



WESTENERGY

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CEO'S REVIEW

At Westenergy, the development of the utilisation rate and the well-being of staff are key factors in the operations of the waste incineration plant. In 2017, the plant also started preparing for more stringent environmental standards and for adaptation to legislative changes. Managing Director Olli Alhoniemi is pleased to announce the key issues and events in last year's operations.



CEO's review on the successful year 2017



All in all, Year 2017 passed very well. Our utilisation rate and efficiency were excellent, and we made a record for district heating and electricity production. The investments made during 2016 proved their worth both operationally and financially. Our facility is again in very good shape and the prime goal was to maintain the plant's high utilisation rate and incineration capacity; and in that we succeeded well last year.

In 2017, we received an environmental permit for the construction of a flue gas scrubber. With this, we will be prepared for more stringent emission regulations in the future. At present, the EU is preparing for the so-called Reference Document on Waste Incineration, BREF (Reference Document on Best Available Techniques), which defines, among other things, Member States' environmental standards for energy recovery from waste by incineration.

In 2017, there were changes in the Public Procurement Act that are visible in our operating environment as well. In the Procurement Act, the operations of public administration companies in the market are restricted, and this affects our owner companies. The new regulations limit the issues that are covered by municipal waste management and transfer waste management to private companies. Currently, Par-

liament is also working on the Waste Act, which will more directly affect our operations, both as a public company and through the new recycling targets.

The organisational changes made in 2016, as well as the transition to a shift plan with five teams, increased the staff's work motivation. In 2017, we harvested the fruits of this renewal as well, and the year progressed more calmly. Our employees continue to make excellent endeavours towards achieving our goals. Thanks to them, the entire year was successful.

Cooperation with our owner companies and the local energy company Vaasan Sähkö, continued very well on all organisational levels in 2017. I want to thank them for that! Westenergy's strategic changes also include the renewal of the financial solution, which was implemented during the year. In practice that means the reorganisation of all loans in more favourable terms. In these and other important decisions, the company's board of directors plays an important role. That is why I would also like to thank them for their active work last year.



Read the online annual report for more of our Managing Director's ideas from 2017 and his wishes for 2018

A portrait of a middle-aged man with a receding hairline, wearing a dark suit, light blue shirt, and a red patterned tie. He is standing in front of a large window with a grid pattern, looking directly at the camera with a slight smile. The background is slightly blurred, showing an indoor office or facility setting.

*Our facility is again in
very good shape.*

CEO
Olli Alhoniemi





HEALTH AND SAFETY

*Occupational safety is very important in Waste-to-Energy plants like Westenergy.
The regulations must be followed stringently and current issues are updated
promptly. We also support the community and well-being at work in many ways.*



Several investments in occupational safety, well-being and education



According to **Rauno Tuokkola**, Maintenance Manager and Occupational Safety Manager, anything could happen at the plant, especially during maintenance shutdowns. Fortunately, Westenergy has not had any accidents for two years. This is due the daily controls of occupational safety. Anyone who will be working at Westenergy, even just for a shutdown, undergoes health and safety orientation training. In 2017, the orientation became web-based, meaning that a person can already accomplish it before starting work.

- We follow the occupational safety rules very carefully and ensure that our service providers also comply with them, says Rauno.

A 15-minute occupational safety session will always be held with the staff whenever there is a current issue on occupational safety at the plant. Potential hazards and employee behaviour at the plant will be regularly monitored during our occupational safety rounds. Each employee also makes notifications about close call situations that will then be reviewed and corrected. The goal is to make a total of 120 notifications during the year; the total for last year was 146.

HEALTHY STAFF

Westenergy is part of the national Zero Accident Forum, a network of workplaces that aims at continuously improving occupational safety and well-being as well as promoting good practices. In addition to occupational safety, Westenergy widely invests in occupational well-being and in the workplace atmosphere. Every year, staff are offered the opportunity to participate in various health promoting campaigns. Last year, First Beat measurements were made, using devices which follow a person's heart rate for four days and tell, for example, about their sleep. Westenergy's staff appears to be fairly healthy: in 2017, the sick leave rate was only 2.98% and many employees were not off work for even a day.

- In 2017, we made a work hygiene measurement at the plant. We wanted to see what kind of exposures can be found there. In 2016, a regulation on the exposure of personnel to electrical and magnetic fields came into force, so we also measured them last year, says Rauno.



*We follow the
occupational safety
rules very carefully.*

Maintenance Manager
Rauno Tuokkola

WELL-BEING THROUGH EDUCATION, EXERCISE AND DOING TOGETHER

An important part of Westenergy's occupational well-being is staff training. Each employee is provided with a personal training plan based in the development discussion, which considers both the employee's own training needs and the company's needs. Although every employee has undergone first-aid training, the participation in training is more widespread; for example, many members of the plant's operating staff have undergone machine-technician training.

There are many ways in which Westenergy cares about a good working atmosphere: through various types of (often sporty) staff events and exercises together outside working hours.



**Read more about occupational health
and well-being at Westenergy in the
online annual report**



PRODUCTION AND MAINTANANCE

In 2017, Westenergy had no need for any major repair work, and we managed to produce more energy than expected. Due to the skilled operating staff and maintenance team, even demanding situations were quickly and safely resolved.





The entire year led to record-breaking energy production



Production Manager **Kai Alavillamo**, Maintenance Manager **Rauno Tuokkola** and Operating Engineer **Petri Suomela** have all worked at Westenergy since the plant started operations in 2012. Over the years, these men have seen a variety of challenging situations. Year 2017, however, passed excellently.

- At the production site, last year was very good, both in terms of the utilisation rate and delivered energy, says Kai, who is responsible for production.

SUCCESSFUL MAINTENANCE SHUTDOWNS

In previous years, Westenergy's utilisation rate was hampered by the refractory lining of the furnace, which was completely replaced by a new Inconel boiler pipe structure. Last year, we stayed within the maintenance budget and even below it. The total shutdown time was 16 days as planned. At the waste incineration plant, the most critical moments for the maintenance are production ramp-downs and ramp-ups. Last year, everything went according to plan.

- Production ramp-downs and ramp-ups are special situations that only occur a few times a year. It is therefore important that they are done in accordance with the manufacturer's instructions. Fortunately, we have experienced operating and maintenance staff, says Petri, who is responsible for the operating staff's work.

WASTE QUALITY HAS A DIRECT LINK TO EMISSIONS AND EFFICIENCY

Westenergy's operations are directly affected by the quality of the waste, which depends on what people throw in their bins daily. As a fuel, waste can vary a lot. For example, the share of metal among Westenergy's waste is still high. In 2017, the landfill ban was also seen in waste quality: the quality deteriorated clearly and the amount of PVC and gypsum among the incinerated waste grew for example. This caused considerable strain on the flue gas cleaning system.

Westenergy is planning to purchase a flue gas scrubber in order to achieve even more stringent emission limits in the future. Technical and financial studies related to the acquisition took place last year so that the procurement project can be started as soon as it is authorised.



Read the online annual report on production and maintenance goals for 2018

A photograph of two men standing in a control room. The man on the left is wearing a blue long-sleeved shirt with a name tag and dark trousers. The man on the right is wearing a high-visibility yellow and black jacket over a dark shirt and blue jeans. They are standing in front of several computer monitors displaying various data and images. The room has a modern, industrial feel with a tiled ceiling and a clock on the wall.

