



OULUN ENERGIA

OULUN ENERGIA IN 2025

**We Offer Sustainable
Energy and Circular
Economy Solutions**

CEO'S STATEMENT

The Promotion of the Circular Economy, the Electrification of Society, and Strategic Growth Shaped 2025

The mild weather early in the year and the lower market price of electricity weighed on Oulun Energia Group's net profit. However, the development of operations, cost-effectiveness, identifying additional value from flexible operations, and investment management kept finances stable. During the year, geopolitical uncertainty emphasised the importance of predictability and placed increasingly strict demands on even energy companies' preparedness and security development. We have invested in this, as well, during the year.

In the spring of 2025, we updated our strategy, engaging all our employees in the process. The main strategic directions remained unchanged, but we refined our performance indicators and climate targets. We set a new goal of achieving a science-based net zero target by 2040, replacing the previous carbon neutrality target for 2030.

During the year, our most significant growth projects progressed from plans to concrete actions. The 60 percent share transaction of Kemin Energia ja Vesi Oy (Kenve) was completed on 29 August. We are closely integrating Kenve's current operations into those of the Oulun Energia Group. Construction work on Finland's largest plastics recycling plant, being built in Hyvinkää by our circular economy company Syklo, is progressing as planned. The industrial-scale biocomposite plant is under construction next to the plastics recycling plant. The plants will be commissioned in the summer of 2026 and should be in commercial production by the end of the same year.

During the year, we strongly advanced investments in renewable energy. We joined Suomen Aurinkovoima Oy, which, at the end of the year, made an investment decision of 15 million euros to build three new solar farms. In addition, together with four other energy companies, we founded Männikkötuulet Oy, which acquired two onshore wind farms in Vöyri and Nykarleby.

With the 60-megawatt electric boiler completed in the summer of 2025, our electric boiler capacity increased to 100 megawatts, which reinforces our ability to take advantage of low electricity prices and reduce combustion-based district heat production. In addition, we started the construction of a battery energy storage system in the Toppila power plant area, which, at its completion next year, will provide new balancing capacity.

Sustainability is at the core of our operations, encompassing the environment, people, and regional vitality. We are committed to developing the Merikoski area in Oulu and to improving the living conditions of migratory fish. After a survey on the development opportunities of the area was completed in 2025, we began advancing the planning of restoration measures in more detail together with the City of Oulu. We invested in culture and our employees, especially through a cultural ambassador programme and the development of workplace safety. In 2025, three lost-time accidents occurred, prompting us to strengthen workplace safety through an internal campaign.

I would like to thank our customers, employees, owners, other partners, and our interest groups for their support and trust in 2025!

Arto Sutinen
CEO



About Oulun Energia

Oulun Energia is one of the largest energy companies in Finland. We offer sustainable energy and circular economy solutions. Our core business operations include heat and electricity production, electricity power network services for consumers and businesses, and various heat and energy solutions. Through our subsidiary, Syklo Oy, we also offer circular economy services to businesses.

We take responsibility for people and the environment. Our objective is to achieve a net zero target by 2040, in line with the Science Based Targets (SBT) framework.

