

2024



Annual report



2024

SAVON VOIMA OYJ ANNUAL REPORT



SAVON VOIMA OYJ, SAVON VOIMA VERKKO OY,
ITÄ-SUOMEN BIOMASSA OY
P.O. Box 1024 (Kapteeninväylä 5), 70901 Toivala

CUSTOMER SERVICE NUMBER: +358 17 224 400

24 H SERVICE NUMBERS:

Electricity: +358 800 307 400,
district heat: +358 800 307 800

EMAIL ADDRESS FORMAT:

firstname.lastname@savonvoima.fi
firstname.lastname@biomassa.fi

www.savonvoima.fi
www.biomassa.fi

SOCIAL MEDIA:

facebook.com/savonvoima
instagram.com/savonvoima

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SUSTAINABILITY AT SAVON VOIMA

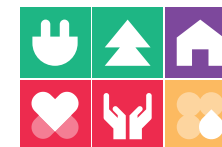
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savonvoima.fi/kestavakehitys

Want to read more about Savon Voima's corporate responsibility and sustainable development themes? View our sustainable development review.

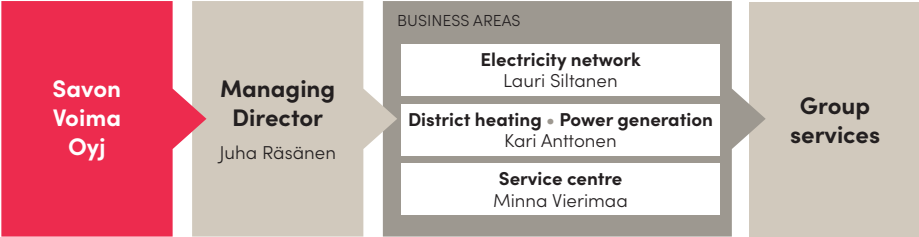
Savon Voima in brief

Group structure 1 January 2025

Savon Voima Oyj is wholly owned by Savon Energiaholding Oy, which is owned by the 20 municipalities in our network area.



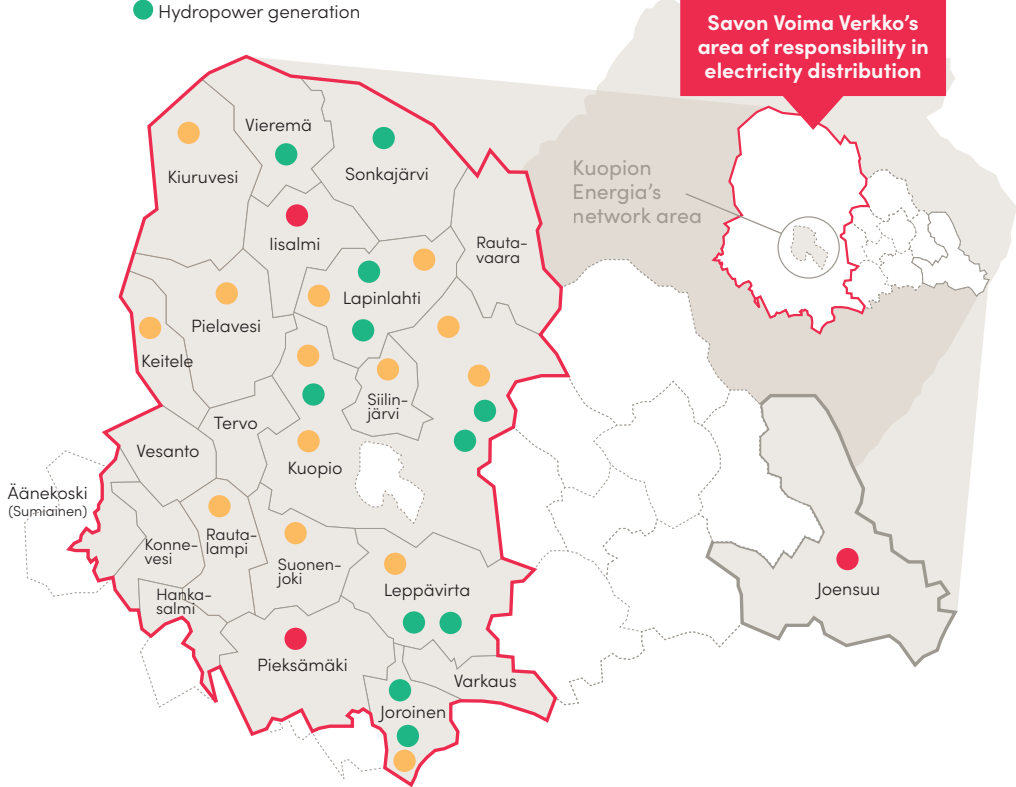
Savon Voima Group's business activities include the distribution of electricity and network services, production and distribution of district heat, power generation and customer service and invoicing solutions offered to other operators in the energy sector.



Savon Voima offers district heating in 21 district heating networks in 13 municipalities, mostly from renewable heat sources. In addition, we generate electricity at 11 hydropower plants and have combined heat and power generation at the Iisalmi, Pieksämäki and Joensuu power plants.

Savon Voima Verkko is the 6th-largest distribution system operator in Finland, and it is responsible for the distribution of electricity and other network services to approximately 120,000 customers in North Savo and parts of South Savo and Central Finland. The company's electricity network is approximately 28,000 km long, about 230 m per customer.

