
Additions	11	2	13	22
Decreases	-66		-66	-16
Reclassifications	34	-34		
Acquisition cost on 31 December	79	4	84	137

Accumulated amortisation on 1 January	-93	-93	-107
Accumulated amortisation on decreases and other changes	66	66	16
Amortisation during the financial period	-4	-4	-2
Accumulated amortisation on 31 December	-31	-31	-93
Carrying amount on 31 December 2025	48	4	53
Carrying amount on 31 December 2024	7	36	43

Tangible assets

MEUR	Land and water	Buildings and structures	Machinery, equipment and other tangible assets	2025	2024
Acquisition cost on 1 January	2	1	11	15	12
Additions			1	1	1
Decreases				-1	
Acquisition cost on 31 December	2	1	13	16	12
Accumulated amortisation on 1 January			-1	-9	-10
Amortisation during the financial period				-1	-1
Accumulated depreciation on 31 December			-1	-10	-11
Carrying amount on 31 December 2025	2	3	6		
Carrying amount on 31 December 2024	2	2	5		

Shares and securities

MEUR	Shares in Group companies	Shares in other companies	2025	2024
Acquisition cost on 1 January	1,450	2	1,452	952
Additions			500	
Acquisition cost on 31 December	1,450	2	1,452	1,452
Carrying amount on 31 December 2025	1,450	2	1,452	
Carrying amount on 31 December 2024	1,450	2	1,452	

In 2024, Wärtsilä Corporation made an additional investment of EUR 500 million in the equity of its fully owned subsidiary Wärtsilä Technology Oy Ab.

8. Current receivables from Group companies

MEUR	2025	2024
Trade receivables	36	54
Loan receivables	982	1,634
Derivatives	23	80
Other receivables	214	141
Prepaid expenses and accrued income	8	18
Total	1,262	1,927

9. Prepaid expenses and accrued income

MEUR	2025	2024
Derivatives	12	3
Other	11	10
Total	24	13

10. Shareholders' equity

MEUR	2025	2024
Share capital		
Share capital on 1 January	336	336
Share capital on 31 December	336	336

Share premium reserve		
Share premium reserve on 1 January	61	61
Share premium reserve on 31 December	61	61
Reserve for own shares		
Reserve for own shares on 1 January	-28	-28
Reserve for own shares on 31 December	-41	-28
Retained earnings		
Retained earnings on 1 January	1,278	1,103
Dividends paid	-259	-188
Result for the financial period	132	363
Retained earnings on 31 December	1,151	1,278
Total shareholders' equity	1,507	1,646
Distributable equity	1,110	1,249

On 31 December 2025, the number of own shares held by Wärtsilä Corporation was 3,286,430 (2,642,575) and the book value of these shares was EUR 41 million (28).

11. Liabilities

MEUR	2025	2024
Non-current		
Interest-bearing	315	409
Non-interest-bearing	27	9
Total	342	418
Current		
Interest-bearing	2,341	2,486
Non-interest-bearing	131	185
Total	2,472	2,672

Debt with maturity profile

MEUR	2025	2024
Loans from financial institutions:		
Current		
<1 year	38	99
Long-term		
1-5 years	281	357
>5 years	35	52
Total	353	508

12. Accrued expenses and deferred income

MEUR	2025	2024
Derivatives	9	64
Personnel costs	22	17
Interest and other financial items	3	4
Other	10	8
Total	44	94

13. Liabilities to Group companies

MEUR	2025	2024
Trade payables	4	22
Other current liabilities	2,303	2,387
Derivatives	45	48
Accrued expenses and deferred income	4	6
Total	2,357	2,463

14. Financial assets and liabilities by measurement category**2025**

MEUR	Measured at amortised cost	At fair value through the statement of income	Carrying amounts of the statement of financial position items	Fair value
Non-current financial assets				
Derivatives		11	11	11
Derivatives from Group companies		7	7	7
Current financial assets				
Interest-bearing receivables from Group companies	982		982	982
Trade receivables from Group companies	36		36	36
Derivatives		12	12	12
Derivatives from Group companies		16	16	16
Other receivables from Group companies	220		220	220
Cash and bank	1,531		1,531	1,531
Carrying amount by category	2,768	46	2,814	2,814
Non-current financial liabilities				
Interest-bearing debt		315	315	315
Derivatives		25	25	25
Derivatives from Group companies		11	11	11
Current financial liabilities				
Interest-bearing debt	38		38	38
Interest-bearing debt to Group companies	2,303		2,303	2,303
Trade payables	18		18	18
Trade payables to Group companies	4		4	4
Derivatives		9	9	9
Derivatives to Group companies		23	23	23
Other liabilities	4		4	4
Carrying amount by category	2,682	69	2,751	2,751