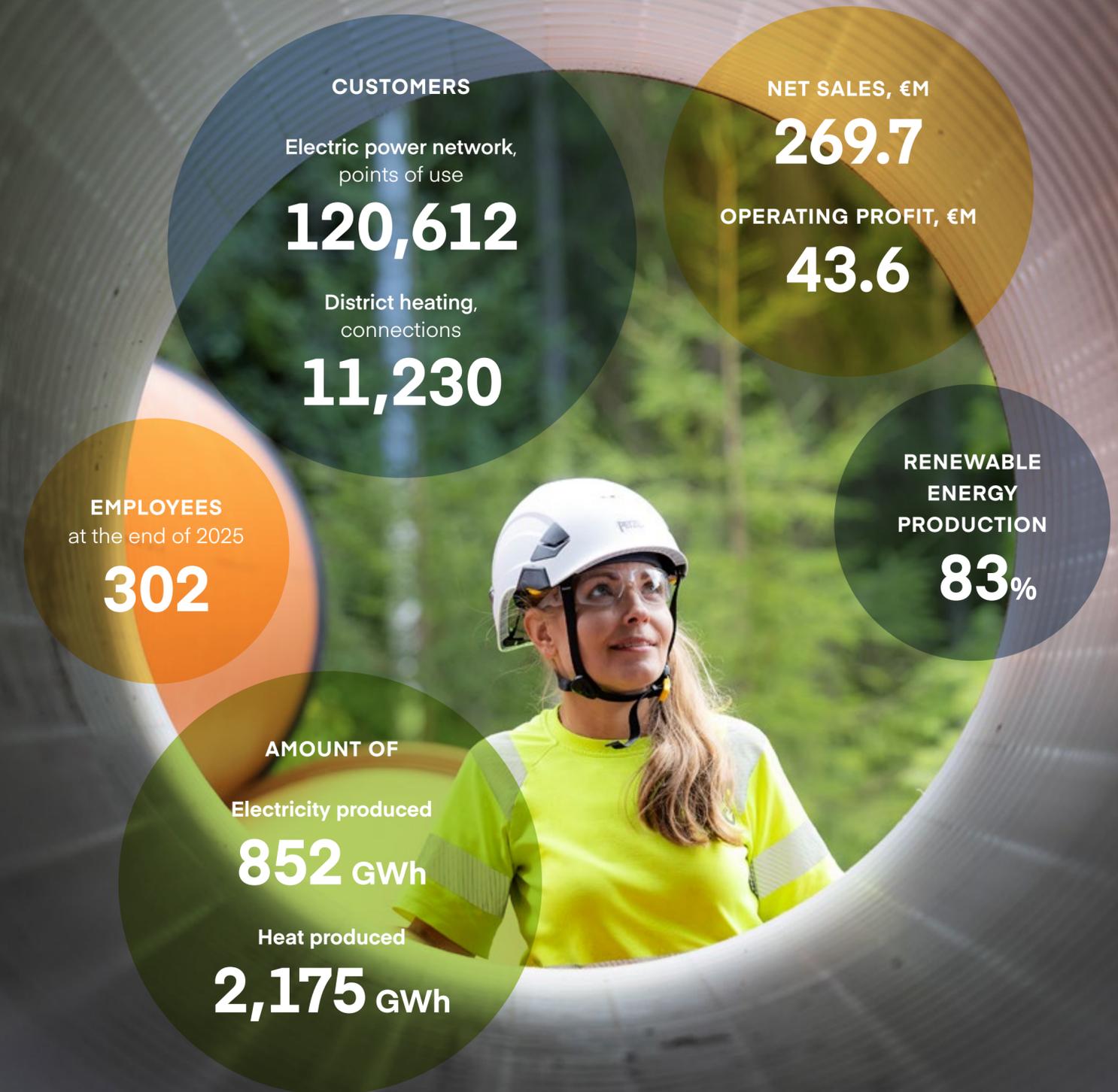
Reporting Principles

Oulun Energia Group's Annual and Sustainability Report brings together developments across our business operations, sustainability efforts, and financial performance in 2025. The report has been published in Finnish, and this summary is available in English.

The information in the Annual and Sustainability Report covers the operations of the entire Oulun Energia Group. Please note that for the new subsidiary Oulun Energia Kenve Oy (formerly Kemin Energia ja Vesi Oy), only financial figures from 1 September 2025 onwards are included in the report. In all other respects, Kenve has produced its own separate annual report in Finnish for 2025.

Oulun Energia Group's Annual and Sustainability Report has been prepared in accordance with the voluntary sustainability reporting standard for non-listed small and medium-sized enterprises (VSME). The report has not been subject to third-party verification.

Key Figures 2025



Organisation and Corporate Structure

The parent company of the Oulun Energia Group is Oulun Energia Oy, which is owned by the City of Oulu in its entirety.

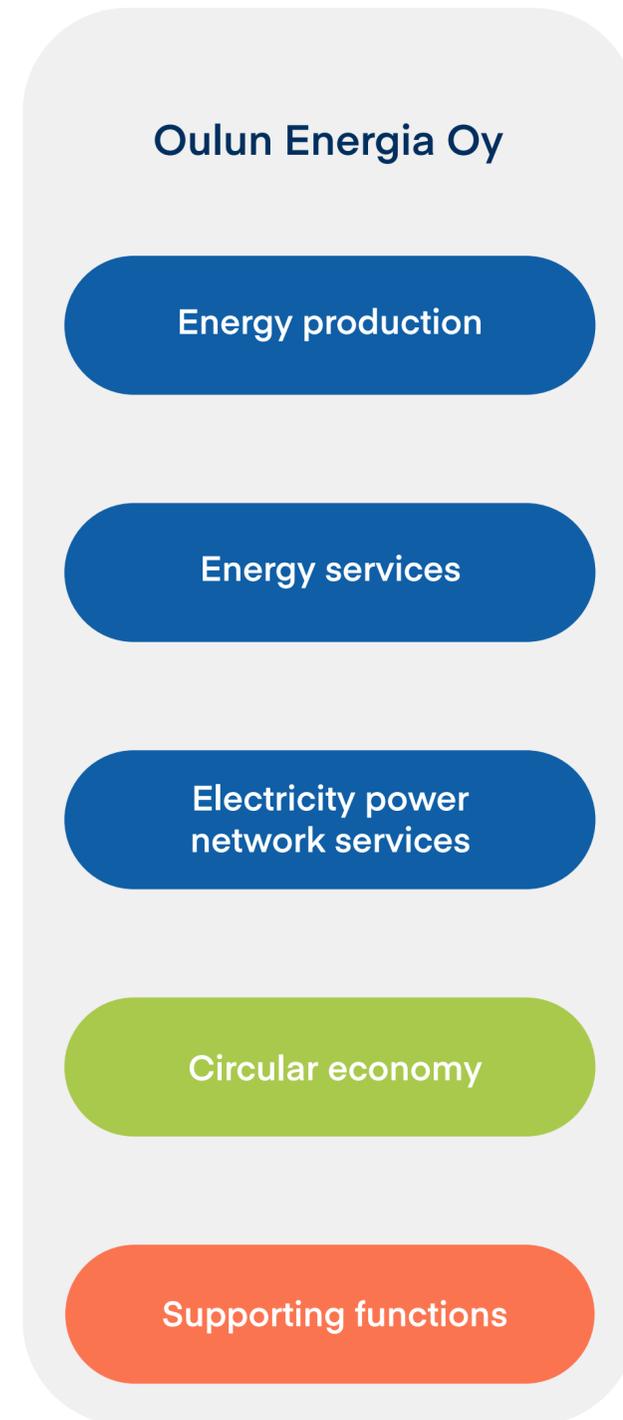
The subsidiaries owned by the parent company are Oulun Energia Sähköverkko Oy, Turveruukki Oy, Syklo Oy, Kiinteistö Oy Oulun Solistinkatu 4, Solarpower Paarmala Oy, and Huoltovoima Oy.

Oulun Energia Kenve Oy (formerly Kemin Energia ja Vesi Oy) became a subsidiary of Oulun Energia following the completion of a share transaction on 29 August 2025, giving a 60% ownership stake.