- Separate production of district heat
- Combined heat and power generation (CHP)
- Hydropower generation





CEO's review

Reduction of emissions progressed – fuel costs continued to rise

In early January 2024, we experienced a cold sub-zero period that affected both district heat consumption and electricity distribution volumes as well as the electricity market. On 5 January 2024, the electricity market broke records as the hourly spot price of electricity rose to €1,896 per MWh. The record high electricity price was due to a combination of high consumption caused by the cold weather and simultaneous isolated failures in electricity production. The power situation in the Finnish electricity network was temporarily tightened to such an extent that the transmission system operator Fingrid increased its readiness to ensure sufficient electricity supply. There was, however, no need to resort to electricity rationing at the beginning of the year.

In district heat production, the heavy snowfall and cold conditions in early winter caused more disruptions in fuel processing than normally in winter, which led to a higher than expected use of light fuel oil in some places to ensure heat production. In the electricity network, the severe winter weather posed a challenge to the resilience of the overhead system, both in terms of snow load and thermal stress. However, the security of supply to Savon Voima's customers could be maintained at a high level in the harsh conditions. After the cold January, temperatures in the winter months were average and, from May onwards, the rest of 2024 was warmer

than usual. Overall, the average temperature for the year exceeded the long-term average by 1.1 °C.

The second half of the financial year saw two major storms. *Storm Ilona* in October and *Storm Jari* in November both caused a major disruption in Savon Voima Verkkö's area, during which the number of customers without electricity temporarily rose to more than 10,000. The storms took place at night, which was a challenging time for repairs, and the storm damage was also affected by the direction and duration of the gusty winds. However, the precautions and advance notification of customers for both storms were successful thanks to the excellent forecasting, and repairs were started swiftly as soon as the conditions allowed. Despite the disruptions caused by the storms, Savon Voima Verkkö's service rate remained at a high level during the financial year, at 99.98% of the hours of the year. The impact of the storms was reflected in the average fault reset time, which for 2024 was 25 minutes longer than in 2023. The impact of building a weatherproof network is clearly evident in the accelerated recovery times for major disruptions. Savon Voima Verkkö Oy invested a total of €36.5 million in the weatherproof electricity network during the financial year. We installed 9,000 new smart electricity meters for our customers.

The electricity market stabilised after the price spike of the beginning of the year, and the average realised electricity exchange price was €46/MWh, well below the average exchange price of previous years. The year saw a record number of negative electricity price hours, 725 in total. The ability to time production is therefore increasingly important for the profitability of electricity production. Savon Voima switched to the use of a machine-learning hydropower plant control system in all five

hydropower plants on the Nilsjä waterway. The system helped to significantly improve the margin of hydropower production, based on the experience from the last quarter of the year. Also, our combined heat and power generation (CHP) actively contributed to balancing the electricity market. The optimisation of electricity production allowed us to increase the value of our own electricity production by €12/MWh during the year. The unit price improvement achieved through derivative hedging was €14/MWh. Overall, Savon Voima's average hourly price for electricity production was €72/MWh. The volume of electricity production was lower than budgeted mainly due to price adjustments in the production of our own power plants and the unavailability of the Olkiluoto 2 and 3 production shares. The volume of electricity produced in 2024 was 496 GWh, which was 12.7% below the 2023 production volume.

The carbon neutrality pathway for district heat production was implemented during the financial year as planned by reducing the use of peat, especially in the power plant areas, investing in electric boilers in Iisalmi and Keitele, launching an investment project for an industrial-scale heat pump in Joensuu and finalising the construction of the district heat accumulator in Joensuu. In addition, new heating, cooling and demand response solutions linked to the district heating system were offered to our customers, contributing to the achievement of our carbon neutrality targets. A prime example of our new customer solutions is the Sokos Hotel Tahko energy solution, which enables the district heating network in the area to be heated outside the heating season without combustion-based energy production. Savon Voima's specific emission factor for district heat in 2024 was 62 gCO₂/KWh, representing a decrease of 16.2% compared to 2023. The market situa-

tion for district heat and fuels used in electricity production, especially for biofuels, remained tight throughout the financial year. The average price of the fuel mix rose above the forecast due to high demand, resulting in the profitability of the district heat business falling short of the target.

In line with our strategy, we renewed our customer relationship management model in early 2024. Savon Voima switched to a single customer relationship management organisation that focused on the management and development of key customer relationships. We actively engaged in the marketing of new connections to the electricity network and sought solutions to the needs of planned investments in the operating area. The project portfolio for electricity network connections consisted of almost 80 projects, and contract connections corresponding to more than 70 MW of connection capacity were concluded. The investment environment in the area appears promising, particularly due to the additional electricity transmission capacity made possible by Fingrid's Järvilinja. Energy platforms and versatile bi-directional energy solutions are becoming a major competitive advantage, allowing investments to be located in Eastern Finland. A case in point is the decision to initiate the planning of a synthetic fuels production plant in Sorsasalo, Kuopio, which was announced at the end of the year.

In our annual strategy update, we refined our strategic development programmes and their targets. We added the use of artificial intelligence and the development of the well-being and skills of our personnel as new strategic priorities. The first AI application for production use was launched at Savon Voima's Service Centre. The application produces a summary of the customer service situation and provides an

emotional analysis of the service situation in order to further develop customer service work. The most significant achievements in supporting the well-being of our employees during the financial period were reaching the milestone of *1,500 days without accidents leading to absences* in September and becoming Finland's greatest improver in the medium-sized companies category of *Finland's Most Inspiring Workplaces* comparison.