2024

MEUR	Measured at amortised cost	At fair value through the statement of income	Carrying amounts of the statement of financial position items	Fair value
Non-current financial assets				
Derivatives	12	12	12	
Derivatives from Group companies	26	26	26	
Current financial assets				
Interest-bearing receivables from Group companies	1,634	1,634	1,634	
Trade receivables from Group companies	54		54	54
Derivatives	3	3	3	
Derivatives from Group companies	54	54	54	
Other receivables from Group companies	158	158	158	
Cash and bank	1,304	1,304	1,304	
Carrying amount by category	3,151	95	3,246	3,246
Non-current financial liabilities				
Interest-bearing debt	409	409	406	
Derivatives	15	15	15	
Derivatives from Group companies	19	19	19	
Current financial liabilities				
Interest-bearing debt	99	99	99	
Interest-bearing debt to Group companies	2,387	2,387	2,387	
Trade payables	14	14	14	
Trade payables to Group companies	22	22	22	
Derivatives	57	57	57	
Derivatives to Group companies	28	28	28	
Other liabilities	6	6	6	
Carrying amount by category	2,937	119	3,057	3,054

Information on the fair value hierarchy and valuation principle can be found in Consolidated Financial Statements Note 5.2. Financial assets and liabilities by measurement category.

15. Derivative financial instruments

2025

MEUR	With external financial institutions	With Group companies	2025
Nominal values of derivative financial instruments			
Non-Deliverable Forward	5	5	
Currency forwards, transaction risk	2,655	4,379	7,034
Interest rate swaps	195	118	313
Cross currency swaps	136		136
Total			7,488
Fair values of derivative financial instruments (level 2)			
Currency forwards, transaction risk	3	-12	-9
Interest rate swaps	11	-11	
Cross currency swaps	-25		-25
Total			-33

2024

MEUR	With external financial institutions	With Group companies	2024
Nominal values of derivative financial instruments			
Non-Deliverable Forward	4	4	
Currency forwards, transaction risk	2,370	3,766	6,136
Interest rate swaps	168	121	290
Cross currency swaps	153		153
Total			6,580
Fair values of derivative financial instruments (level 2)			
Currency forwards, transaction risk	-46	43	-4
Interest rate swaps	12	-10	2
Cross currency swaps	-22		-22
Total			-25

Foreign currency forward contracts are against transactional risks and are matched against the hedged cashflows. Interest rate swaps are denominated in euros and the average interest-bearing period for external contracts is 45 months (62) and 71 months (83) for intragroup contracts. The average maturity for cross currency swaps is 37 months (24).

16. Financial risks

General

Wärtsilä has a centralised Group Treasury with two main objectives: 1) to arrange adequate funding for the Group's underlying operations on competitive terms and 2) to identify and evaluate the financial risks within the Group and implement the hedges for the Group companies. The Group Treasury is organisationally within the parent company.

The details about the management of the Group's financial risks are in Note 5.8. of the Consolidated Financial statements. As the Group's liquidity and interest rate risks are managed at the parent company level, the Group reporting applies fully to the parent company.

Foreign exchange risk

Operative foreign currency risks are followed and hedged at the subsidiary level. The Group Treasury acts as a counterparty to these hedges, if that is allowed by local regulations. To enable netting of intragroup currency flows and to reduce the amount of external transactions the Group Treasury is allowed to have minor unhedged exposures in different currencies. Any gains/losses from the Group Treasury's operations are booked directly into the financial items and we do not expect any material foreign exchange gains/losses from the Group Treasury's operations.

17. Collateral, contingent liabilities, and other commitments

MEUR	2025	2024
Guarantees and contingent liabilities		
On behalf of Group companies	7,103	6,965
Total	7,103	6,965
Future nominal lease payments		
Payable within one year	3	3
Payable after one year	12	8
Total	15	12

18. Related party loans and other commitments

There are no loans receivables from senior management and the members of the Board of Directors. No pledges or other commitments were given on behalf of senior management or shareholders. In Note 7.2. in Consolidated Financial Statements, related party disclosures are specified. Related parties comprise the Board of Directors, the President and CEO,

the Board of Management, as well as the associated companies and joint ventures. In Notes 8 and 13 in parent company financial statements, receivables and liabilities from Group companies are specified.

19. Auditors' fees and services

In 2025, the AGM appointed the audit firm PricewaterhouseCoopers Oy as Wärtsilä Corporation's auditor.

The following fees were paid to auditors and accounting firms for audits and other services.

Auditors' fees

TEUR	2025	2024
Audit	1,467	1,649
Audit related services	385	225
Tax advisory	1	22
Other services	47	43
Total	1,900	1,939

Proposal of the board

The parent company's distributable funds total EUR 1,110,118,876.54, which includes EUR 132,492,704.34 in result for the financial period. There are 588,436,960 shares with dividend rights.

The Board of Directors proposes to the Annual General Meeting that the company's distributable funds be disposed of in the following way:

EUR	
Dividend of EUR 1.06 per share be paid, amounting to	623,743,177.60
Retained in shareholders' equity	486,375,698.94
Total distributable funds	1,110,118,876.54

The Board of Directors proposes to the Annual General Meeting that a base dividend of EUR 0.54 per share and an extraordinary dividend of EUR 0.52 per share, totalling EUR 1.06 per share, shall be paid for the financial period 2025. The dividend shall be paid in two instalments.