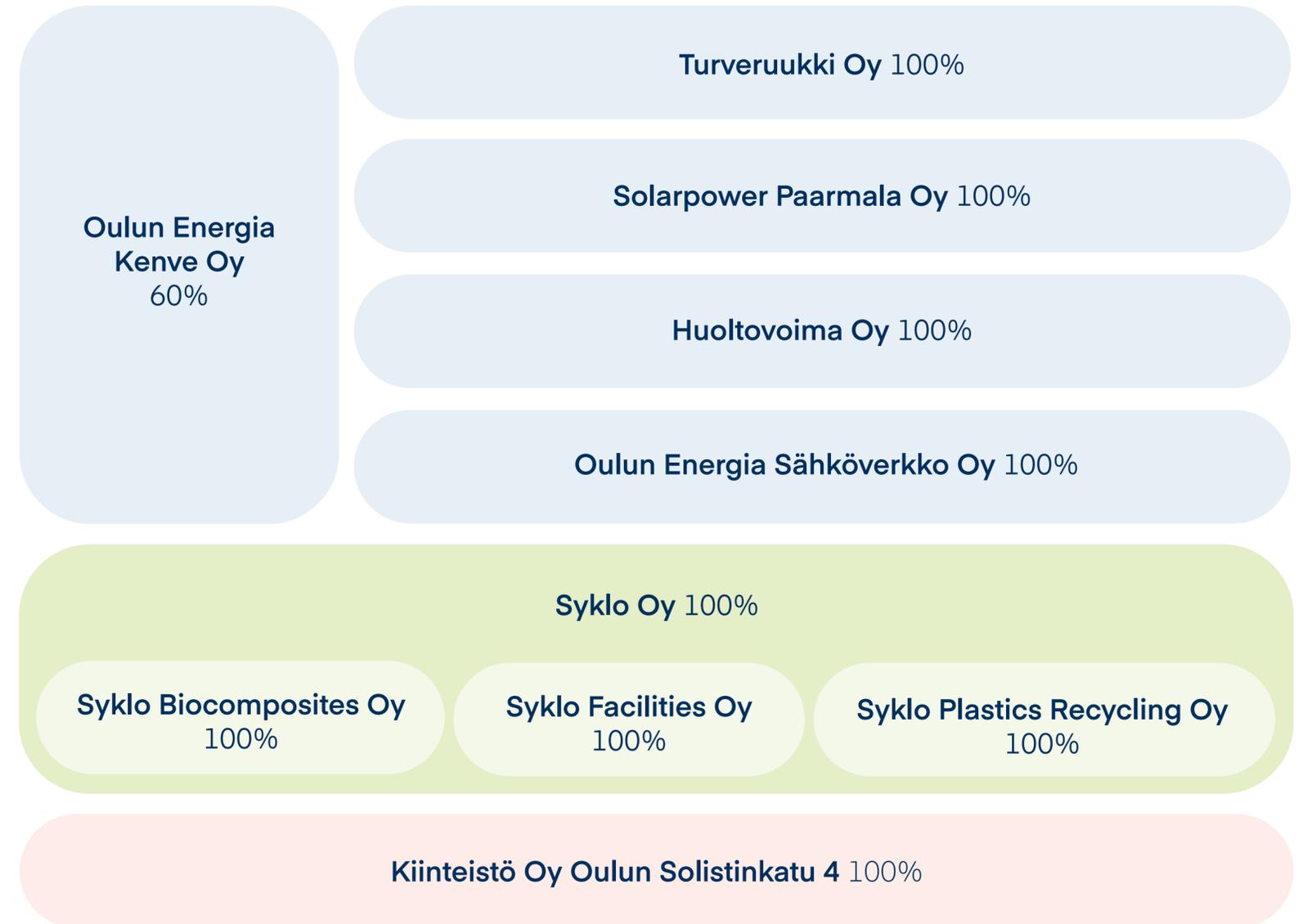
The Syklo Oy Group (Syklo) owns its subsidiaries Syklo Biocomposites Oy, Syklo Facilities Oy, and Syklo Plastics Recycling Oy.

In addition, Oulun Energia Oy is a significant shareholder in the following companies: Oomi Palvelut Oy, Kolsin Voima Oy, Voimapato Oy, Suomen Aurinkovoima Oy, and Pasaati Holding Oy.

Services and functions



Subsidiaries



Oulun Energia's Value Creation

OUR BASIS

Strategy

- We are seeking significant growth driven by the green transition.
- Our vision is to build a future that future generations can be proud of.
- Our mission is to strengthen Northern vitality by recycling materials and good energy.

Capital

- Committed and thriving employees
- Strong balance sheet
- Our own modern power plants
- Developing electricity, district heating, and water networks
- Our own waste sorting plants, as well as a recycling plant and a biocomposite plant
- Shares in e.g., hydroelectric, solar, and wind power plants and one own solar power plant
- Sustainable and extensive supplier network
- Close collaboration with educational institutions, research bodies, and networks

OUR BUSINESS OPERATIONS

Energy production

Our mission is to produce electricity and heat for the residents and businesses in our area. We promote new projects to support the green transition.

Energy services

We are responsible for the transmission and distribution of district heating in our own distribution network, and for providing other energy solutions for our customers. We manage water distribution and wastewater conveyance and treatment. We manage our electricity production portfolio and take care of electricity supply and mitigation.

Electricity power network services

We are responsible for electricity transmission and distribution to consumers and businesses in our distribution network.

Circular economy services

We provide companies with efficient waste management services and create new higher-value products from waste.

THE VALUE WE PRODUCE

Environment

- We are mitigating climate change: Our goal is to meet a greenhouse gas emissions net zero target by 2040.
- We are promoting biodiversity: Our goal is a nature-positive Oulun Energia by 2035.
- We are advancing circular economy growth: We are increasing our carbon handprint and improving the recycling rate.

People

- We are a major regional employer.
- We ensure reliability and security of supply.
- We are developing our energy system in line with the needs and wishes of society and our customers.
- We are developing corporate culture and proactive safety work.
- We provide annual support for sports, culture, and youth activities.

Finances

- We maintain our competitiveness and a good return on invested capital by investing heavily in the green transition.
- We are increasing shareholder value for the City of Oulu and the City of Kemi.
- We pay taxes that are remitted to central and local government.