The attempts to affect the critical infrastructure in the Baltic Sea and telecommunications networks show that the security environment in Finland has become tighter. We took numerous measures to improve protection, detection and management of continuity and participated in the Etelä-Savo 2024 preparedness exercise, among other things. The situation requires continuous monitoring and rapid response capability from us. However, last year we did not observe any significantly abnormal activities at the critical infrastructure sites managed by Savon Voima compared to previous years.

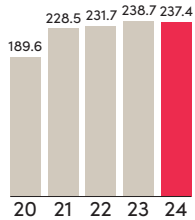
Although 2024 was challenging financially, we were also able to identify significant areas for improving our own operational efficiency in the changing environment. The impact of our own efficiency improvement efforts is already reflected in the 2024 financial statements, and we will continue this work in the coming financial year. My sincerest thanks to Savon Voima's professional staff for the past year and for all their hard efforts to learn new things. Thank you, our valued customers and partners, for the trust and commitment you have shown to us.

Siilinjärvi, 31 January 2025

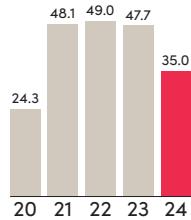
JUHA RÄSÄNEN

Savon Voima Group

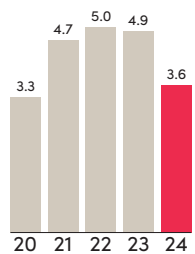
Net sales (MEUR)



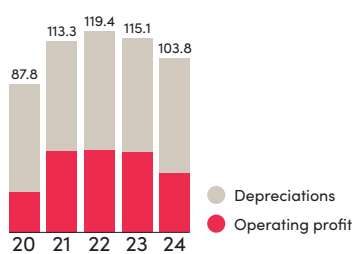
Operating profit (MEUR)



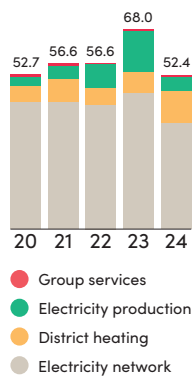
Return on investment (%)



Operating margin (MEUR)



Investments (MEUR)



Customer numbers

5,829 District heating
121,262 Electricity network

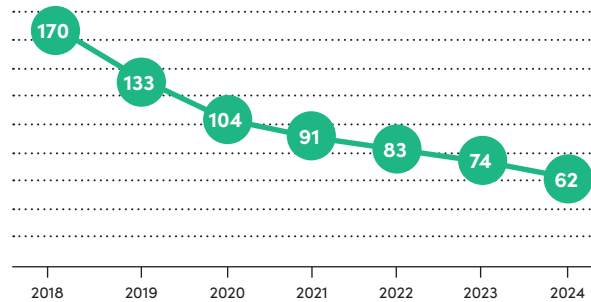
Personnel on 31 Dec.

217 on average during the year
44.4 yr Average age of the permanent employees

Sustainability

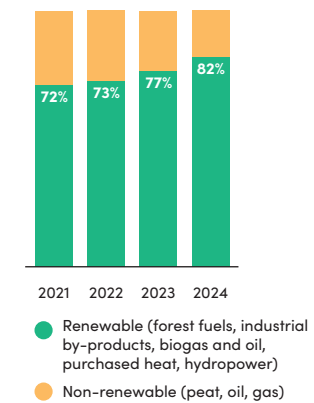
PRODUCTION AND EMISSIONS

Average specific emission factor for district heat (gCO₂/kWh)



Specific emission factor refers to the amount of CO₂ emissions per unit of energy sold. In the case of CHP areas, emissions and fuels for district heat and electricity production have been allocated based on the heat and electricity data produced using the benefit sharing method.

Distribution of own electricity, heat and steam production



Renewable (forest fuels, industrial by-products, biogas and oil, purchased heat, hydropower)
Non-renewable (peat, oil, gas)

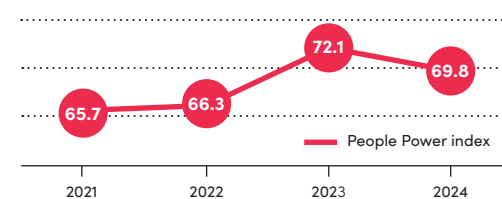
ACCIDENTS

1,599

days without accidents leading to absences

(Group situation on 31 December 2024)

PERSONNEL SATISFACTION



CUSTOMER SATISFACTION

Average rating given to us by customers in 2023 for our customer service



1 JANUARY

110 kV power line renewal between Alapitkä and Siilijärvi

We launched a €3.2 million power line renewal project between Alapitkä and Siilinjärvi and Alapitkä and Pielavesi.

The automatic reconnection time of the electricity network was extended

We participated in a study to identify the best solution models to reduce the negative impacts on customers. As a result, reconnection times were extended.

2 FEBRUARY

In 2024, the emissions from district heat production in Savon Voima's operating area were below the Finnish average.

Kipinä summer job applications for vocational and higher education students were launched.


Summer training in the energy sector for minors

Kuopion Energia and Savon Voima jointly opened a call for applications for a two-week *Tutustu ja tienaa* summer training programme for minors. The programme offered a specially designed package for 15-17-year-olds, where they were given a diverse introduction to the operations of both energy companies.