The first instalment, including a base dividend of EUR 0.27 per share and an extraordinary dividend of EUR 0.52 per share, totalling EUR 0.79 per share, shall be paid to the shareholders who are registered in the list of shareholders maintained by Euroclear Finland Oy on the dividend record date of 16 March 2026. The payment date proposed by the Board for this instalment is 23 March 2026. The second instalment of EUR 0.27 per share shall be paid to the shareholders who are registered in the list of shareholders maintained by Euroclear Finland Oy on the dividend record date of 16 September 2026. The payment date proposed by the Board for this installment is 23 September 2026.

No significant changes have taken place in the company's financial position since the end of the financial period. The company's liquidity is good and in the opinion of the Board of Directors, the proposed dividend will not put the company's solvency at risk.

Financial statements are prepared in accordance with the IFRS accounting standards (Group) and Finnish Accounting Standards FAS (Parent Company), and it gives a true and fair view of the assets, liabilities, financial position, and profit or loss of the company and the entities included in its consolidated financial statements;

the annual report includes an accurate description of the development and result of the business activities of both the company and the entities included in its consolidated financial statements;

as well as a description of the most significant risks and uncertainties and other matters concerning the company; and the sustainability report included in the annual report has been prepared in accordance with the reporting standards referred to in chapter 7 and article 8 of the taxonomy regulation.

Helsinki, Finland, 3 February 2026

Tom Johnstone

Mika Vehviläinen

Karen Bomba

Henrik Ehrnrooth

Morten H. Engelstoft

Karin Falk

Johan Forsslund

Tiina Tuomela

Håkan Agnevall,

President and CEO

Auditor's Report (Translation of the Finnish Original)

To the Annual General Meeting of Wärtsilä Corporation

Report on the Audit of the Financial Statements

Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

What we have audited

We have audited the financial statements of Wärtsilä Corporation (business identity code 0128631-1) for the year ended 31 December 2025. The financial statements comprise:

- the consolidated statement of financial position, statement of income, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, which include material accounting policy information and other explanatory information
- the parent company's balance sheet, income statement, cash flow statement and notes.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 7.3 to the Financial Statements.

Our Audit Approach

Overview



- Overall group materiality: €28 million
- We performed audit procedures at 24 reporting components in 14 countries based on our overall risk assessment and materiality.
- Revenue recognition of long-term contracts
- Valuation of goodwill

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material

misstatement. Misstatements may arise due to fraud or error. They 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 the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

Overall group materiality	€ 28 million (previous year € 25 million)
How we determined it	Result before taxes
Rationale for the materiality benchmark applied	We chose result before taxes as benchmarks because, in our view, it is the benchmark against which the performance of the group is commonly measured by users of the financial statements.

How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the Wärtsilä Group, the accounting processes and controls, and the industry in which the group operates. Using this criteria we selected group companies and accounts into our audit scope and at the same time ensured that we get sufficient coverage to our audit, in order to issue an audit opinion for the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the group	How our audit addressed the key audit matter		
Revenue recognition of long-term contracts Refer to the consolidated financial statements note 2.2. The group has significant revenue from construction contracts and long-term operating and maintenance agreements. These long-term contracts are often complex customised solutions and meet the definition for revenue recognition over time in accordance with IFRS 15. Revenue related to these construction contracts and long-term operating and maintenance agreements is recognised using the percentage of completion method, where progress is determined by comparing actual costs incurred to date, with the total	Our revenue testing included both testing of the company's controls, as well as substantive audit procedures targeted at selected major long-term projects. Our substantive testing focused on estimates applied by management in the accounting. Our procedures included, among other things, the following: <ul style="list-style-type: none"> Ensured that the revenue recognition method applied was appropriate based on the terms of the arrangement; Agreed the total project revenue estimates to sales agreements, including 	estimated costs of the project. Revenue recognition for long-term contracts includes management judgment in the form of estimates, which are subject to management experience and expectations of future events. The most important judgment relates to the estimated total costs of the project. Revenue recognition of long-term contracts is a key audit matter in the audit due to the high level of management judgement involved in the project estimates.	amendments as appropriate; <ul style="list-style-type: none"> We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition; We assessed the reliability of management's estimates by comparing the actual results of delivered projects to previous estimates; We challenged the management estimates and assumptions in projects, which were considered to include specific risk factors; Recalculated the revenue based on the stage of completion of the projects. Ensured that the stage of completion is correct by comparing actual costs per the company's accounting records to the estimated total costs of the projects; and In addition, we assessed the appropriateness of disclosures related to revenue recognition.
		Valuation of goodwill Refer to the consolidated financial statements note 3.1. Goodwill is one of the most significant consolidated balance sheet items. The determination and whether an impairment charge is required involves significant	Our audit focused on assessing the reasonableness of the determination of cash generating units, which forms the basis for the goodwill impairment testing and assessing the appropriateness of management's judgments and estimates

management judgement, including identifying on which cash generating unit level the goodwill is tested and estimating the future performance of the business and the discount rate applied to these future cash flows.

Valuation of goodwill is a key audit matter in the audit due to the size of the goodwill balance and the level of management judgement involved in the impairment testing.

used in the goodwill impairment analysis.