*The operating staff 's
rapid actions helped us
achieve our goals.*

Production Manager
Kai Alavillamo

HATS OFF TO THE OPERATING AND MAINTENANCE STAFF

Last year, Westenergy again faced some alarming situations stemming from the wrong waste ending up on the grate. Sometimes, we at the plant wonder a lot, why people throw these kinds of items into their bins.. There are, for example, cardboard bales and transformers.

- Due to the rapid and competent actions of both the operating and maintenance staff, threats to the plant remain low. Last year, there were many problematic situations that could have taken several days to solve. The operating staff 's rapid actions helped us achieve our goals, says Kai.



**Read the online annual report about
the waste of 2017 which stuck in mind
particularly**

Westenergy in numbers

Total efficiency

89,1 %



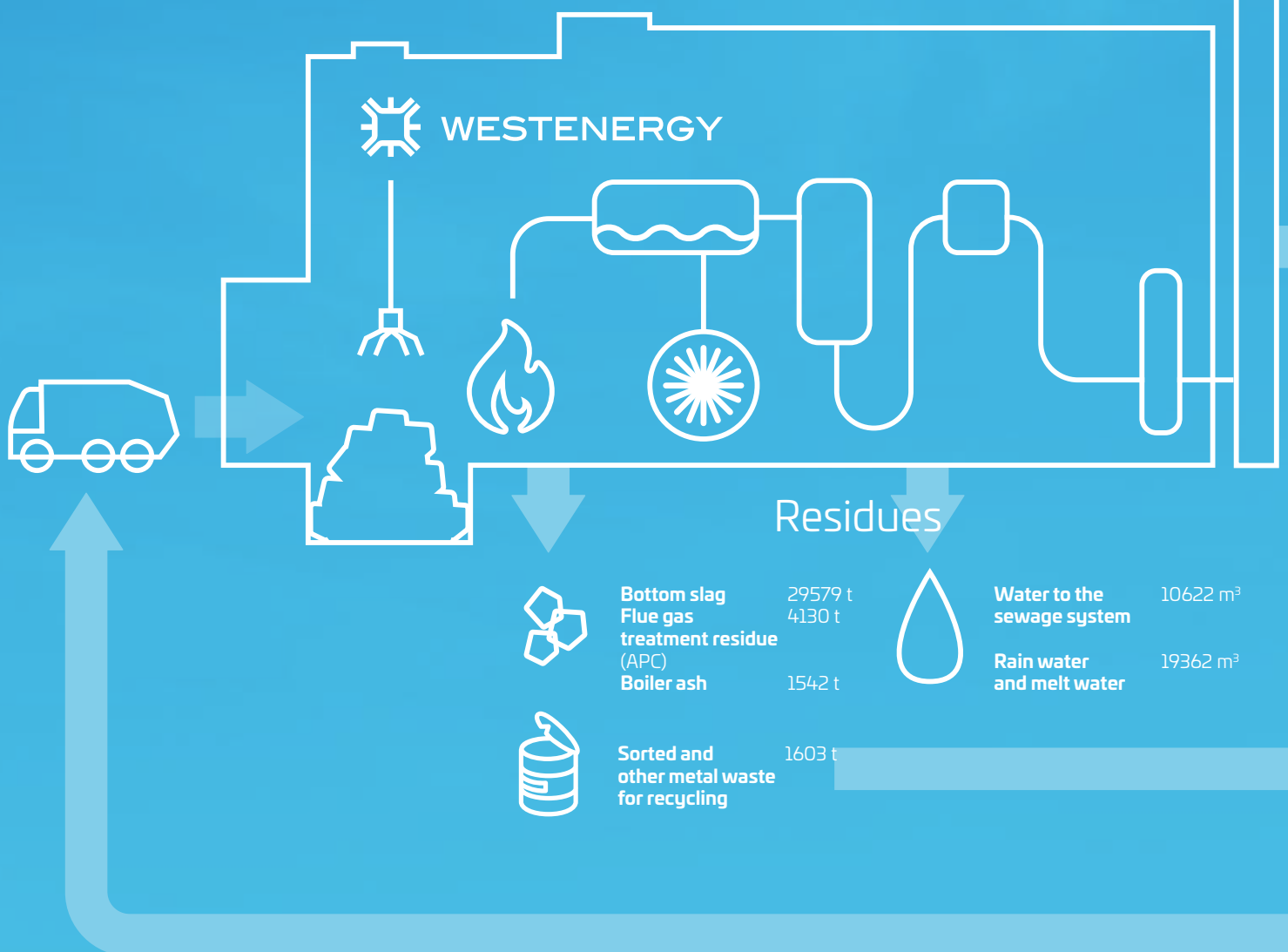
Employees

32



Operating hours

8312 h



Flue gas impurities

TOC (ttl organic carbon)	154 kg	Cd+Tl (cadmium and thallium)	59 g
HCl (hydrochloric acid)	7 935 kg	Heavy metals (antimony, arsenic, lead, chromium, cobalt, copper, manganese, nickel, vanadium)	10 564 g
SO₂ (sulphur dioxide)	22 143 kg	Dioxins and furans	0,05 mg
NO_x (nitrogen oxides)	195 121 kg	CO₂	74 466 t
CO (carbon monoxide)	10 552 kg		
HF (hydrogen fluoride)	28 kg		
NH₃ (ammonia)	1 101 kg		
Hg (mercury)	353 g		



Electricity

92,31 GWh



District heat

320,97 GWh







ENVIRONMENT

At Westenergy, waste quality is monitored by comprehensive spot checks and the emission levels from the incineration process are measured accurately. As the emissions are directly influenced by what goes onto the grate, the monitoring system also tells us a lot about our fuel. We always want our operations to be in line with the decisions and goals that have been made. Our main goal is to fulfil the conditions laid out in our environmental permit.



A pioneer in environmental issues



Waste Quality Inspector **Laura Valtari** and Environmental Manager Substitute **Juha Ripatti** know very well what kind of waste the Western Finland municipalities are sending for energy production. Laura makes spot checks on waste deliveries to Westenergy to see if there is any non-combustible materials or something that could damage the incineration plant's machinery. The goal is to check 100 deliveries per year.



Read the online annual report to learn about spot checks on waste deliveries

On a Finnish scale, Westenergy's waste quality control methods are almost at a scientific level. Valuable information is obtained from inspections and this information can be used to improve the quality of deliveries. Since waste is Westenergy's fuel, the quality of the deliveries will affect the combustion emissions. Better waste quality produces lower emission levels with smaller quantities of purification chemicals.

The environmental manager ensures that the plant's operations follow environmental legislation and the company's own environmental objectives. He monitors the operations and measurements included in the plant's environmental system and ensures that the plant operates in accordance with environmental permits. Juha also provides information on new laws and regulations throughout the organisation.

DECLINING WASTE QUALITY AS A TREND

Whenever Laura and Juha detect high emission levels before the flue gas cleaning system, for example, or find objects that do not belong to the waste, they point out the issue to the waste suppliers. Westenergy also works closely with authorities to improve waste quality. In 2017, eight deliveries were returned to suppliers.