3 MARCH


Savon Voima was recognised as the greatest improver in Finland's *Most Inspiring Workplace* survey.

4 APRIL
Making use of waste heat

The pioneering work of Savon Voima and PKO transfers waste heat back into the district heating network

5 MAY
Weatherproof electricity network in Sukeva

The construction of Savon Voima Verkko's weatherproof electricity network renovation project was actively under way in spring 2024. The new electricity network will be fully commissioned in early 2025.

6 JUNE
The first thunderstorms of the summer disrupted electricity supply

Thunderstorms disrupted electricity supply on the first weekend of June, and at most 4,500 of our customers were without electricity.

7 JULY

The electric boiler investment of the Joensuu heating plant progressed.

8 AUGUST
Grid electricity storages were built in Savon Voima Verkko's distribution area

The capacities of the storages planned for Savon Voima Verkko's distribution area range from about 1 MW to up to 30 MW.

9 SEPTEMBER

The fishway of the Maavesi hydropower plant in Joroinen was opened

The fishway will be kept open through volunteer efforts throughout the year in order for it to develop into the most attractive habitat for migratory fish as possible.

Savon Voima reaches 1,500 days without work-related accidents (LTI1)
10 OCTOBER
Storm Ilona swept over the distribution area of Savon Voima Verkko and caused dozens of individual repair tasks.
Savon Voima invested in a modern electric boiler in Keitele

Savon Voima invested in a modern electric boiler in Keitele to ensure competitive district heating for customers by making use of more diverse energy sources for district heating and reducing combustion-based heat production. The total cost of the boiler investment is estimated to be €980,000.

Savon Voima provided a remote water reading service for the municipality of Pielavesi

Savon Voima concluded the first water metering and remote reading service contract with the Pielavesi water supply plant.

Savon Voima launched a partnership project to utilise waste heat from the flue gas scrubber of the Joensuu power plant using heat pumps

In summer, when the power plant is out of operation, the heat pumps use river water as a heat source. The EU NextGeneration-funded heat pump plant, which uses a flue gas scrubber and river water as a heat source, is the first of its kind in Europe. It consists of four heat pumps, which will be located as a module in the premises prepared by Savon Voima.

11 NOVEMBER
Modern electrode electric boiler for the Iisalmi power plant

Savon Voima announced an investment in a 15 MW electrode-electric boiler for the Iisalmi power plant, which will replace the 12 MW light fuel oil boiler to be decommissioned. The investment is worth €3.4 million.

Storm Jari caused power cuts all over Finland

During the storm, the highest number of customers without electricity was 10,444.

Savon Voima Verkko to increase network service fees by an average of 4.2% and district heat prices by 7% from the beginning of 2025

In November, we announced increases in electricity network service fees and district heat prices from the beginning of 2025. The reasons for the increases in electricity network service fees were the general increase in cost levels, the high level of investments in security of supply and the increase in the price of grid fees.

The increases in district heat prices were driven by higher heat production costs due to higher wood-based biofuel prices, the general increase in cost levels and the need for significant investments in non-combustion district heat production.

12 DECEMBER
The heat pump system supplied by Savon Voima was commissioned at Break Sokos Hotel Tahko

Savon Voima provides the cooling required by the hotel as a service with a new heat pump system and at the same time produces heat for the Tahko district heating network. Thanks to an air collector connected to the heat pump system and the utilisation of waste heat resulting from cooling the hotel, the heat pump is able to meet the summertime heating needs of the district heating network in the Tahko area, reducing the amount of wood chips needed by about 40 truckloads.

We launched an enquiry into the possibilities for cooperation in water management with Pieksämäki, Suonenjoki and Leppävirta

Savon Voima launched enquiries into cooperation in water management with Pieksämäki, Suonenjoki and Leppävirta. The aim of the enquiries is to find synergy benefits that will improve the operational efficiency of water management and bring cost savings to the municipalities.



savonvoima.fi/tiedotteet
Read all our press releases from 2024.

Strategy

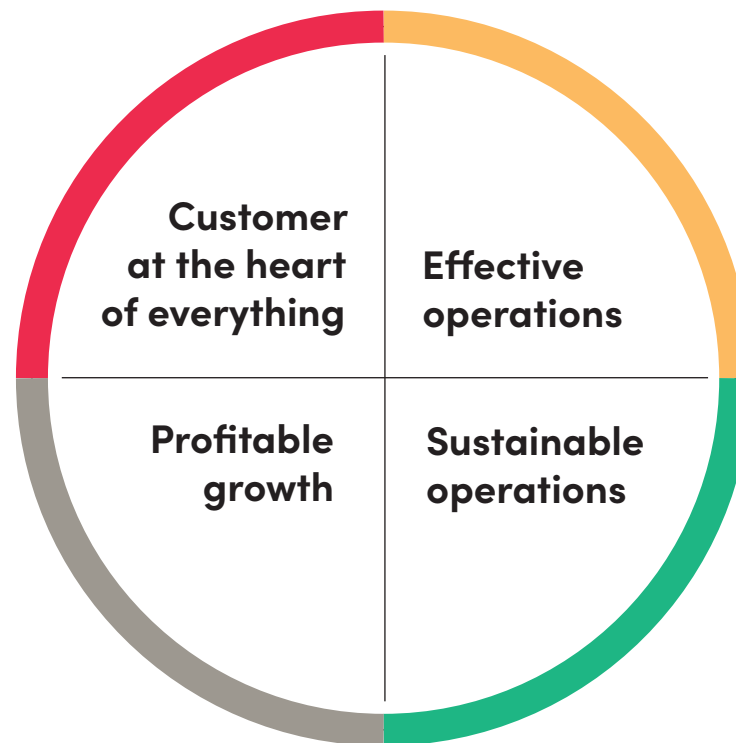
In our region, we are an important operator in terms of security of supply, and we are building a carbon-neutral future for our customers. Our vision is to be a *reliable partner and bold developer in energy and water services, as well as a regional builder of a clean future*. Our goal is for our production to be carbon neutral by 2030. These goals direct our operations, both on an annual level and in the long term.