Our procedures relating to the impairment analysis included the following:

- We tested the methodology applied in the goodwill impairment analysis as compared to the requirements of IAS 36, Impairment of Assets;
- We evaluated the process by which the future cash flow forecasts were drawn up, including comparing them to the latest Board approved targets and long-term plans;
- We tested the key underlying assumptions for the cash flow forecasts, including sales and profitability forecasts, discount rate used and the implied growth rates beyond the forecasted period;
- We compared the current year actual results included in the prior year impairment model to consider whether forecasts included assumptions that, with hindsight, had been reasonable;
- We considered whether the sensitivity analysis performed by the management around key assumptions of the cash flow forecast was appropriate by considering the likelihood of the movements of these key assumptions; and

- In addition, we assessed the appropriateness of disclosures related to goodwill.

We have no key audit matters to report with respect to our audit of the parent company financial statements.

There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.

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

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine 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, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern

basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is 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 good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Appointment

We were first appointed as auditors by the annual general meeting on 2 March 2017. Our appointment represents a total period of uninterrupted engagement of nine years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

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. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been

prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

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

Other Statements based on Law

Registration of the Income Tax Report

Our responsibility is to, based on our audit, express an opinion on the registration and publication of the income tax report required in Chapter 7 b of the Accounting Act.

The Board of Directors and the Managing Director are responsible for the registration and the publication of the income tax report.

In our opinion, the company has not been obliged to register and publish an income tax report referred to in Chapter 7 b of the Accounting Act for the financial year immediately preceding the financial year.

Other Statements

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors and

the President and CEO should be discharged from liability for the financial period audited by us.

Helsinki, 11 February 2026

PricewaterhouseCoopers Oy

Authorised Public Accountants

Lauri Kallaskari

Authorised Public Accountant (KHT)

Independent auditor's report on the ESEF financial statements of Wärtsilä Corporation (Translation of the Finnish Original)

To the Board of Directors of Wärtsilä Corporation

We have performed a reasonable assurance engagement on the financial statements 743700G7A9J1PHM3X223-2025-12-31-fi.xbri of Wärtsilä Corporation (business identity code 0128631-1) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year 1 January-31 December 2025.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the company's report of the Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the Commission's regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission's regulatory technical standard
- tagging the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements with

iXBRL tags in accordance with Article 4 of the Commission's regulatory technical standard and

- ensuring the consistency between the ESEF financial statements and the audited financial statements.

The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance with the requirements of the Commission's regulatory technical standard.

Auditor's independence and quality management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The auditor applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission's regulatory technical standard. We express an opinion on whether the consolidated financial statements that are included in the ESEF financial statements have

been tagged, in all material respects, in accordance with the requirements of Article 4 of the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000.

The engagement includes procedures to obtain evidence on:

- whether the primary financial statements in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether the notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether there is consistency between the ESEF financial statements and the audited financial statements.

The nature, timing and extent of the selected procedures depend on the auditor's judgment. This includes an assessment of the risk of a material deviation due to fraud or error from the requirements of the Commission's regulatory technical standard.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements of Wärtsilä Corporation 743700G7A9J1PHM3X223-2025-12-31-fi.xbri for the financial year 1 January-31 December 2025 have been tagged, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our opinion on the audit of the consolidated financial statements of Wärtsilä Corporation for the financial year 1 January-31 December 2025 has been expressed in our auditor's report dated 11 February 2026. With this report we do not express an opinion on the audit of the consolidated financial statements nor express another assurance conclusion.

Helsinki, 11 February 2026

PricewaterhouseCoopers Oy

Authorised Public Accountants

Lauri Kallaskari

Authorised Public Accountant (KHT)

Assurance Report on the Sustainability Report (Translation of the Finnish Original)

To the Annual General Meeting of Wärtsilä Corporation

We have performed a limited assurance engagement on the group sustainability report of Wärtsilä Corporation (business identity code 0128631-1) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the reporting period 1.1–31.12.2025.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability report does not comply, in all material respects, with

- 1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS), and
- 2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Wärtsilä Corporation has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability report with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of requirements for the tagging of sustainability information in the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability report as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorised Group Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Authorised Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The authorised group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorised sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Wärtsilä Corporation are responsible for:

- the group sustainability report and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified,
- the compliance of the group sustainability report with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council

on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, and for

- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability report that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Report

In reporting forward-looking information in accordance with ESRS, management of the Company is required to prepare the forward-looking information on the basis of assumptions that have been disclosed in the sustainability statement about events that may occur in the future and possible future actions by the Group. Actual out-comes are likely to be different since anticipated events frequently do not occur as expected.

Responsibilities of the Authorised Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability report.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability report, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for example the following:

- We interviewed the company's management and the individuals responsible for collecting and reporting the information contained in the group sustainability report at the group level to gain an understanding of the sustainability reporting process and the related internal controls and information systems.
- We familiarised ourselves with the background documentation and records prepared by the company where applicable, and assessed whether they support the information contained in the group sustainability report.
- We assessed the company's double materiality assessment process in relation to the requirements of the ESRS standards, as well as whether the information provided about the assessment process complies with the ESRS standards.
- We assessed whether the sustainability information contained in the group sustainability report complies with the ESRS standards.
- Regarding the EU taxonomy information, we gained an understanding of the process by which the company has identified the group's taxonomy-eligible and taxonomy-aligned economic activities, and we assessed the compliance of the information provided with the regulations.