- Declining waste quality and the subsequent pressure on the rise of emission levels is unfortunately a clear trend, even though our emission levels are still clearly below the limit values, Juha explains.

ENVIRONMENTAL WORK EVERY DAY

Westenergy keeps emission levels low by thoroughly cleaning its flue gases, so much that the plant can take pride in its up to 99% emission-free power. In 2017, the introduction of a new emission calculation system began. After the purification process, these systems accurately calculate the types of flue gases that will come out of the stack and ensure that the environmental permit requirements are followed.

- From raw flue gases we measure hydrochloric acid and sulphur oxide, for example, which cause emissions. When the concentrations are known, we can supply just the right amount of purification chemicals. In this way, our systems can abate these impurities extremely efficiently. On the other hand, the more impurities there are, the more they strain our plant, says Juha.



Westenergy is the only waste incineration plant in Finland where waste quality control verges on science.

When the bottom slag from the incineration is processed at our partner's (Suomen Erityisjäte Oy) facility, it can be reused for earthworks; e.g. when building roads for light traffic. The metals in the slag can also be recycled, as well as those already separated at the plant. In this way, the waste turns into new raw materials.

Westenergy's operations serve the environment in many ways. The plant reduces the need for landfill space by utilizing waste, which in turn reduces methane emissions. With district heating and electricity production, the plant also limits the need for coal and oil in energy production and thus reduces carbon dioxide emissions.

PERMISSIONS AND REGULATIONS

In 2017, Westenergy was granted a new environmental permit for the construction of a flue gas scrubber. The new permit also grants a total of 200,000 tonnes of incineration capacity every year. However, Westenergy considered that the new permit did not totally correspond to EU-level regulations

for water management and decided to appeal the decision on the authorisation. The amendment application was initiated in Summer 2017.

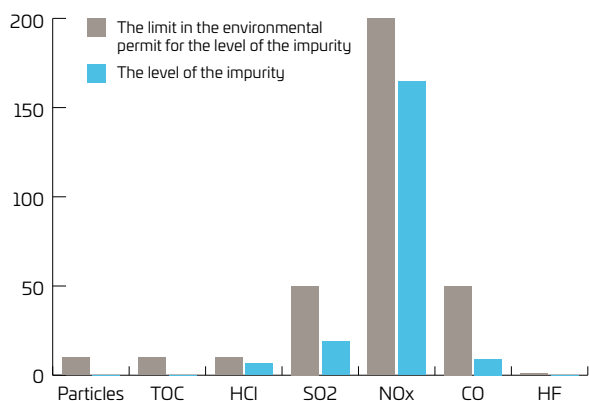
Thanks to the flue gas scrubber project, Westenergy can respond to the new stringent emission limits in the future EU BREF document, which determines the best available (and thus required) waste incineration technology. During 2017, several political and legislative changes affecting Westenergy's future were also under work domestically.



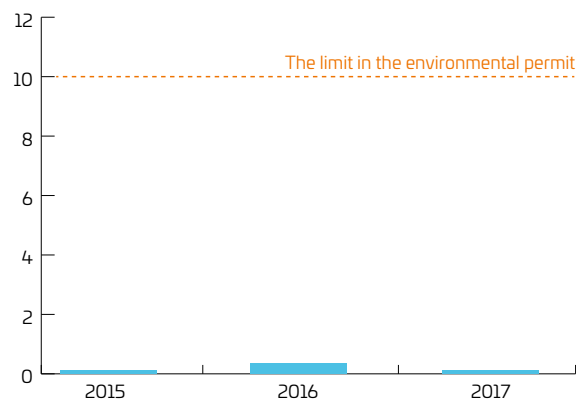
Read the online annual report to discover how our MARA Regulation and the REACH Regulation affect our operations.



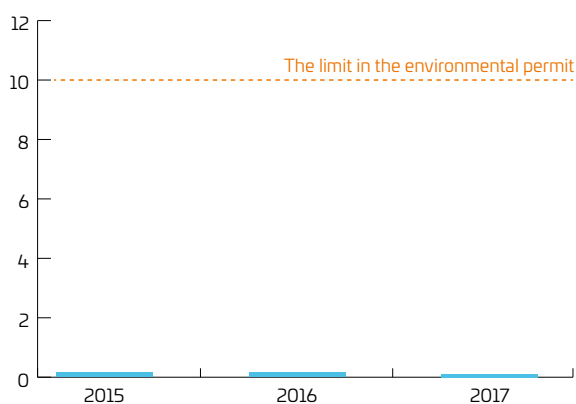
The levels of the impurities in the flue gases mg/Nm³