During 2024, we developed our annual strategy process by refining the development programmes selected in 2023 and their objectives. Our strategy process began with a staff survey to gather the views of the Savon Voima staff on our operating environment. This was followed by Voimapäivät and workshops, where the staff together with management selected the most important themes for the strategy period. The strategic priorities selected in 2023 remained the same, but we updated our vision with the aim of being a *reliable partner and bold developer in energy and water services as well as a regional builder of a clean future*. We added the use of artificial intelligence and the development of the well-being and skills of our personnel as new strategic priorities.

The four cornerstones of our strategy for 2024–2026 that will help us operate in a changed world are:

- **Customer at the heart of everything**
- **Effective operations**
- **Sustainable operations**
- **Profitable growth**

Our goal of achieving carbon neutrality in energy production by 2030 remains an integral part of our strategy. Our vision and carbon neutrality targets direct our operations, both on an annual level and in the long term. Our carbon neutrality target is supported by our 2023 sustainability programme and biodiversity map, which serve as the basis for our sustainability work. These are reviewed annually as part of the strategy process and updated as needed.



Value creation

Capital

Personnel

- 218 energy sector professionals
- 10% of staff are summer employees every year

Energy sources

biomass, fuel oil, sun, water, wind, waste heat, peat, geothermal heat

Financial

- Investments within the Group EUR 52.4 million
- Purchases: Materials and services EUR 89.5 million + Other operating expenses EUR 33.7 million + EUR 123.2 million
- Balance sheet EUR 1 124.8 million

Infrastructure

- Power plants and heating plants
- Electricity networks
- District heating network

Partner network

- Fuel suppliers
- Contractors
- Project partners
- Service providers

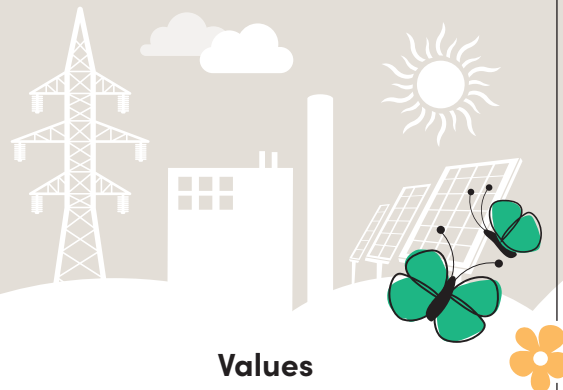
Intangible assets

- A well-known brand
- ISO certifications

Business and strategy

A reliable partner and bold developer in energy and water services. A regional builder of a clean future.

Carbon-neutral energy production by 2030



Customer comes first



We are trustworthy



We want to be successful



We learn and develop

Impacts

Customers

- Over 120,000 electricity network customers
- 21 district heat networks, approximately 5,900 district heat customers
- 4.36/5 satisfaction with customer service
- 89.4% of customers felt they could get their case taken care of in one interaction

Electricity network

- Average outage time: 1 hour 59 minutes
- Security of electricity supply: 99.98%

Financial impacts

- Net sales EUR 237.4 million
- Operating profit EUR 35.0 million
- Income tax EUR 8.8 million

Products and services

- Electricity distributed: 1,878 GWh
- Power generation: 496 GWh
- District heat and steam supplied: 1,117 GWh
- Smart meters changed in one year: almost 9,000
- Other services such as heat pumps and hybrid solutions

Environmental impacts

- CO₂ emissions 99,403 tCO₂
- Specific emissions 62 g/kWh
- Renewable energy production
- Share of waste heat in heat production 22%
- Contaminated soil 230 tonnes
- Obligatory plantings 131,000 pike-perch, powan and brown trout fry

Staff and regional impact

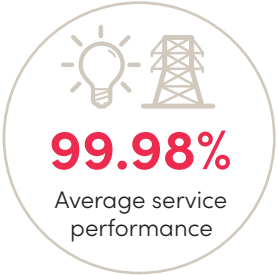
- Salaries and rewards EUR 13.7 million
- Dividends to owner municipalities EUR 14 million
- 1,599 days without accidents resulting in absence (As of 31 Dec 2024)
- People Power index 69.8
- Savon Voima's long-term partnership with Kuopion Yrityskylä Primary School continued. In Yrityskylä, we supported 47 Yrityskylä days, which were attended by sixth-graders from 30 municipalities.
- Local education and project partnerships, inc. Savonia University of Applied Sciences, University of Eastern Finland, Karelia University of Applied Sciences and Savo Vocational College.