Values Together • Sustainably • Passionately



Oulun Energia's Strategy



Our mission

We are strengthening Northern vitality by recycling materials and good energy

Our values

Together • Sustainably • Passionately

Our vision

We are building a future that future generations can be proud of

Significant growth driven by the green transition



Operational activities

Growth opportunities

Energy system

Customers

Flexibility and optimisation

Data and AI

Capital allocation

Expertise and culture

Key priorities for the 2024–26 strategy period

Productivity

Growth

Capabilities

We are successful in improving profitability

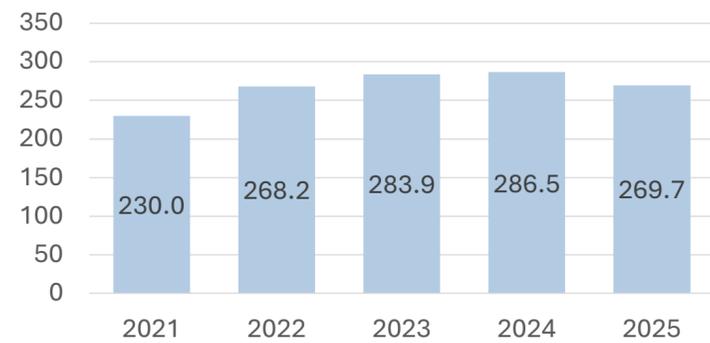
We are boldly growing

Financial Development

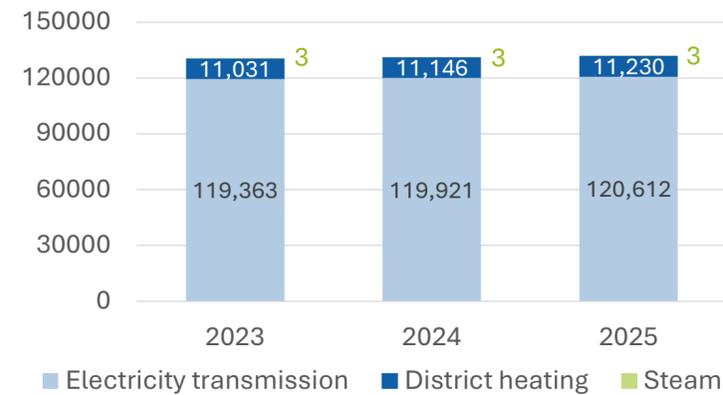
| KEY FIGURES | 2025 | 2024 |
|------------------------------|-------|-------|
| Net sales (€M) | 269.7 | 286.5 |
| Operating profit (€M) | 43.6 | 50.8 |
| Investments (€M) | 114.3 | 70.4 |
| Net sales/person (€M) | 1.00 | 1.06 |
| Operating profit/person (€M) | 0.16 | 0.21 |
| Employees at the end of 2025 | 302 | 244 |

The figures of Oulun Energia Kenve Oy have been consolidated into the Oulun Energia Group as of 1 September 2025. The situation at the end of 2025 includes the number of personnel of Oulun Energia Kenve Oy.

NET SALES, €M

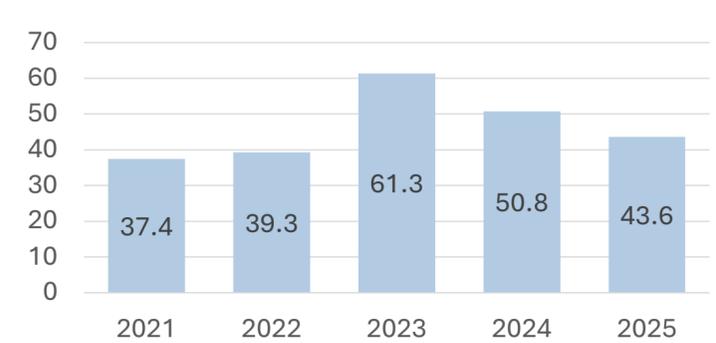


NUMBER OF CUSTOMERS

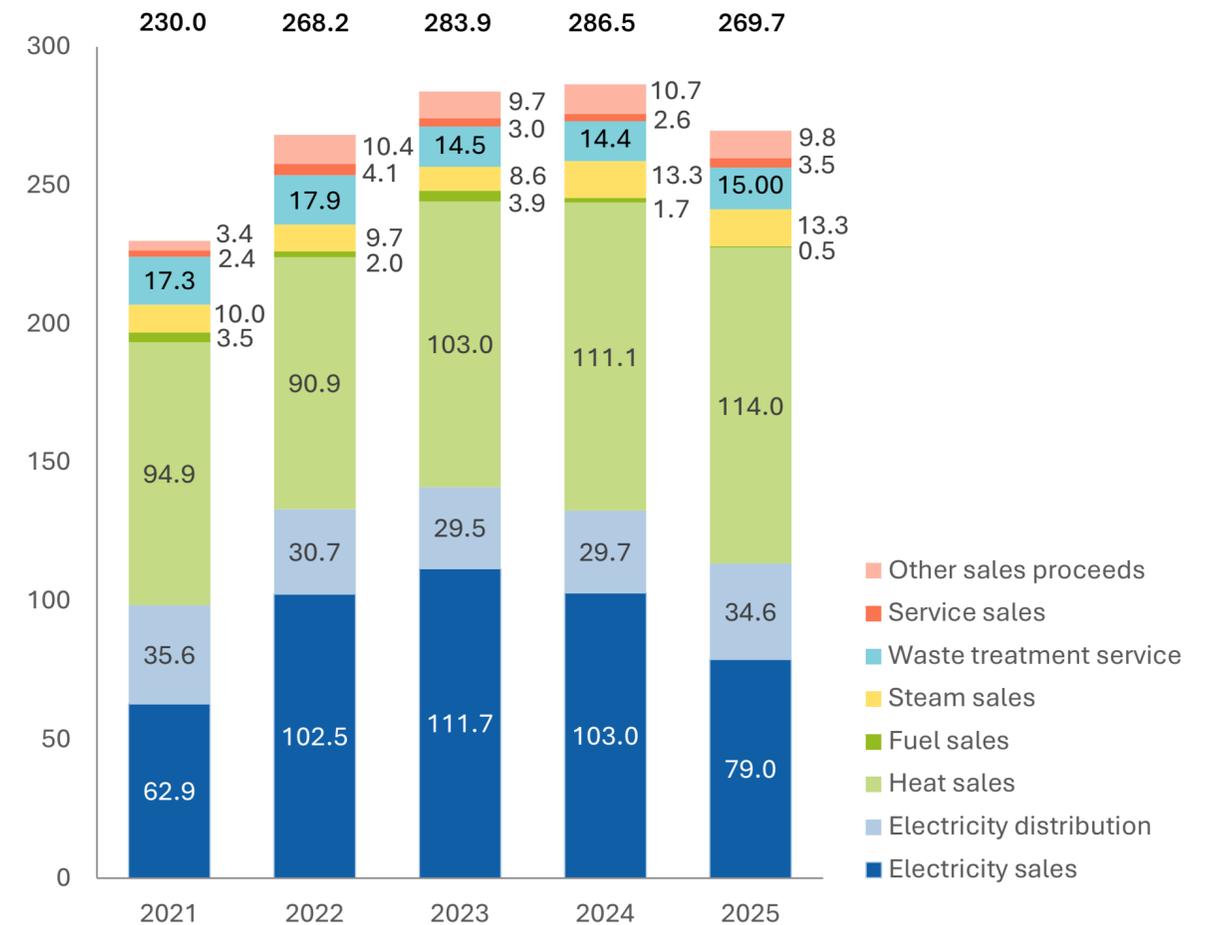


Includes the customers of Oulun Energia Oy and Oulun Energia Sähköverkko Oy.