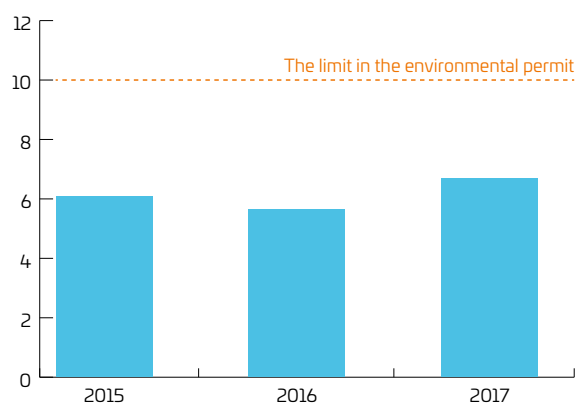
Particles mg/Nm³



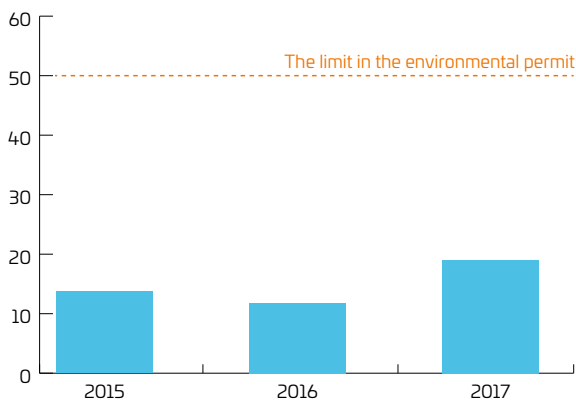
TOC (total organic carbon) mg/Nm³



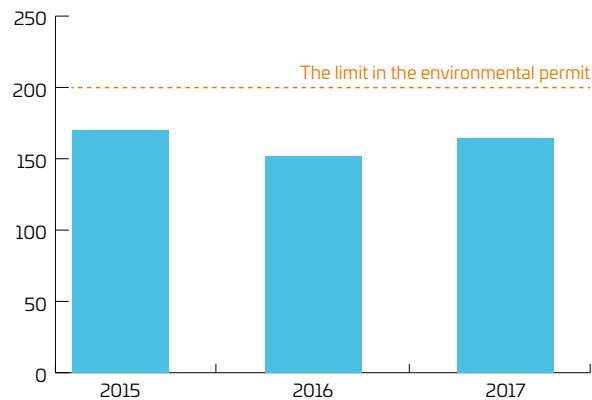
HCl (hydrochloric acid) mg/Nm³



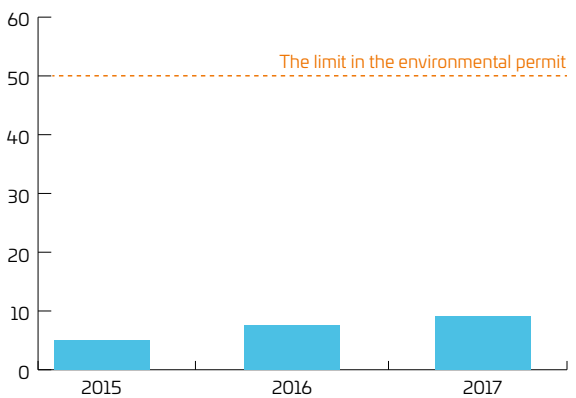
SO₂ (sulphur dioxide) mg/Nm³



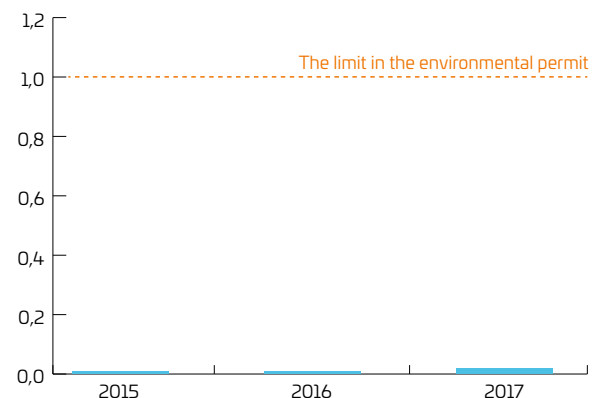
NO_x (nitrogen oxides) mg/Nm³



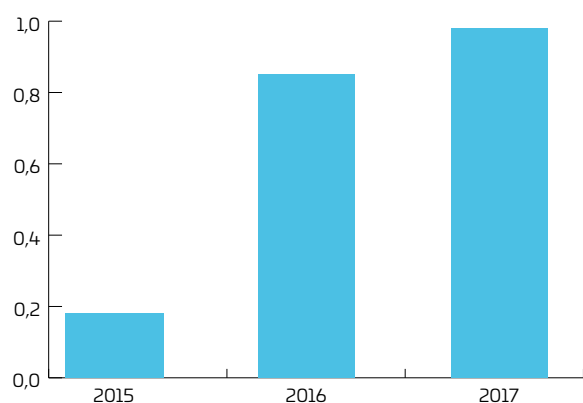
CO (carbon monoxide) mg/Nm³



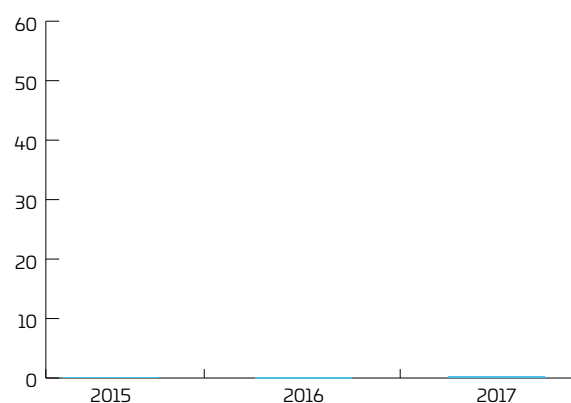
HF (hydrogen fluoride) mg/Nm³



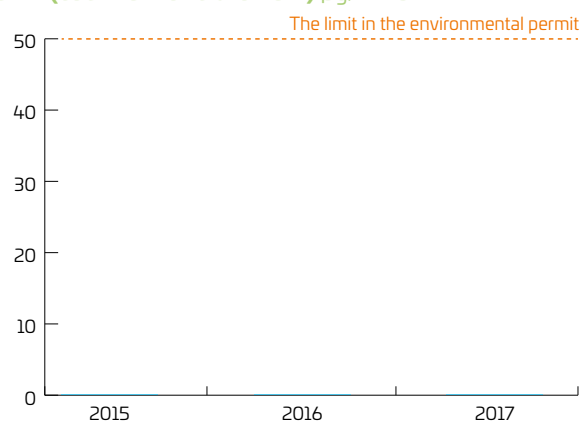
NH₃ (ammonia) mg/Nm³



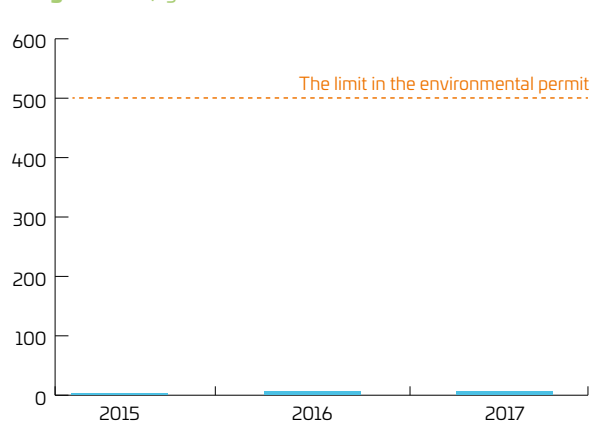
Hg (Mercury) µg/Nm³



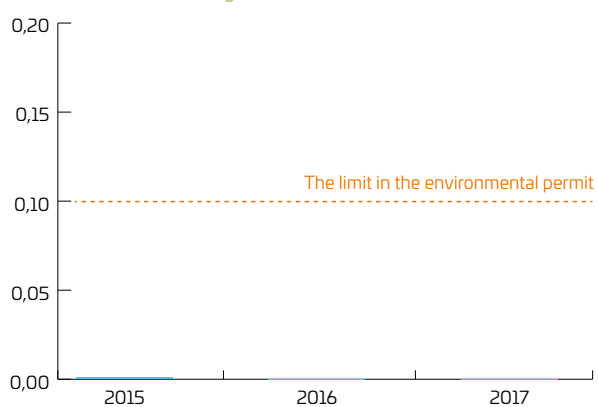
Cd+Tl (cadmium and thallium) µg/Nm³



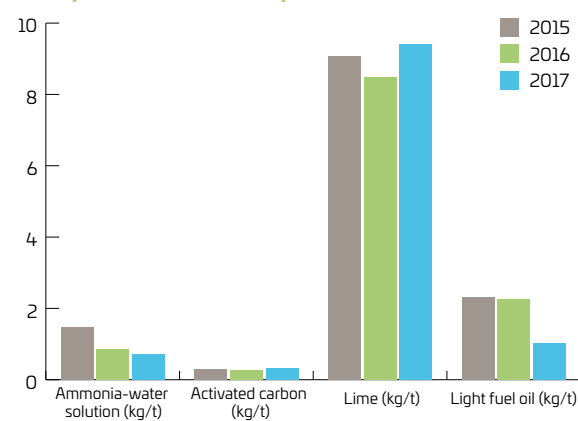
Heavy metals µg/Nm³



Dioxins and furans ng/Nm³



Consumption of chemicals per one tonne of incinerated waste



The analysed heavy metals

Antimony (Sb)	Chromium (Cr)	Manganese (Mn)
Arsenic (As)	Cobalt (Co)	Nickel (Ni)
Lead (Pb)	Copper (Cu)	Vanadium (V)



COMMUNITY

Transparency is an essential part of Westenergy's operations. We have thousands of visitors at the plant every year and we try to make contacts in our operational area in various ways. The work and study opportunities we offer will also help to make our operations known.