- We performed site visits at the company's sites in Finland and Italy and interviewed on-line representatives from the company's subsidiary in Norway.

Helsinki 11 February 2026

PricewaterhouseCoopers Oy

Authorised Sustainability Auditors

Karsten Westerling

Authorised Sustainability Auditor

Wärtsilä in the capital markets

Shares and shareholders

Wärtsilä Corporation's shares are listed on the Nasdaq Helsinki Large Cap list under the trading code WRT1V. At the end of the financial period 2025, the number of Wärtsilä's shares outstanding totalled 588,436,960, while the number of treasury shares totalled 3,286,430. The total number of shares amounted to 591,723,390. The share capital entered in the trade register was EUR 336,002,138.50. Wärtsilä has one share series, with each share entitling its holder to one vote at the General Meeting and to an equal dividend.

Trading in Wärtsilä's shares in 2025

The price of Wärtsilä's share on Nasdaq Helsinki increased by 75%, while the OMX Helsinki Industrials indice increased by 35% and the OMX Helsinki Cap indice increased by 28%. The highest quoted price for Wärtsilä's share during the financial period was EUR 31.34 and the lowest EUR 14.07. The closing price on 31 December 2025 was EUR 30.40. The volume weighted average price for the year was EUR 21.19. At year-end, Wärtsilä's market capitalisation was EUR 17,988 million. The volume of trades on Nasdaq Helsinki was 228,809,600 shares, equivalent to a turnover of 4,853 million. Wärtsilä's shares are also traded on alternative exchanges, including Turquoise, BATS, Chi-X and CBOE DXE. The total trading volume on these alternative exchanges amounted to 135,292,993 shares. Further information on the company's share price development can be found on Wärtsilä's website at www.wartsila.com/investors/shares.

Key figures for Wärtsilä share

		2025	2024	2023	2022	2021
Basic earnings per share (EPS)	EUR	1.06	0.85	0.44	-0.11	0.33
Book value of equity per share	EUR	4.89	4.29	3.78	3.62	3.92
Dividend per share	EUR	1.06*	0.44	0.32	0.26	0.2
Dividend per earnings	%	99.7*	51.6	73.2	-234.9	73.2
Effective dividend yield	%	3.5*	2.6	2.4	3.3	1.9
Price per earnings (P/E)		28.6	20.1	29.8	-71.5	37.5
Price to book value (P/BV)		6.2	4.0	3.5	2.2	3.2
Adjusted number of shares outstanding	X 1,000					
End of financial year		588,437	589,081	589,023	590,023	590,023
On average		588,709	589,069	589,451	590,023	590,579

* Proposal of the Board of Directors. Includes extraordinary dividend of EUR 0.52 per share

Wärtsilä shares on Nasdaq Helsinki

		2025	2024	2023	2022	2021
Trading volume	MEUR	4,853	3,729	2,864	3,836	4,561
Number of shares traded	X 1,000	228,809	217,792	277,945	450,341	433,886
Stock turnover	%	39.0	37.0	47.2	76.3	73.5
Share price, high	EUR	31.34	20.6	13.34	13.22	13.87
Share price, low	EUR	14.07	12.61	7.94	6.36	7.78
Average share price	EUR	21.19	17.42	10.3	8.53	10.51
Share price at year-end	EUR	30.40	17.11	13.13	7.87	12.36
Year-end market capitalization	MEUR	17,988	10,124	7,766	4,656	7,314

Shareholders

Wärtsilä had 108,091 shareholders at the end of the financial period 2025. Foreign shareholding, including nominee registered shares, represented 61.61% (57.67) of the total shareholder base at the end of the period, while Finnish retail investors represented 19.43% (20.23). Investors in Sweden, the United States, and the United Kingdom held the largest percentage of foreign shares. Further information on the company's shareholder base development can be found on Wärtsilä's website at www.wartsila.com/investors/shareholders.

Management holdings

The members of the Board of Directors, the President & CEO, and the corporations under their control, owned altogether 350,126 shares in Wärtsilä Corporation at the end of 2025, which represents 0.06% of the stock and voting rights. Further details on the Board of Directors' and Board of Management's ownership of Wärtsilä's shares can be found in the Governance section.

Ownership structure 31 December 2025

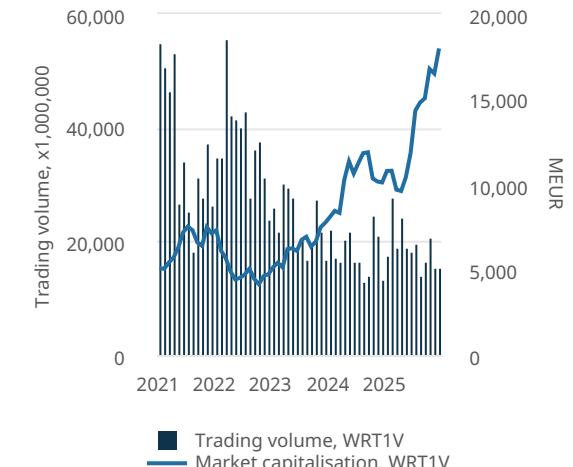


■ Nominee registered, 43.64% (39.71)
 ■ Households, 19.43% (20.23)
 ■ Outside Finland, 17.97% (17.96)
 ■ Public sector entities, 8.30% (10.40)
 ■ Non-profit organisations, 3.83% (4.78)
 ■ Banks and insurance companies, 3.97% (4.00)
 ■ Private corporations, 2.86% (2.90)