OPERATING PROFIT, €M



DISTRIBUTION OF SALES REVENUE *, €M



* Total for Oulun Energia Oy, Oulun Energia Sähköverkko Oy, Syklo Oy, Turveruukki Oy, as well as Oulun Energia Kenve Oy from 1 September 2025 onwards. Internal business transactions eliminated.

Highlights in 2025



Oulun Energia Kenve Oy became part of the Oulun Energia Group

The Oulun Energia Kenve Oy (formerly Kemin Energia ja Vesi Oy) share transaction was finalised at the end of August 2025. At the beginning of September, Kenve became part of the Oulun Energia Group and is our new subsidiary, with a 60% ownership interest. The arrangement reflects a shared commitment to strengthening capabilities for implementing green transition projects.

[→ Read more on our website](#)



Our subsidiary Syklo invested 70 million euros in the Hyvinkää circular economy hub

Syklo Oy made an investment decision to build Finland's largest plastics recycling plant and a biocomposite plant in Hyvinkää. The plants have been under construction in 2025, and commercial production will begin in 2026.

[→ Read more on our website](#)



We updated our climate targets

We updated our climate targets in the autumn of 2025. Our new objective is to achieve a net zero target by 2040, in line with the Science Based Targets (SBT) framework. The net zero target replaces our previous goal of achieving carbon neutrality by 2030.

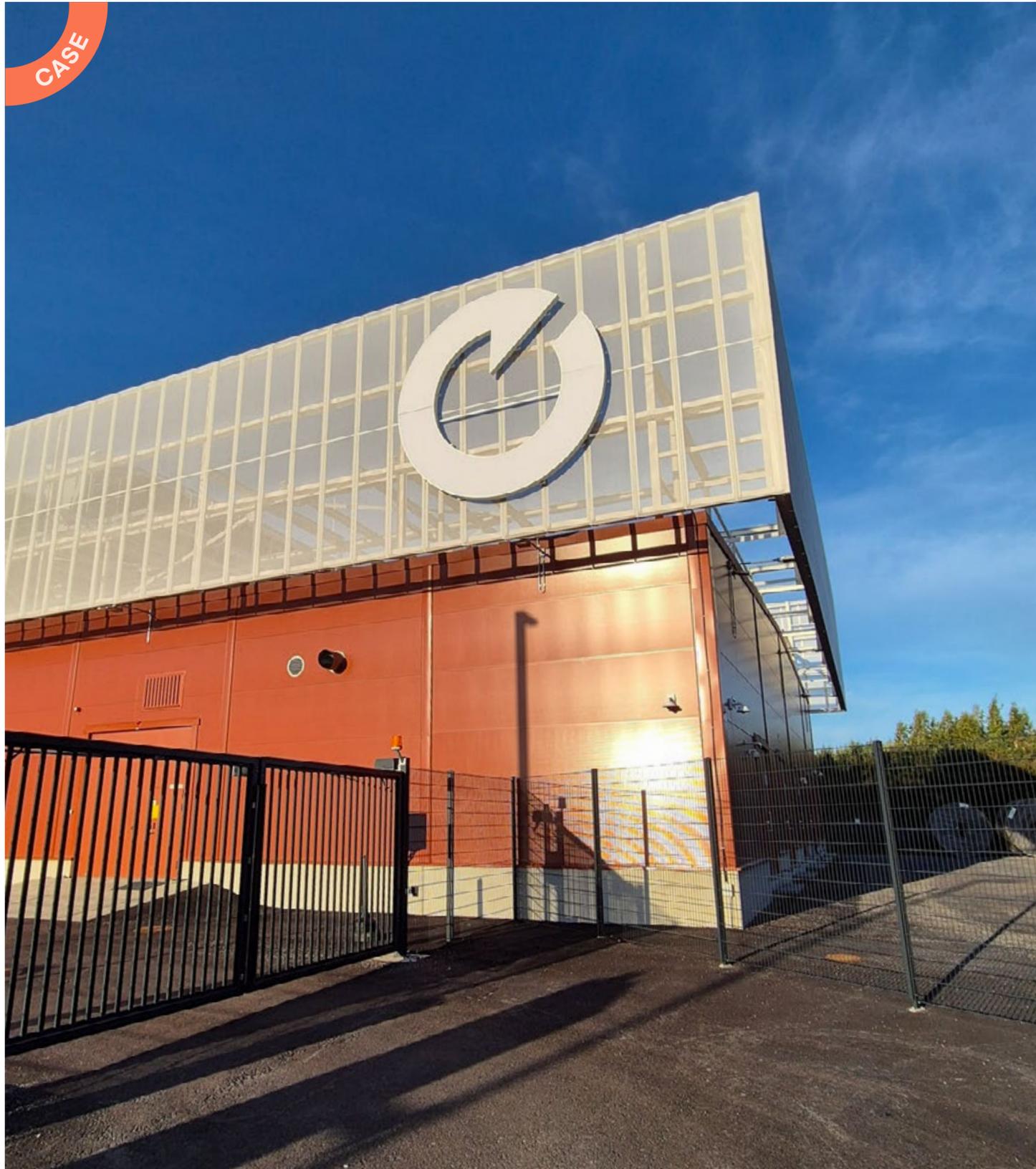
[→ Read more on our website](#)



The Merikoski fish pass saw a record number of migratory fish

Tuesday, 26 August 2025, was a historic moment at the Merikoski fish pass, as up to 810 salmon migrated through it upriver to the Oulujoki River. The previous one-day record from 2019 was 245 salmon – now the number has tripled. Oulun Energia is committed to developing the opportunities and conditions for fish migration.

[→ Read more on our website](#)



HIGHLIGHTS IN 2025

Oulun Energia and Nokia Agreed to Implement a Multi-energy Optimisation Service

Oulun Energia is offering a multi-energy optimisation service at Nokia's new smart campus in Oulu. The service enables Oulun Energia to integrate campus devices into Fingrid's reserve markets by optimising the electricity consumption of the devices.