*The more
efficiently people
sort their waste and
recycle different
materials, the better
fuel we get.*

Communications Officer
Sanna Hautamaa.

Engaging communities through open information and cooperation models



Important work for Westenergy's transparency is made by Communications Officer **Sanna Hautamaa** and Executive Assistant **Maria Teräs**, who meet hundreds of people on site tours and at trade fairs annually. They want to improve the reputation of the entire industry, since many believe that incineration is dirty and smelly. Actually, it is very clean.

- We produce energy and help environment at the same time. Our plant is an alternative to landfilling and we reduce the use of coal and oil in energy production, says Maria.

THOUSANDS OF VISITORS

In 2017, Westenergy had 3,134 visitors on site tours and 847 visitors at trade fairs, which means that Westenergy was able to meet a total of about 4,000 people last year; around 300 of them attended the company's open house event on October 28. In addition, Westenergy is in contact with people through social media, via its own Instagram and Facebook accounts. However, the waste incineration plant's operations are easiest to grasp on site.

- Visitors can ask questions and take as many pictures as they want. We encourage both pictures and information to be shared with others as well, says Sanna.

Westenergy's visitors include students, workplace health promotion groups and foreign guests, exchange students, daycare groups and cooperation partners. However, the largest single group of visitors is school classes. They are visiting

Westenergy as part of schools' environmental and energy education. Here they will learn what happens to combustible waste, how the plant works and what are the environmental benefits of waste incineration.

-We have an exhibition with a variety of objects found in the ash, i.e. the bottom slag. It makes visitors think; 'Good grief, do people really throw such things into the bin', says Maria.

INVOLVING YOUNG PEOPLE AND OTHER COMMUNITIES

One part of Westenergy's community activity is to provide work and study opportunities for young people. Every spring, summer workers studying at a polytechnic, university or vocational school are recruited for Westenergy's production, maintenance and administrative tasks. In 2017, Westenergy also hired for the first time two 16-18-year-old summer workers to take care of Westenergy's outdoor areas. The goal was to acquaint more young people with working life. Since the experiment was quite successful, young people will also be hired in Summer 2018. Some students have also written dissertations for Westenergy after their summer job. In 2017, Åbo Akademi's diploma engineers Niklas Serén and Joakim Gistö wrote their master's theses for Westenergy.



Read the online annual report to discover how Sanna ended up working at Westenergy, as well as about the waste sector's organisation activities and the plans for community actions

Annual activity report

1.1. - 31.12.2017

Westenergy has been registered to the Companies' Register on the 1st of January 2008. The register number of the company is 2165379 – 9, the registered office being in Mustasaari. The company is owned by Botnjarosk, Lakeuden Etappi, Millespakka, Stormossen and Vestia. Year 2016 was the ninth accounting period for the company. The company's main line of business is operating a Waste-to-Energy plant. The company is operated according to the absorption principle and does not pay dividends

Westenergy has built a waste incineration plant in Mustasaari, Koivulahti and has begun to sell waste treatment service to its stakeholders, operating according to the absorption principle. The steam produced in the incineration plant is transformed into electricity and district heat using equipment owned by the cooperation partner Vaasan Sähkö. The plant has been in operation since August 2012.

Year 2017 went well, even better than forecast. The high utilisation rate of operating activities and improved efficiency were also reflected in the company's financial operations. The turnover in 2017 was 18,864,300 EUR. The largest part of the turnover was generated from the sale of waste incineration services to the owner companies. Another significant source of income for the company was from energy (in the form of steam) sold to the energy company, Vaasan Sähkö Oy. Last year, it was particularly pleasing that there was a considerable increase in the share of district heating, because of investments made during the previous year. In addition, the company had significant sales from selling the metal separated from the bottom slag.

The company's financial position is good. During the year, the high utilisation of unrecoverable municipal waste that was able to be efficiently burnt was almost at a record high (188,208 tonnes). Delivery volumes, especially for district heating and electricity, were good and exceeded the estimated quantities.

The prices of electricity and district heating were very much as predicted. Also, the amount of waste delivered exceeded the planned volume. The use and costs of chemicals remained moderate during the year. Cost benefits were achieved through the competitive tendering process concerning the most significant chemicals. These benefits will be fully realised in 2018. Ash treatment with our cooperation partners is developing in a good direction and the cost developments have been good. The excellent utilisation rate is also reflected in maintenance costs. In this area, we succeeded particularly well during 2017. Significant savings were achieved in the maintenance costs compared to the previous year and the budget. Investments made during the financial year (289,393 EUR) relate to the renewal of the heat exchanger, the operating system data acquisition server and the emission reporting system.

The company's cash position is still good. Westenergy Oy Ab has completely renewed its financial solution during 2017. A new 66 MEUR finance program has been agreed with Handelsbanken. The finance program includes a loan of 60 MEUR, raised during 2017. In addition, an agreement has been made to draw 6 MEUR in 2018. The company has hedged its position using 100% of its long-term foreign capital through financial instruments. This provides protection from potentially adverse changes on the financial markets. In this way, the company aims to reduce the fluctuation and financial risk of the company's result.

During the past fiscal year, research and development activities were conducted relating to the optimisation of the waste incineration plant and the development of waste-quality monitoring. Among other areas, student theses related to these issues were commissioned. In addition, the company is involved with the University of Vaasa in the VTT (Technical Research Centre of Finland) SHARE project - an Industry Sharing Platform to promote the transition to the circular economy. The SHARE research project is a consortium consisting of VTT, University of Vaasa, Westenergy, HSY, Abloy, Roima and Sharetribe. West-

KEY FIGURES ON THE COMPANY OPERATIONS	2017	2016	2015	2014
Turnover, meur	18,9	16,8	18,3	17,4
Amount of incinerated waste, ton	188 208	163 118	168 355	178 003
The operation time, %	94,9	82,1	85,1	89,8

energy has continued to work on a potential flue gas scrubber investment. With this investment, Westenergy Oy Ab would be able to meet stricter environmental standards. In the EU, a waste incineration BREF document will be decided and it is quite likely that this will lead to stricter emission regulations. Westenergy Oy Ab has applied for and received a new environmental permit decision, but the company itself has appealed against the decision. Despite the appeal, the company can continue to operate according to the new licence. The new environmental permit has updated the plant's operation capacity to respond to real situations and the requested permission for a flue gas scrubber investment. Westenergy Oy Ab has participated in environmental permit studies and observations such as monitoring the air quality and ash analysis in the Vaasa region.

Westenergy is committed to its quality, environment and occupational health and safety policy. With the help of the certified systems, Westenergy aims at improving the quality and cost efficiency of its operations continuously. The occupational health and safety system helps recognise and control safety risks and maintain the health and safety of the personnel as well as improve the level of occupational health and safety operations. With procedures and programs outlined in the environmental system, Westenergy controls the environmental risks. Improvements in quality, environmental matters and occupational health and safety are reported to interest groups mainly in the annual report. Westenergy's management system meets the requirements of the quality (ISO 9001:2015), environment (ISO 14001:2015) and occupational health and safety (OHSAS 18001:2008) standards. The management system has been assessed by an independent auditor in 2016.