Share price development



Trading volume and market capitalisation



Ownership structure on 31 December 2025

Group	Number of shareholders	%	Number of shares	%
Private corporations	2,973	2.75	16,908,320	2.86
Banks and insurance companies	101	0.09	23,480,675	3.97
Public sector entities	37	0.03	49,099,244	8.3
Non-profit organizations	910	0.84	22,670,858	3.83
Households	103,494	95.74	114,968,073	19.43
Outside Finland	576	0.53	106,344,595	17.97
Nominee registered			258,251,625	43.64
Total	108,091	99.99	591,723,390	100

Division of shares on 31 December 2025

Number of shares	Number of shareholders	%	Number of shares	%
1-100	43,462	40.12	1,737,111	0.29
101-1,000	45,039	41.66	17,500,438	2.96
1,001-10,000	17,579	16.26	51,125,124	8.64
10,001-100,000	1,969	1.82	47,297,472	7.99
100,001-1,000,000	133	0.12	35,354,520	5.98
1,000,001-10,000,000	19	0.02	40,870,179	6.90
10,000,001-100,000,000	2	0.00	35,090,101	5.93
100,000,001-	1	0.00	104,711,363	17.7
Nominee registered			258,191,410	43.63
Total			591,877,718	100.03

Wärtsilä's 50 major shareholders on the 31 December 2025, excluding nominee registered

Owner	Shares	%
1 Invaw Invest AB	104,711,363	17.70
2 Varma Mutual Pension Insurance Company	19,829,064	3.35
3 Ilmarinen Mutual Pension Insurance Company	15,261,037	2.58
4 Elo Keskinäinen Työeläkevakuutusyhtiö	6,462,000	1.09
5 State Pension Fund	4,700,000	0.79
6 Holdix Oy Ab	4,139,400	0.70
7 Op-Suomi -Sijoitusrahasto	2,324,898	0.39
8 Sijoitusrahasto Seligson & Co	1,763,780	0.30
9 The Social Insurance Institution of Finland	1,751,230	0.30
10 Evli Finland Select Fund	1,700,000	0.29
11 Samfundet Folkhälsan i Svenska Finland rf	1,676,000	0.28
12 Oy Ingman Finance Ab	1,585,000	0.27
13 Rantanen Tuula Anneli	1,523,798	0.26
14 Säästöpankki Kotimaa -Sijoitusrahasto	1,510,676	0.26
15 Svenska Litteratur-sällskapet i Finland Rf	1,507,797	0.25
16 Jenny and Antti Wihuri Foundation	1,350,000	0.23
17 Sigrid Jusélius Foundation	1,339,825	0.23
18 Bergsrådinnan Sophie von Julins Stiftels E Sr	1,119,218	0.19
19 Nordea Finnish Stars Fund	1,051,219	0.18

20	Danske Invest Finnish Equity Fund	1,045,000	0.18
21	Nordea Pro Finland Fund	1,003,908	0.17
22	Maa- ja Vesiteknikaan Tuki R.y.	1,000,000	0.17
23	The Finnish Cultural Foundation	996,580	0.17
24	Holding Manutas Oy	990,000	0.17
25	Op-Henkivakuutus Oy	930,890	0.16
26	Op Finland Index	860,848	0.15
27	Gripenberg Gerda Margareta Lindsay Db	840,000	0.14
28	Sijoitusrahasto Aktia Capital	829,000	0.14
29	Stockmann Marita	813,678	0.14
30	Von Julin Sofia Margareta Db	758,000	0.13
31	Louise och Göran Ehrnrooth Stiftelse Sr	588,000	0.10
32	Seligson & Co Suomi Indeksirahasto (sijo Itusrahasto)	583,863	0.10
33	Markkola Leena	565,200	0.10
34	Barry Staines Linoleum Oy	540,000	0.09
35	Nordea Life Assurance Finland Limited	515,114	0.09
36	Von Fieandt Berndt Johan Dödsbo	488,146	0.08
37	Karlsson Anne Christine	480,000	0.08
38	The Signe and Ane Gyllenberg foundation	480,000	0.08
39	Nordea Premium Asset Management Balanced Fund	475,388	0.08
40	Nordea Finnish Passive Fund	468,834	0.08
41	Brotherus Pia Monica	453,006	0.08
42	S-Bank Fennos Equity Fund	428,368	0.07
43	Folkhälsans Forskningsstiftelse - Kansanterveyden tutkimussäätiö	420,000	0.07
44	Gripenberg Jarl Dödsbo	420,000	0.07
45	Brita Maria Renlund Foundation	415,000	0.07
46	Nordea Premium Asset Management Moderate Fund	404,909	0.07
47	Brotherus Ilkka Johannes	400,000	0.07
48	Lindsay von Julin & Co Ab	368,000	0.06
49	Karme Borgin Siri Johanna	367,818	0.06
50	Ella and Georg Ehrnrooth Foundation	365,500	0.06
	Total	591,723,390	100

Changes in ownership

Under the provisions of the Finnish Securities Markets Act, shareholders of listed companies have an obligation to notify both the Finnish Financial Supervision Authority and the listed company of changes in their holdings when crossing predefined thresholds.