The Oulun Energia energy centre, completed in connection with the smart campus, is part of the overall optimisation. Through the service, we optimise the campus' cooling production requirements cost-effectively. The carbon-neutral waste heat produced by this is recovered and put to optimal use.

"Multi-energy optimisation is an excellent example of collaboration between companies that can achieve benefits both locally and nationally. The introduction of the service is a natural extension of the energy centre construction agreement previously announced by Oulun Energia and Nokia," states **Reijo Pantsar**, Head of VPP Business at Oulun Energia.



The collaboration with Oulun Energia has been seamless. We consider it important that our systems support not only product development but also wider applications – such as in demand response markets, the utilisation of which has marked a significant advance.

Teppo Särö, Head of Project Delivery at Nokia.

The service ensures that device flexibility is channelled to the most favourable market, creating new revenue and cost savings for the customer. At the same time, we support and balance the entire Finnish electricity system.

➔ [Learn more about multi-energy optimisation](#)

SUSTAINABILITY GOVERNANCE

We are Preparing to Meet Sustainability Reporting Requirements

At Oulun Energia Group, sustainability is a key part of our operations. It is both our way of operating and the core of our strategy, with strong growth driven by the green transition. The sustainability programme, approved by the parent company Oulun Energia's Board of Directors, encapsulates the Group-level targets, actions, and indicators. The Board of Directors also approves the Group's code of conduct and the key policies that guide our operations. Oulun Energia Oy's CEO and management team are responsible for ensuring the implementation of the sustainability programme across the various business operations and units.

In 2025, all companies and units within the Oulun Energia Group were audited in accordance with the requirements of the following management system standards:

- ISO 9001:2015 (quality management systems)
- ISO 14001:2015 (environmental management systems), and
- ISO 45001:2018 (occupational health and safety management systems).

Work continued during the year on developing the ISO 27001 information security management system, with the aim of certifying the system during 2026.





The systems guide us to constantly improve our operations in terms of customer satisfaction, product quality, environmental impact, information security, and occupational safety.

At the beginning of the year, we took steps to prepare for reporting our sustainability impacts in line with the Corporate Sustainability Reporting Directive (CSRD). In this context, we launched an update to our double materiality assessment, a taxonomy eligibility analysis, and the drafting of a climate transition plan. The Omnibus legislative package brought relief to sustainability reporting regulation, with higher application thresholds to be introduced for sustainability

reporting. Oulun Energia will not be subject to sustainability reporting obligations. For this reason, the Annual and Sustainability Report for 2025 has been prepared in accordance with the lighter Voluntary Sustainability Reporting Standard for SMEs (VSME).

The Annual and Sustainability Report for 2025 presents a sustainability programme based on the double materiality assessment, and its targets and metrics, and the actual results for 2025 against them. The aforementioned report does not include taxonomy-eligible activities or a gap analysis of minimum social safeguards.

The updated double materiality assessment clarifies how business operations are connected to sustainability matters, prioritising material sustainability themes and making Oulun Energia’s sustainability work and reporting more concrete.

At the end of the year, Oulun Energia’s Board of Directors approved the Oulun Energia Group’s climate transition plan, which will significantly steer our operations towards reducing emissions. The Oulun Energia Group has set its greenhouse gas emissions reduction targets to align with the Paris Agreement’s 1.5°C target. Our objective is to achieve

a net zero target by 2040, in line with the Science Based Targets (SBT) framework. This means that we will reduce our total emissions by a minimum of 90 percent and our emissions intensity by a minimum of 92 percent from the 2022 baseline and will offset the residual emissions that cannot be reduced.

In addition to the net zero 2040 target, Oulun Energia’s strategic goal is to increase the Group’s carbon handprint. An interim target has been set for new products to achieve a positive carbon handprint in 2026 and a carbon handprint of 100,000 tonnes of CO₂eq in 2030.