Electricity network

Key events in 2024

- 1,878 GWh of electricity (total consumption and production in the region) were distributed in our network, which is practically the same as the year before.
- We built 695 km of a secure electricity network during the year. In total, we invested EUR 36.4 million in the network in our area of activity.
- In 2024, Storms Ilona and Jari in the autumn caused line breaks and breaks in electricity supply. Despite the storms, the security of electricity supply was excellent with a service level of 99.98%. The energy-weighted average fault reset time of the electricity network was 1 hour 59 minutes (1 hour 34 minutes) per customer.
- The most significant investments in the electricity network during the year were the electricity network renewal projects in Kuopio's Kurkimäki, Suokeva and Varkaus urban areas as well as in Alapitkä, Iisalmi's Huotari and Porosuo areas and Vieremä's Karankajärvi and Pitkämäki areas.
- During the year, we replaced around 9,000 remote reading devices. In addition, several substations were renovated.
- The number of new medium-voltage connections was higher than in previous years, which indicated an increase in grid energy storages and charging stations for electric cars. 290 new customers were connected to the electricity network, and 387 connections were deactivated.
- At the end of 2024, we informed customers of an average price increase of 4.2% from the beginning of 2025. The reasons for the increase are the increase in the cost level, the high level of investments in security of supply and the increase in the price of grid fees.

Savon Voima Verkkö is responsible for the distribution of electricity and other network services to over 120,000 households and companies in North Savo and parts of South Savo and Central Finland. Our electricity network is 28,000 km long, about 230 m per customer. In terms of the number of customers, we are the 6th-largest distribution system operator in Finland.



Net sales (MEUR)

102.3 (101.4)

Operating profit (MEUR)

36.7 (41.5)

Investments in 2024: EUR 36.4 million

Medium-voltage network, underground cable	246.2 km
Medium-voltage network, overhead line	73.9 km
Low-voltage network, underground cable	295.5 km
Low-voltage network, overhead line	79.7 km
Prefab transformer substations	203
Mini substations	63
Column transformers	77
New metering equipment	9,000

Degree of cabling in 2024

Rate of underground cabling for the whole electricity network	38%
Medium-voltage network	23%
Low-voltage network	49%

We are one of Finland's largest producers of district heating. We offer heating in 21 district heating networks in 13 municipalities. We have 629 km of a district heat network. In 2024, the share of domestic energy sources in our heat production was 97%. Just over a fifth of the heat we deliver comes from waste heat.

Key events in 2024

- Heat sales increased during the beginning of the year due to colder-than-average weather, but the warmer-than-normal summer and the end of the year balanced out sales volumes for the whole year.
- The total volume of heat and steam sales was 1,117 GWh (1,147 GWh). The total sales volume of heat and steam in 2024 was 2.6% below the sales volume of 2023.
- A total of 3 km of new district heating network was built, and a total of 5 km of old network was renovated.
- One of the most significant investment projects of the year was the Joensuu power plant's thermal battery, which was commissioned at the end of the year.
- In 2024, we made investment decisions on a modern 15 MW electrode electric boiler to replace the fuel oil boiler at Iisalmi power plant and a 2 MW electric boiler for the district heating network in Keitele. Both investments will be completed in 2025.
- A cooling solution was completed for the new Break Sokos Hotel Tahko in Tahkovuori, which will allow the waste heat from cooling to be utilised in the district heating network. The same heat pump will also be used to produce district heat from outdoor air during summer.
- Cooperation was started with Pohjois-Karjalan Osuuskas to utilise the waste heat from the Sokos-Vaakuna block in Joensuu for district heating.
- The construction of Joensuu Biocoal Oy's biocoal plant progressed according to plan during the year. The building was completed during 2024, and production is scheduled to start in early 2025.

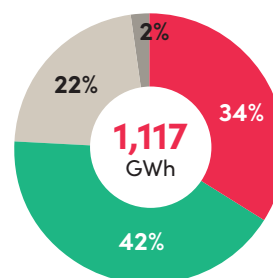
Net sales (MEUR)

98.8 (93.8)

Operating profit (MEUR)

11.1 (11.2)