During 2025, Wärtsilä received 28 notifications of change in holding pursuant to Chapter 9, section 5 of the Finnish Securities Market Act, according to which the total number of holding in Wärtsilä's shares and voting rights owned by BlackRock, Inc. and its funds directly or through financial instruments had decreased below 5 per cent or increased above 5 per cent. All flagging notifications received by Wärtsilä during 2025 can be found on Wärtsilä's website at www.wartsila.com/investors/shareholders/flaggings.

Authorisations granted to the Board of Directors

The Annual General Meeting, held on 13 March 2025, authorised the Board of Directors to resolve to issue a maximum of 57,000,000 shares in the Company. The shares can be issued for consideration or without consideration. They can also be issued in deviation from the shareholders' pre-emptive rights by way of a directed issue if there is a weighty financial reason for the Company to do so. A directed issue may be decided upon to develop the capital structure of the Company or to finance or carry out acquisitions or other arrangements. Additionally, the authorisation can also be used as part of the Company's incentive schemes for up to 10,000,000 shares, which represents 1.69% of all the shares in the Company. The authorisation for the Board of Directors to issue shares shall be valid for 18 months from the decision by the Annual General Meeting. However, the authorisation regarding incentive schemes shall be valid for five years from the decision. This authorisation revokes the authorisation given by the Annual General Meeting on 9 March 2023 to issue shares.

The Board of Directors' dividend proposal

The Board of Directors proposes that a base dividend of EUR 0.54 per share and an extraordinary dividend of EUR 0.52 per share, totalling EUR 1.06 per share shall be paid for the financial year 2025. The dividend shall be paid in two instalments. The first instalment will consist of EUR 0.27 per share base dividend and EUR 0.52 per share extraordinary dividend, totalling EUR 0.79 per share. The second instalment will be EUR 0.27 per share.

Wärtsilä's investor relations activities

Meetings and events

Wärtsilä's Investor Relations (IR) team, consisting of the Vice President for Investor Relations, two Investor Relations Senior Managers, and Investor Relations Specialist, together with the CEO and CFO, hosted more than hundred individual and group meetings with investors during the year 2025.

The team maintained regular contact with equity research analysts throughout the year and organised roadshows and participated in conferences in the UK, USA, Italy, Netherlands, Denmark, Sweden, Belgium, Germany, Norway, and France. The team also participated in several events targeted for private investors, including virtual investor week organised by Inderes, and Finnish Investor Fair 2025.

During 2025, quarterly "CEO strategy" and "pre-silent" calls were organised together with the CEO and CFO. The purpose of these calls was to democratise investor relations, share information equally, provide an opportunity to ask questions from top management and provide equal access to management. The quarterly calls were equally open for everyone who are interested in Wärtsilä as an investment, including the private investors. The calls gathered 70 participants on average. The recordings along with a written summary of the calls were shared on Wärtsilä's IR website afterwards.

In addition to quarterly calls, Wärtsilä IR also organized special site visits during the year.

Site visit to the Central Distribution Centre Kampen (CDC) in the Netherlands was held on March 27. This event, aimed at investors and analysts, provided a comprehensive overview of Wärtsilä's future growth prospects in the Services business, and allowed the guests

to witness firsthand the operational efficiency and sustainability in logistics. Stefan Wiik, Vice President, Parts and Field Service; Gianluca Bertossi, Head of Global Parts Management and Supply Management; and Kim Björknäs, General Manager, Parts Delivery, WGLS, participated on the site visit with presenting insights on the growth of services business and key figures to Wärtsilä's spare part business.

In May 15 Wärtsilä IR organised a site visit to the Sustainable Technology Hub (STH) in Vaasa, Finland. The site visit served as a continuation of the similar visit in May 2024. In 2024 the visit focused on Marine business, and this year, the site visit focused on Energy business. Anders Lindberg, President, Wärtsilä Energy and Executive Vice President; Erik Jungner, Director, Technology; and Juha Kyölä, Director, R&D and Engineering presented during the visit, each shedding light on different aspects of Wärtsilä's operations and future directions.

Recordings and written summaries of all events were shared on Wärtsilä's IR website.

Investor Relations also produced an internal IR report twice a quarter with the aim to share market feedback for Wärtsilä's board, management and personnel.

Contacts

Relations with the company's investors and analysts are handled by Hanna-Maria Heikkilä, Vice President, Investor Relations, together with the Investor Relations team. General enquiries can be sent to investor.relations@wartsila.com. Janine Tourneur, Executive Assistant takes care of all investor meeting requests.

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Wärtsilä's corporate communications are the responsibility of Anu Sirkia, Executive Vice President, Communications and Marketing.

Anu Sirkia

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Wärtsilä's investor relations guidelines

The ultimate objective of Wärtsilä's Investor Relations is to produce accurate, sufficient, and up-to-date information regarding the development of Wärtsilä's business operations, strategy, markets, and financial position. This is to ensure that the capital markets have the relevant information concerning Wärtsilä in order to determine the fair value of the company's shares. To achieve this objective, Wärtsilä publishes annually two interim reports, a half-year financial report, a financial statements bulletin, an annual report, and stock exchange releases. Furthermore, Wärtsilä's management conducts regular discussions with analysts and investors, both in Finland and abroad. Wärtsilä's website serves as an archive for all relevant data regarding Wärtsilä's shares.