Sustainability Programme

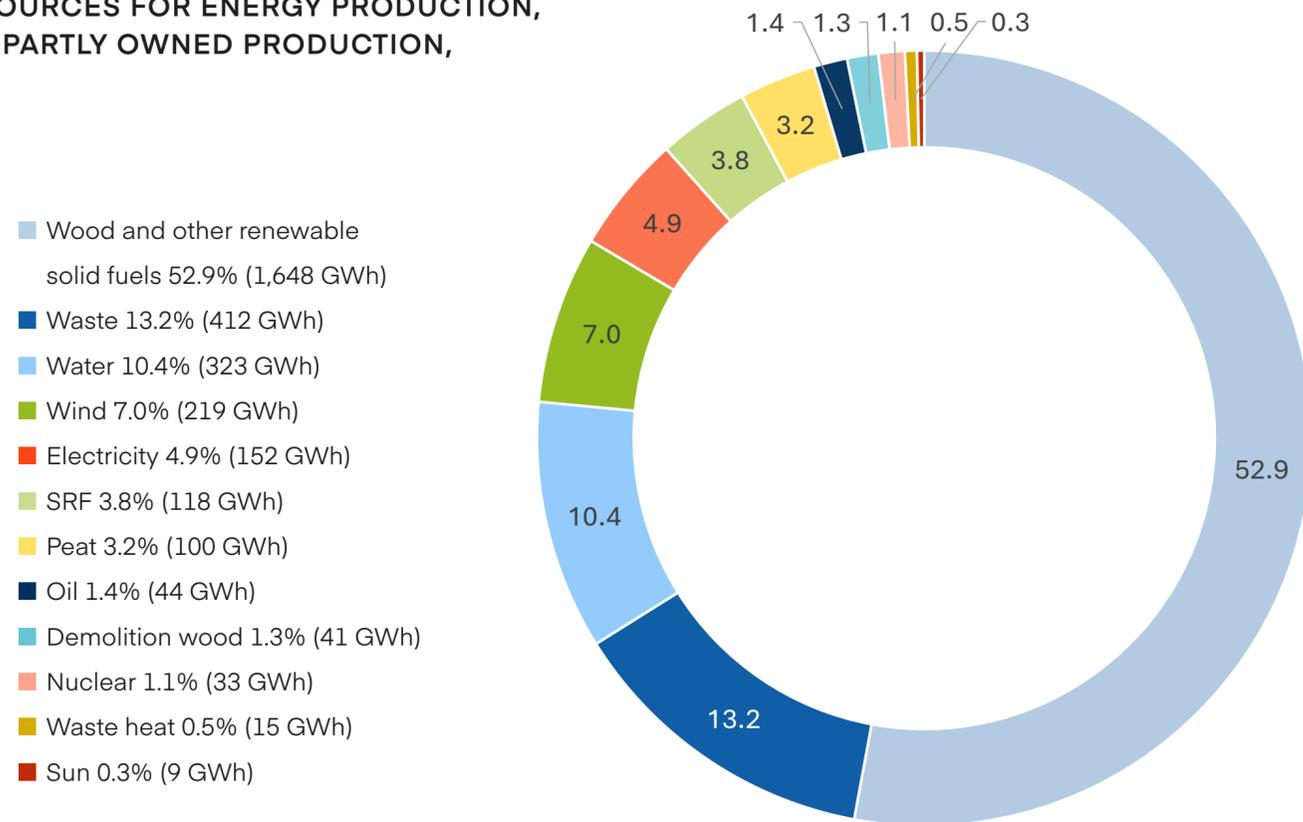
| Sustainability theme and SDGs | Focus | Primary objective / Vision | Target | Metric | Actual 2025 |
|---|---------------------------------------|---------------------------------|--|---|--|
| WE ARE SOLVING ENVIRONMENTAL CHALLENGES | | | | | |
|    | Climate change | Net zero 2040 | Reduction of Scope 1 and 2 emissions by more than 63% in 2026, more than 68% in 2030, and more than 90% in 2040 against a 2022 baseline. | Total emissions; Scope 1 and Scope 2, % reduction from 2022 | Total emissions were reduced by 55% (41%) from 2022. |
| | | | New products have a positive carbon handprint. The carbon handprint will exceed 100,000 tonnes of CO ₂ eq in 2030. | Carbon footprint of the customer's existing product – the carbon footprint of the new product | Not yet calculated for 2025. |
|   | Biodiversity and ecosystems | Net positive biodiversity 2035 | Improving the life cycle of migratory fish in the Merikoski area. An increasing number of salmonids migrate to the Oulujoki River through the fish pass every year. By 2030, the target is annual upstream migration of over 3,000 salmon and over 500 sea trout. | Fish migrating up the fish pass (no.) | A total of 2,468 (344) salmon and 428 (492) sea trout migrated up the fish pass. |
| | | | Increasing the biodiversity of owned land. By 2028, all marshlands previously used for peat production will have been either afforested or converted to wetlands. This covers approximately 800 ha. | Wetlands (ha) Afforested areas (ha) Rewetted drained peatlands (ha) Areas designated for conservation (ha) | Wetlands 195 ha Afforested 665 ha Conservation 42 ha |
| | | | Annual participation in at least three collaborative or research projects that increase biodiversity. | No. of projects | 4 projects |
|  | Resource use and the circular economy | Volume increase, recycling rate | Our circular economy company Syklo Oy has a goal to achieve a 20% recycling rate in its Oulu operations and a 60% recycling rate in its Hyvinkää operations by 2030. | Recycling rate % | Recycling rate Oulu 7.6% (5.9%) and Hyvinkää 11.5% (7.4%) |

| Sustainability theme and SDGs | Focus | Primary objective / Vision | Target | Metric | Actual 2025 |
|--|--|---------------------------------------|---|---|------------------------------------|
| WE TAKE CARE OF PEOPLE | | | | | |
|   | Our own workforce | Most energetic workplace in Finland | Improving employee satisfaction to achieve an employee Net Promoter Score (eNPS) of +20 in 2026 and +40 in 2030. | eNPS | eNPS 36 (7) |
| | | Finland's safest workplace | The Total Recordable Incident Frequency (TRIF) is 0, meaning that in a million working hours, our employees have no accidents requiring medical care. | TRIF | 12.5 (7) |
| | Workers in the value chain | Finland's safest workplace | The workers in the value chain do not have any accidents requiring medical treatment. | TRIF accident – no. at OE plants and construction sites | 1 (3) accident |
| WE ARE STRENGTHENING REGIONAL VITALITY | | | | | |
|   | Business operations | Business profitability | Increasing profit | Operating profit | €103.5M (108.8M) and 38.4% (38.0%) |
| | | | Enhancing return on invested capital | Return on invested capital % | 5.9% (6.7%) |
| | Customer satisfaction and security of supply | Satisfied customers | Net Promoter Score (NPS) >50 in 2026 and >60 in 2030 | NPS | NPS 62 (67) |
| | | Reliable heat distribution | Minimising outages | Outages – min/customer | 2.4 (2.7) min/customer |
| | | Reliable electricity distribution | Minimising outages | Outages – min/customer | 15 (17) min/customer |
| | | Securing essential societal functions | Implementing the development measures outlined in the Annual Preparedness Plan | Implementation of the Annual Preparedness Plan | 7/7 items |