At the beginning of the accounting period, there were 31 employees working at Westenergy, and 34 employees at the end of the accounting period. There were on average 35 employees working at Westenergy in 2016. Salaries and fees were 2 161 588 euros in 2016. The key figures related to the personnel can

be seen in the table below.

Paavo Eloniemi (Chairman of the Board), Heikki Halla-aho (Vice-Chairman of the Board), Håkan Anttila, Paavo Hankonen, Jouko Huumarkangas, Ari Perälä, Harri Virtanen and Gunbritt Tallbäck (Board members) formed the company board during the accounting period. The company board has gathered altogether eight times during the accounting period. Olli Alhoniemi has acted as the Managing Director. The accountant of the company has been APA firm Ernst & Young Oy, principal responsible auditor being Kjell Berts, APA.

In 2016, Westenergy was served with an action for damages. The case is still open.

After the accounting period, there were no other significant events.

The registered capital stock of the company was 12 000 000 euros at the end of the accounting period. There are 12 000 000 shares in the company. The redemption clause of the articles of association applies to the shares according to which other shareholders have the overriding right of redemption, the company holding the secondary right, if the new owner is some other than a current owner.

Because of the absorption principle it is not relevant to compare the key figures to profit-making companies to analyse the business operations, financial status or result of the company.

According to the 3rd article of the articles of association, no dividends are paid. The company board suggests that the profit for the period is to be transferred to the profit/loss account to the company's capital.

Vaasa 13 April 2018

Westenergy Oy Ab, Company Board

KEY FIGURES RELATED TO THE PERSONNEL.	2017	2016	2015	2014
Number of employees, 1.Jan	34	31	32	31
Number of employees, 31.Dec	32	34	30	34
Number of employees, on average	37	35	34	32
Salaries and fees, M €	2,25	2,16	2,04	2,03
Absence due to sickness, % of total working hours (*)	2,98	3,54	3,18	3,12
Occupational accidents/year	0	0	4	9
*) Including absence due to sickness, absence due to child's sickness, absence due to occupational or leisure-time accidents				

The company board



Paavo Hankonen

Board member since 2014.

Olli Alhoniemi

CEO

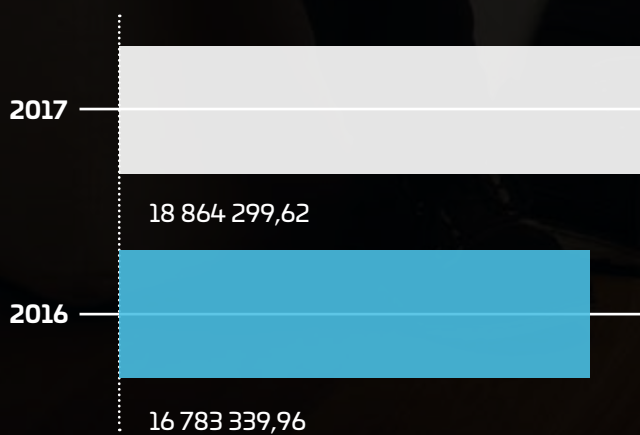
Ari Perälä

Board member since 2014.

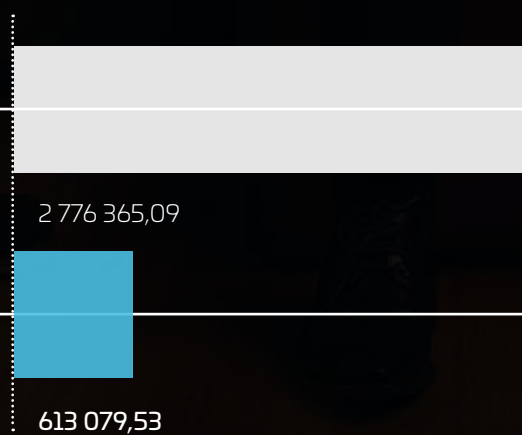
Jouko Huumarkangas

Board member since 2014.

NET TURNOVER



OPERATING PROFIT (LOSS)





Paavo Eloniemi

Chairman of the Board
Board member since 2014.

Heikki Halla-aho

Vice-Chairman
Board member since 2014.

Gunbritt Tallbäck

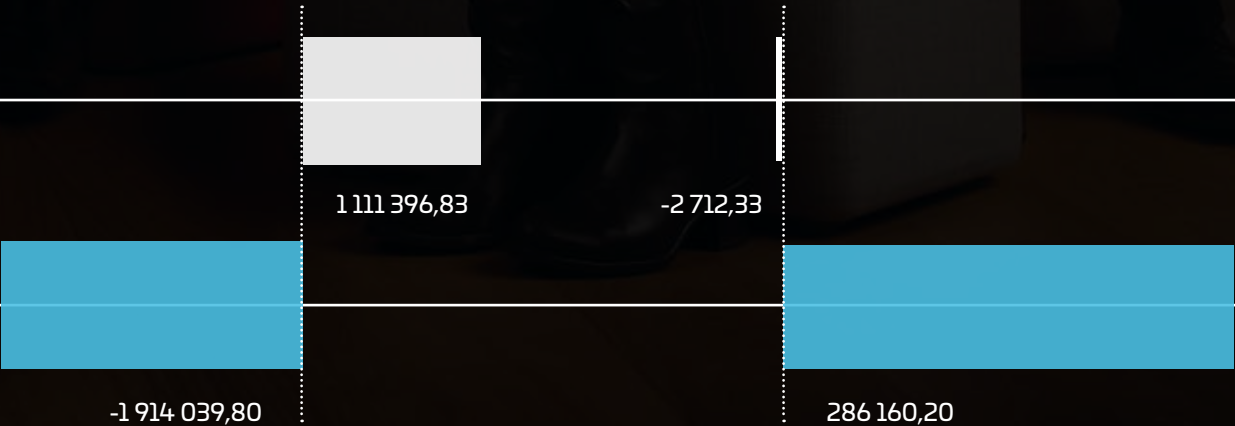
Board member since 2014.

Harri Virtanen

Board member since
2014.

**PROFIT (LOSS) BEFORE APPROPRIATIONS
AND TAXES**

PROFIT (LOSS) FOR THE FINANCIAL YEAR



Profit and loss statement

Currency EUR	1.1.2017 - 31.12.2017	1.1.2016 - 31.12.2016
NET TURNOVER	18 864 299,62	16 783 339,96
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	-3 585 679,87	-3 289 271,48
Variation in inventories	-137 423,45	85 755,10
External services	-1 552 726,28	-2 225 181,50
Raw materials and services total	-5 275 829,60	-5 428 697,88
Staff expenses		
Wages and salaries	-2 254 458,16	-2 161 587,78
Social security expenses		
Pension expenses	-417 612,63	-388 851,52
Other social security expenses	-61 770,83	-97 452,64
Staff expenses total	-2 733 841,62	-2 647 891,94
Depreciation and reduction in value		
Depreciation according to plan	-6 549 791,77	-6 558 932,72
Depreciation and reduction in value total	-6 549 791,77	-6 558 932,72
Other operating charges	-1 528 471,54	-1 534 737,89
OPERATING PROFIT (LOSS)	2 776 365,09	613 079,53
Financial income and expenses		
Other interest and financial income	1,21	0,62
Interest and other financial expenses	-1 664 969,47	-2 527 119,95
Financial income and expenses total	-1 664 968,26	-2 527 119,33
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	1 111 396,83	-1 914 039,80
Tax reserves		
Change in depreciation reserve	-1 114 109,16	2 200 200,00
PROFIT (LOSS) FOR THE FINANCIAL YEAR	-2 712,33	286 160,20