Guidance

Wärtsilä provides an outlook statement for a period determined by the Company in connection with its results releases. The presented statements and estimates are based on the management's present view on the development of the Group and its operations. Wärtsilä's guidance can be found on the website, in the quarterly and annual reports.

Silent period

Wärtsilä observes a three-week silent period preceding the publication of its results to prevent revealing unpublished financial information. During this period, Wärtsilä's officers and employees refrain from making any contact with or comments to investors, analysts, and the media about the company's business prospects, financial results, or projections. If any incident that arises during a silent period is subject to timely disclosure, Wärtsilä will disclose the information according to the disclosure regulations and may comment that particular matter.

Disclosure policy and financial communications

Wärtsilä discloses information on its targets, financial position, and business operations in an open, timely, truthful, and systematic manner so as to enable stakeholders to form a true and fair view of the company. Wärtsilä publishes stock exchange releases, press releases, and trade press releases. Wärtsilä's subsidiaries publish press releases with local relevance.

Matters that contain inside information and may have a material impact on the value of the company's financial instruments are published as stock exchange releases. Press releases contain information on events relating to Wärtsilä's normal business operations, which are assessed to be of general interest for investors and media. Releases to the trade press provide more detailed information on Wärtsilä's products and technologies. All stock exchange releases are published in Finnish and English. Press releases are published in English and can also be published in Finnish. Trade press releases are published in English, and local releases in the local language. All releases are available on Wärtsilä's website immediately following publication.

Information for shareholders

Annual general meeting

The Annual General Meeting of Wärtsilä Corporation will take place on Thursday, 12 March 2026, at 3 p.m., at Messukeskus, Messuaukio 1, 00520 Helsinki, Finland (Messukeskus Siipi entrance).

Right to attend

Each shareholder who is registered on the record date of the general meeting 2 March 2026 in the shareholders' register of the Company held by Euroclear Finland Oy has the right attend the Annual General Meeting.

Registration and advance voting

Shareholders wishing to attend the Annual General Meeting are required to inform the company thereof no later than 4 p.m. EET on 9 March 2026 either on the company's website www.wartsila.com/agm, by e-mail to agm@innovatics.fi, by regular mail to Innovatics Ltd, AGM/Wärtsilä, Ratamestarinkatu 13 A, 00520 Helsinki, Finland, or by phone +358 10 2818 909 from Monday to Friday at 9 a.m. – 12 noon and 1 – 4 p.m. EET.

Letters and e-mails informing of participation must reach the company before the notification period expires at 4 p.m. on 9 March 2026. Letters authorising a proxy to exercise a shareholder's voting right at the Annual General Meeting should also reach the company before the notification period expires.

Payment of dividend

The Board of Directors proposes to the Annual General Meeting that a base dividend of EUR 0.54 per share plus an extraordinary dividend of EUR 0.52 per share, totalling

EUR 1.06 per share, shall be paid for the financial year 2025. The dividend shall be paid in two instalments.

The first instalment of the base dividend of EUR 0.27 per share plus an extraordinary dividend of EUR 0.52 per share, totalling EUR 0.79 per share, shall be paid to the shareholders who are registered in the list of shareholders maintained by Euroclear Finland Oy on the dividend record day of 16 March 2026. The payment day proposed by the Board for this instalment is 23 March 2026.

The second instalment of EUR 0.27 per share shall be paid in September 2026. The dividend record date of the second instalment shall be 16 September 2026, and the second instalment of the dividend shall be paid to shareholders who are registered in the list of shareholders maintained by Euroclear Finland Oy on such day. The Board proposes the second instalment is paid on 23 September 2026.

In accordance with the Company's dividend policy, the Company aims to pay a dividend of at least 50% of earnings. The amount of the base dividend of EUR 0.54 per share is the basis for future dividend distributions in accordance with the policy.

Stock exchange releases

Wärtsilä's stock exchange releases are available in English and Finnish on Wärtsilä's website at www.wartsila.com/media/news_releases.

Financial calendar

Wärtsilä will publish the following financial information in 2026:

- Financial Statements Bulletin January-December 2025 on Wednesday, 4 February 2026
- Annual Report for the year 2025 latest on Thursday 19 February 2026
- Interim Report January-March 2026 on Tuesday, 28 April 2026
- Half-year Financial Report January-June 2026 on Tuesday, 21 July 2026
- Interim Report January-September 2026 on Tuesday, 27 October 2026

Annual reports, interim reports, half-year reports, and financial statements bulletins are available in English and Finnish on Wärtsilä's website at www.wartsila.com. Wärtsilä's financial calendar can be found on the company's investor pages on www.wartsila.com/investors.

Contact us

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Follow us



Wärtsilä is a global leader in innovative technologies and lifecycle solutions for the marine and energy markets.

We emphasise innovation in sustainable technology and services to help our customers continuously improve environmental and economic performance.