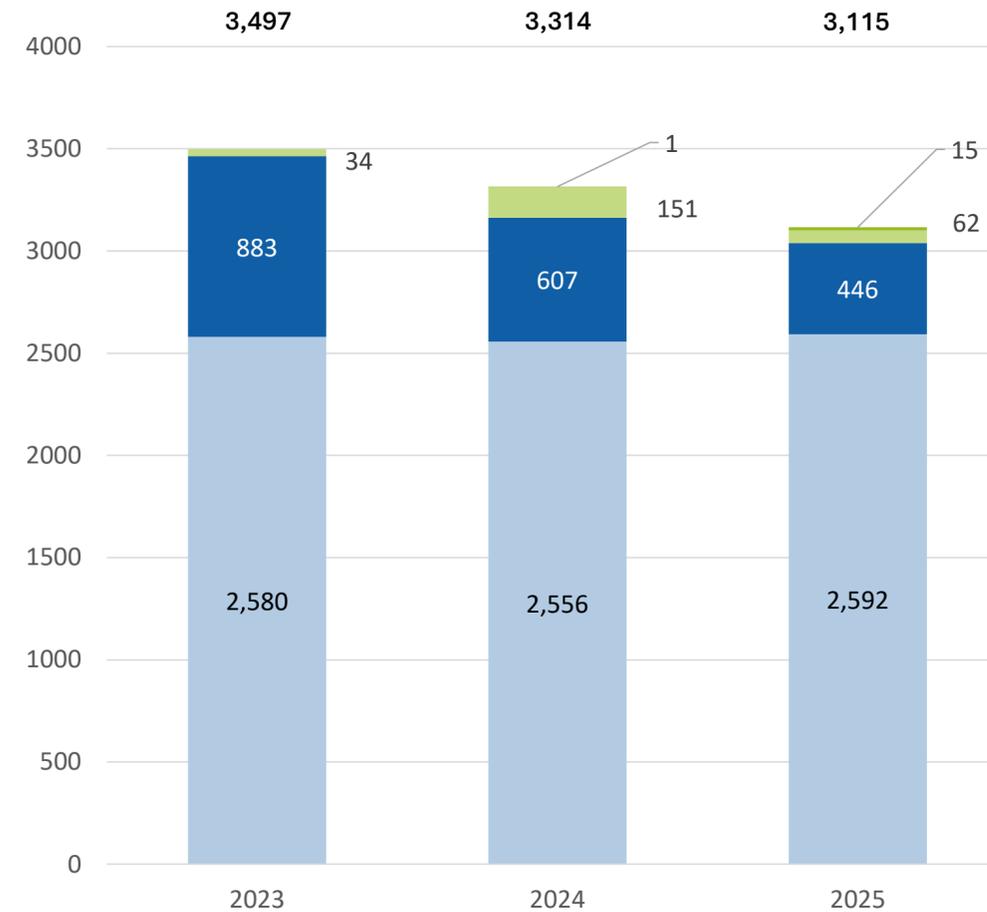
Energy Source Figures

In 2025, we reduced our total emissions by 23 percent compared to the previous year, and the share of renewable energy sources was 83 percent.

ENERGY SOURCES FOR ENERGY PRODUCTION, OWN AND PARTLY OWNED PRODUCTION, % (GWh)

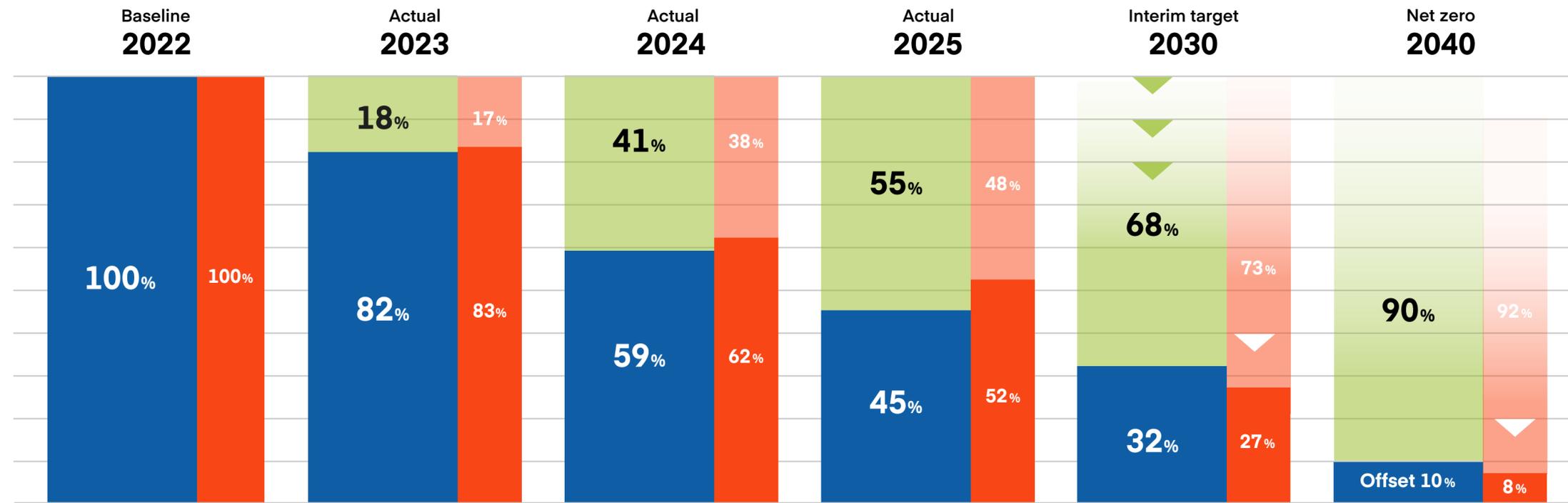


ENERGY SOURCES CATEGORISED INTO RENEWABLE AND FOSSIL SOURCES, GWh



■ Renewable energy sources
 ■ Fossil energy sources
 ■ Nuclear energy
 ■ Waste heat
 Including both our own and partly owned energy production.

CO₂e EMISSIONS ACTUALS ACCORDING TO THE CLIMATE TRANSITION PLAN FOR 2022–2025, AND THE TARGET FOR 2030–2040, %



- Total emissions
- Total emissions reduction %
- Emissions intensity
- Emission intensity reduction %

Total emissions refers to greenhouse gas emissions expressed in CO₂ equivalents.

Emissions intensity refers to the amount of emissions generated per unit of energy produced (CO₂ equivalent/GWh).

We will offset the residual emissions that cannot be reduced.

| CO ₂ emissions from our own operations 2022–2025, tons | 2022 | 2023 | 2024 | 2025 |
|---|----------------|----------------|---------|---------|
| Scope 1: Direct GHG emissions | 378,863 | 305,359 | 221,509 | 169,323 |
| Scope 2: Indirect GHG emissions (market-based) | 1,420 | 6,873 | 4,362 | 1,928 |
| Scope 2: Indirect GHG emissions (location-based) | Not calculated | Not calculated | 9,157 | 9,510 |
| Scope 1 and 2 (market-based) | 380,282 | 312,232 | 225,871 | 171,251 |
| Scope 1 and 2 (location-based) | Not calculated | Not calculated | 230,666 | 178,833 |
| Direct emissions from biomass combustion | Not calculated | Not calculated | 772,502 | 763,133 |

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