Balance sheet

Currency EUR	31.12.2017	31.12.2016
ASSETS	81 581 734,51	92 212 568,59
NON-CURRENT ASSETS		
Intangible assets		
Aineettomat oikeudet	88 130,50	0,00
long-term expense items	6 824 054,30	8 530 067,91
Intangible assets total	6 912 184,80	8 530 067,91
Tangible assets		
Land and waters	711 581,18	711 581,18
Buildings	26 582 094,05	27 759 187,18
Machinery and equipment	41 652 613,00	45 118 035,32
Other tangible assets	13 060,00	13 060,00
Tangible assets total	68 959 348,23	73 601 863,68
NON-CURRENT ASSETS TOTAL	75 871 533,03	82 131 931,59
CURRENT ASSETS		
Inventories		
Raw materials and consumables	1 810 290,82	1 947 714,27
Inventories total	1 810 290,82	1 947 714,27
Short-term		
Trade debtors	803 368,82	822 267,90
Deferred tax assets	374 830,80	398 656,60
Other debtors	790,86	264,12
Prepayments and accrued income	0,00	51 942,97
Short-term total	1 178 990,48	1 273 131,59
Cash in hand and at banks	2 720 920,18	6 859 791,14
CURRENT ASSETS TOTAL	5 710 201,48	10 080 637,00
ASSETS TOTAL	81 581 734,51	92 212 568,59

Balance sheet

Currency EUR	31.12.2017	31.12.2016
LIABILITIES		
CAPITAL AND RESERVES		
Subscribed capital	12 000 000,00	12 000 000,00
Other reserves		
Fair value reserve	-1 499 323,20	-1 594 626,40
Retained earnings (loss)	-41 664,72	-327 824,92
Profit (loss) for the financial year	-2 712,33	286 160,20
CAPITAL AND RESERVES TOTAL	10 456 299,75	10 363 708,88
TAX RESERVES		
Depreciation reserve	5 749 815,11	4 635 705,95
CREDITORS		
Long-term		
Loans from credit institutions	53 000 000,00	6 119 781,06
Long-term total	53 000 000,00	6 119 781,06
Short-term		
Loans from credit institutions	7 000 000,00	64 200 000,00
Advances received	1 053 510,00	1 402 200,00
Trade creditors	819 954,16	1 265 747,33
Other creditors	367 615,13	570 749,56
Accruals and deferred income	3 134 540,36	3 654 675,81
Short-term total	12 375 619,65	71 093 372,70
CREDITORS TOTAL	65 375 619,65	77 213 153,76
LIABILITIES TOTAL	81 581 734,51	92 212 568,59

Financial statement

Currency EUR	31.12.2017	31.12.2016
CASH FLOW FROM OPERATING ACTIVITIES	1.1.2017	1.1.2016
Profit (loss) before appropriations and taxes	1 111 396,83	-1 914 039,80
Corrections:		
Depreciation and amortization	6 549 791,77	6 558 932,72
Financial income and expenses	1 664 968,26	2 527 119,33
Cash flow before change in working capital	9 326 156,86	7 172 012,25
Change in working capital:		
Increase(-)/decr.(+) in short-term interest-free receivables	94 141,11	713 637,88
Increase(-)/decrease (+) in inventories	137 423,45	-85 755,10
Increase(+)/decr.(-) in short-term interest-free liabilities	-1 517 753,05	3 110 141,56
Cash flow from operations before financial items and taxes	8 039 968,37	10 910 036,59
Interest paid and pmts for other financ. exp. from operat.	-1 664 969,47	-2 527 119,95
Financial income received from operations	1,21	0,62
Cash flow before exceptional items	6 375 000,11	8 382 917,26
Cash flow from operating activities (A)	6 375 000,11	8 382 917,26
Cash flow from investments:		
Investments in tangible and intangible assets	-289 393,21	-1 685 385,58
Cash flow from investments (B)	-289 393,21	-1 685 385,58
Cash flow from financing:		
Fair value reserve, change	95 303,20	-1 594 626,40
Repayment of long-term loans	-10 319 781,06	-4 680 000,00
Cash flow from financing (C)	-10 224 477,86	-6 274 626,40
Change in cash and cash equivalents(A+B+C) incr.(+)/decr.(-)	-4 138 870,96	422 905,28
Cash and cash equivalents at beginning of period	6 859 791,14	6 436 885,86
Cash and cash equivalents at end of period	2 720 920,18	6 859 791,14

Notes

ACCOUNTING PRINCIPLES

Followed provisions

The financial statements have been compiled in accordance with the Government Decree on the financial statements of a small undertaking. (PMA Cap. 2 and 3)

Derivatives

The company has entered into a derivative contract to hedge interest rate risk for one of the company's loans. Hedge accounting is applied to interest rate derivatives. The impact of the derivative instrument on profit is entered on an accrual basis against the cash flow from the loan interest rates protected by the agreement. Unrealized changes in value are entered to fair value reserve in equity. Deferred tax assets have been taken into account for the current value.

ACCRUAL PRINCIPLES AND METHODS

Intangible assets marked to non-current assets are valued to their acquisition cost.

The fixed assets of the company are valued to the variable and to the fixed acquisition cost related to the fixed assets project.

The acquisition cost of the fixed assets owned by the company is depreciated according to the defined plan.

The depreciation plan is based on the depreciable lifetime.

Otherwise the financial statements have been compiled by following the valuation and accrual principles and methods in the provisions for the financial statements on a small undertaking.

ASSETS GROUP	Estimated operating life, years	Depreciation method
Aineettomat oikeudet	5	Straight-line depreciation
Intangible assets	10	Straight-line depreciation
Building	40	Straight-line depreciation
Machinery and equipment, production machinery and equipment	5-20	Straight-line depreciation

CAPITALISED INTERESTS PAYABLE

The undepreciated part of the capitalised interest payable in the balance sheet item intangible assets is as follows:

	31.12.2017	31.12.2016
Capitalised in the accounting period	0,00	0,00
Capitalised interests payable in total	4 187 014,14	4 187 014,14
Accumulated depreciation and reduction in value on 1 Jan	2 093 507,05	1 674 805,64
Depreciation in the accounting period	418 701,41	418 701,41
Accumulated depreciation	2 512 208,46	2 093 507,05
Undepreciated amount	1 674 805,68	2 093 507,09