Origin of district heat sold

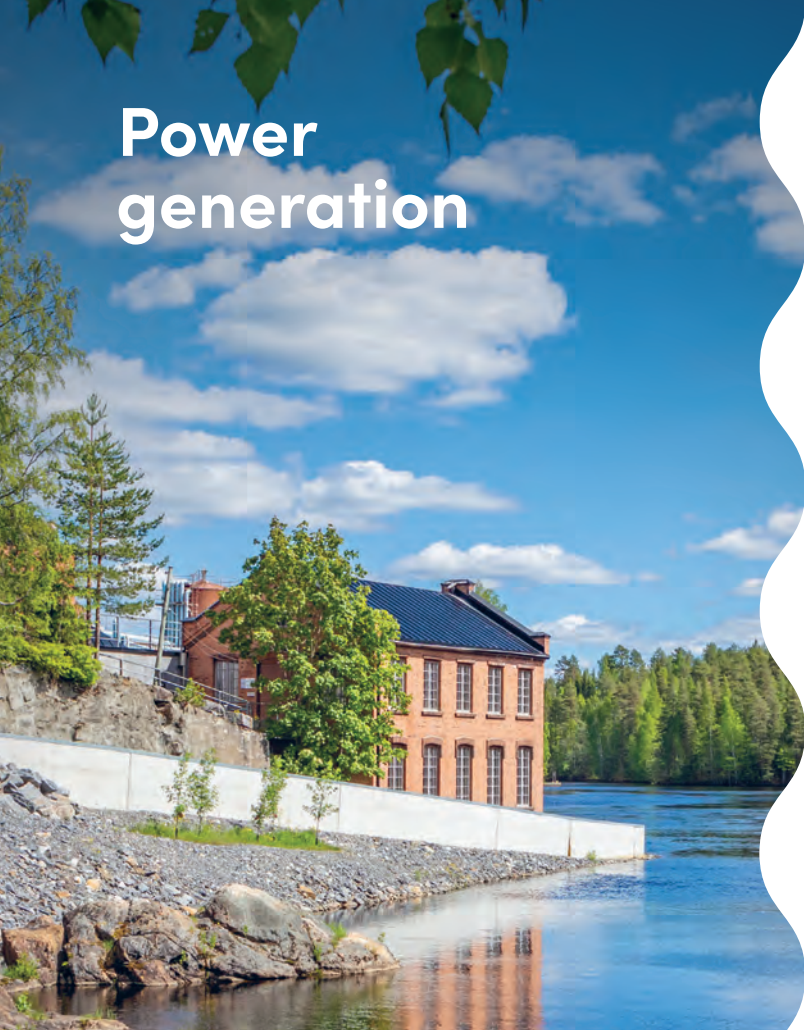


- Separate production of heat
- Combined heat and power generation (CHP)
- Heat recovery and waste heat from industry
- Electric boiler production

District heating



Power generation



Our power generation business produces electricity for the electricity market at Savon Voima's 11 hydropower plants and at the Iisalmi, Pieksämäki and Joensuu combined heat and power plants. Our power generation will be completely carbon neutral by 2027.

Key events in 2024

- In 2024, the production volume of electricity amounted to 496 (569) GWh, which is 12.7% less than the previous year. This was in particular due to the prolongation of the annual service of Olkiluoto 3.
- In 2024, the production volume of hydropower amounted to 88 (117) GWh, which is 25% less than in 2023. The production volume was affected by the low rainfall in summer and autumn.
- The price of wholesale electricity in Finland in 2024 was 4.56 cents/kWh, which is 19% less than in 2023.
- In 2024, we deployed an AI application for the planning and optimisation of the production of five hydropower plants on the Nilsä waterway.
- During the financial year, we made, through Kymppivoima Oy, equity investments of EUR 0.7 million in the Heinineva solar power park.
- Late summer saw the opening of a natural fishway next to Joroinen's Maavesi hydropower plant. Renovated on the site of the former Vasara-lankoski rapids, the 480-metre-long channel consists of a natural channel and a 22-metre-long drum pipe under the Katajamäentie.

Net sales (MEUR)

36.6

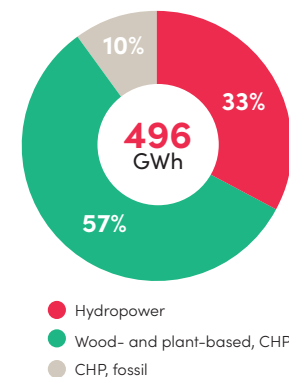
(43.5)

Operating profit (MEUR)

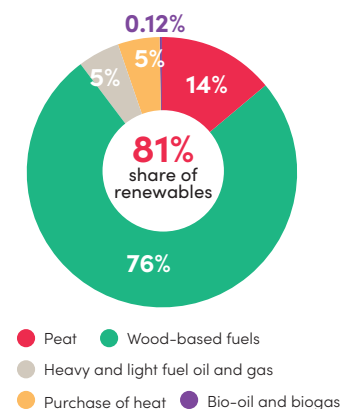
2.7

(10.1)

Distribution of our own power generation



Energy sources of our own CHP, heat and steam production



Water management business

We launched our first water management service package with the municipality of Pielavesi, which includes the supply of remotely read water meters and an installation and reading service.

In December, we launched an enquiry into the possibilities for cooperation in water management with Pieksämäki, Suonenjoki and Leppävirta. We will present different cooperation models ranging from comprehensive water management services to individual solutions such as remote metering or outsourcing of invoicing and customer service.





Report of the Board of Directors and financial statements for 2024

Report of the Board of Directors

FINANCIAL YEAR 1 January–31 December 2024

Savon Voima Group

Savon Voima Oyj is a wholly owned subsidiary of Savon Energiholding Oy, which is owned by 20 municipalities. On 31 December 2024, Savon Voima Group consisted of the parent company Savon Voima Oyj and its subsidiaries Savon Voima Verkko Oy and Itä-Suomen Biomassa Oy (holding of 70%). Associated companies include Kymppivoima Oy (19.4%) and Väre Oy (37.8%).

Savon Voima Group's business operations include the electricity distribution network operations carried out by Savon Voima Verkko Oy in the electricity network owned by the company itself, the production of district heating and electricity, the distribution of district heat and the sale of district heat.