INTANGIBLE ASSETS	2017	2016
Aineettomat oikeudet	0,00	0,00
Acquisition cost on 1 Jan	0,00	0,00
Acquisition cost on 31 Dec	88 130,50	0,00
Accumulated depreciation and reduction in value on 1 Jan	0,00	0,00
Depreciation in the accounting period	0,00	0,00
Accumulated depreciation	0,00	0,00
Book value	88 130,50	0,00
Other long-term expense items		
Acquisition cost on 1 Jan	17 060 135,93	17 060 135,93
Acquisition cost on 31 Dec	17 060 135,93	17 060 135,93
Accumulated depreciation and reduction in value on 1 Jan	8 530 068,02	6 824 054,41
Depreciation in the accounting period	1 706 013,61	1 706 013,61
Accumulated depreciation	10 236 081,63	8 530 068,02
Book value	6 824 054,30	8 530 067,91

TANGIBLE ASSETS	2017	2016
Land		
Acquisition cost on 1 Jan	711 581,18	711 581,18
Additions	0,00	0,00
Acquisition cost on 31 Dec	711 581,18	711 581,18
Buildings		
Acquisition cost on 1 Jan	32 845 367,33	32 817 147,33
Additions	0,00	28 220,00
Reductions		
Acquisition cost on 31 Dec	32 845 367,33	32 845 367,33
Accumulated depreciation and reduction in value on 1 Jan	-5 086 180,15	-3 910 482,52
Depreciation in the accounting period	-1 177 093,13	-1 175 697,63
Accumulated depreciation	-6 263 273,28	-5 086 180,15
Book value	26 582 094,05	27 759 187,18
Machinery and equipment		
Acquisition cost on 1 Jan	59 972 597,81	58 315 432,23
Additions	201 262,71	1 657 165,58
Reductions		
Acquisition cost on 31 Dec	60 173 860,52	59 972 597,81
Accumulated depreciation and reduction in value on 1 Jan	-14 854 562,49	-11 177 341,01
Depreciation in the accounting period	-3 666 685,03	-3 677 221,48
Accumulated depreciation	-18 521 247,52	-14 854 562,49
Book value	41 652 613,00	45 118 035,32

CAPITAL AND RESERVES	31.12.2017	31.12.2016
Restricted capital		
Subscribed capital on 1 Jan	12 000 000,00	12 000 000,00
Subscribed capital on 31 Dec	12 000 000,00	12 000 000,00
Other reserves total	-1 499 323,20	-1 594 626,40
Restricted capital and reserves in total on 31 Dec	10 500 676,80	10 405 373,60
Non-restricted capital		
Retained earnings (loss)	-41 664,72	-327 824,92
Dividend distribution	0,00	0,00
Profit/loss for the financial year +/-	-2 712,33	286 160,20
Non-restricted capital and reserves in total	-44 337,05	-41 664,72
Capital and reserves in total	10 456 299,75	10 363 708,88

There are no distributable assets on 31 December 2017.

CREDITORS SPECIFIED	2017	2016
Long-term		
Loans from credit institutions	53 000 000,00	6 119 781,06
Short-term		
Loans from credit institutions	7 000 000,00	64 200 000,00
Trade creditors	819 954,16	1 265 747,33
Accruals and deferred income	3 134 540,36	3 654 675,81
Other creditors	367 615,13	570 749,56
Advances received	1 053 510,00	1 402 200,00
In total	65 375 619,65	77 213 153,76

PERSONNEL AND COMPANY BOARD

The company employed altogether 37 people in the accounting period.

STAFF EXPENSES	2017	2016
Wages and salaries in the accounting period	2 180 158,16	2 096 087,78
Recompense of the company board	74 300,00	65 500,00
Pension expenses	417 612,63	388 851,52
Social security expenses	61 770,83	97 452,64
Staff expenses total	2 733 841,62	2 647 891,94

FINANCIAL INCOME AND EXPENSES	2017	2016
Interest income	1,21	0,62
Interest expenses	-1 664 969,47	-2 527 119,95
Financial income and expenses in total	-1 664 968,26	-2 527 119,33

DEBTORS	2017	2016
Short-term		
Trade debtors	803 368,82	822 267,90
Other debtors	790,86	264,12
Prepayments and accrued income	0,00	51 942,97
Short-term debtors in total	804 159,68	874 474,99

INFORMATION ON DERIVATIVES FOR HEDGING AGAINST INTEREST RATE RISK

The nominal value of the interest rate swap is MEUR 30 000 000, contract period 8.12.2017–8.12.2027, 3-month Euribor. The company receives interest in 3-month Euribor and pays a fixed interest on the loan.

This interest rate swap hedges Westenergy Oy Ab:s loan of MEUR 30, which is due in 5 years. The terms of the loan will be reviewed in 2020.

Cash flows from the interest rate swap are entered as profit in periods that correspond to the interest flows of the hedged loan, from the balance sheet date up until 8.12.2027.

The current value of the interest rate swap on the balance sheet date:

2017	2016
- 1 874 154,00	-1 993 283,00

CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	2017	2016
Liabilities pledged with floating charge		
Loans from credit institutions	60 000 000,00	70 319 781,06
Floating charge	110 000 000,00	110 000 000,00
Real estate mortgage	110 000 000,00	110 000 000,00
The loan terms include special clauses		
Bank account limit	200 000,00	200 000,00
of which in use	0,00	0,00
Other guarantees		
Bank guarantee	600 000,00	600 000,00
Other commitments	2017	2016
Leasing	5 335,36	654,72
of which are due in 2018	1 333,84	
VAT refund from property investments	3 853 032,31	4 621 131,96

In the beginning of 2016, Westenergy Oy Ab was served with an action for damages at the local court. The case is still in court.

LIABILITIES THAT WILL FALL DUE LATER THAN IN FIVE YEARS

	2017	2016
Loans from credit institutions	10 000 000,00	4 535 781,06

ACCOUNTING BOOKS USED IN THE ACCOUNTING PERIOD

General Journal, IT
General Ledger, IT
Balance Sheet Book, bound
Payroll Accounting as separate

VERIFICATION TYPES USED IN THE ACCOUNTING PERIOD

Handelsbanken bank account	verification type 20
Purchase accounts	verification type 71
Purchase accounts in electronic form	verification type 73
Cash and memo vouchers	verification type 90
VAT entries	verification type 91
Type of verification, roll forward	verification type 92

SIGNATURES

Vaasa 26 April 2018



Paavo Eloniemi

Chairman of the Board



Olli Alhoniemi

Managing Director



Ari Perälä

Board Member



Gunbritt Tallbäck

Board Member



Heikki Halla-aho

Board Member



Paavo Hankonen

Board Member



Harri Virtanen

Board Member



Jouko Huumarkangas

Board Member

AUDITOR'S NOTE

Auditor's Report has been issued today.

Vaasa 26 April 2018



Kjell Berts, APA

Auditor's report

To the Annual General Meeting of Westenergy Oy Ab

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Westenergy Oy Ab (business identity code 2165379-9) for the year ended 31 December, 2017. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of the 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.

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 Financial Statements section of our report. We are independent of the company 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Board of Directors and the Managing Director are responsible for the preparation 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 company's ability to continue as 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 company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance on 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 company'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 company'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 company 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.

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.

OTHER REPORTING REQUIREMENTS

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises information included in the report of the Board of Directors. 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 information included in the report of the Board of Directors and, in doing so, consider whether the information included in the report of the Board of Directors is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

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 accordance with the applicable laws and regulations.

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

Vaasa 26.4.2018

Ernst & Young Oy
Authorized Public Accountant Firm



Kjell Berts
Authorized Public Accountant



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