Consolidated earnings and financial position for 2024

FINANCIAL PERFORMANCE (MEUR)	2024	2023	2022
Net sales	237.4	238.7	231.7
Depreciation and reduction in value	68.8	67.5	70.4
Operating profit	35.0	47.7	49.0
Profit before appropriations and taxes	33.8	47.0	50.8
Profit for the financial year	24.9	35.0	37.8
KEY FIGURES (% of net sales)	2024	2023	2022
Operating profit	14.8	20.0	21.2
Profit before extraordinary items	14.2	19.7	21.9
OTHER KEY FIGURES	2024	2023	2022
Return on equity (%)	4.9	7.1	8.1
Return on investment (%)	3.6	4.9	5.0
Equity ratio (%)	45.8	43.9	41.9
Liquidity, quick ratio	1.0	1.0	1.1
Investments total (MEUR)	52.4	68.0	56.6
Investments in electricity distribution (MEUR)	36.4	46.5	42.4
Investments in power generation (MEUR)	5.0	13.9	8.4
Investments in district heating (MEUR)	10.8	7.2	5.6
Increase in connection fees (MEUR)	0.5	0.7	0.9

The net sales of Savon Voima Group in 2024 were EUR 237.4 million. The Group's net sales in 2023 were EUR 238.7 million, which means that net sales decreased by approximately 0.5%. The decrease in net sales was due to lower production volumes and lower realised sales prices in the power generation business compared to the reference year.

In 2024, net sales in power generation were EUR 35.9 (42.8) million. The total power generation volume decreased by 12.7% due to lower production volumes than in the comparison year, both at Savon Voima's own CHP and hydropower plants and the production shares at the Olkiluoto nuclear power plants. The lower electricity market price compared to the previous year also contributed to the decrease in net sales.

The net sales of district heating were EUR 97.6 (93.0) million, an increase of 5.0% compared to the previous year. The increase in net sales in the district heating business was due to an increase in district heating prices from the beginning of 2024. The increase in district heat prices was due to increased energy and fuel costs, which had a significant impact on the profitability of the business, as well as inflation, which increased fixed costs. The district heat production volume was 2.6% lower than in the previous year.

Net sales in the electricity network business increased by EUR 0.6 million compared to 2023. Net sales in 2024 were EUR 98.8 million, compared to EUR 98.1 million in the previous year. The increase was due to higher fixed and capacity-based charges for medium-voltage and high-voltage networks compared to the previous year. The total amount of electricity transmitted in 2024 was 1,878 (1,879) GWh.

The Group's operating profit decreased compared to the previous year and amounted to EUR 35.0 (47.7) million. The operating profit decreased by 26.5%. The decrease in operating profit was mainly due to the decrease in net sales in electricity generation and, in particular, to the increase in fuel costs. Higher fuel prices reduced the profitability of energy production, and there was also an increase in fixed costs compared to the previous year. In 2023, the transmission system operator Fingrid did not collect grid fees from the distribution system operator for six months, and in 2024 only for three months. This increased the costs of the electricity network business by EUR 1.2 million compared to the reference year. The Group's fixed costs were also partly increased by the change in the accounting practice in the electricity network business for the costs of dismantling the old electricity network in order to comply with the new monitoring model for distribution system operations, which came into force at the beginning of 2024. The change increased annual costs by EUR 1.1 million. The Group's operating expenses excluding personnel expenses were EUR 123.2 (115.7) million, an increase of 6.5% from the previous year. The Group's personnel expenses in 2024 were EUR 15.1 (14.0) million. Dur-

ing 2024, the Savon Voima Group launched an efficiency programme to improve the productivity of its operations, aiming to improve profitability by EUR 10 million by the beginning of 2027.

The Group's depreciation amounted to EUR 68.8 (67.5) million, an increase of 2.0% from the previous year. The depreciation includes EUR 14.1 million in depreciation of goodwill on consolidation arising from the Joensuu share transaction.

The Group's net financing costs were EUR 1.2 (0.7) million. Profit before appropriations and taxes amounted to EUR 33.8 (47.0) million. The Group's taxes amounted to EUR 8.8 (11.8) million. The profit for the financial year was EUR 24.9 million, compared to EUR 35.0 million in 2023.

The Group's gross investments in fixed assets totalled EUR 52.4 million. A total of EUR 36.4 million was spent on the construction of the electricity network. EUR 10.8 million was invested in the district heating network and heat production. Investments in power generation amounted to EUR 5.0 million. Other investments amounted to EUR 0.1 million. In addition, equity investments totalling EUR 5.8 million were made in the self-financed shares of the construction costs of Finland's largest onshore wind farm under construction in Lestijärvi and the industrial-scale solar farm under construction in Heinineva, Lapua, both of which are owned by the associated company Kymppivoima Oy.

Connection fees increased by EUR 0.5 million. The increase came from Savon Voima Verkko Oy's connection fees.

Savon Voima Group's interest-bearing debt financing is centralised in the parent company. During the financial year, the Group's loans were amortised by EUR 20.0 million. At the end of the financial period, the Group's long-term loans amounted to EUR 470 million and short-term loans to EUR 20 million. To ensure liquidity, an overdraft facility has been added to the consolidated account. In addition, the Group has a standby credit limit and a commercial paper programme for short-term financing needs. There was no credit limit or standby credit limit on the consolidated account and no commercial paper was issued at the end of the financial year.

At the end of 2024, the Group's equity ratio was 45.8%, compared to 43.9% in the previous year. As measured by quick ratio, liquidity was good, 1.0 (1.0). For the purpose of calculating the key figures, connection fees have been treated as an equity-like item.

Energy markets

The price of wholesale electricity in Finland in 2024 was 4.56 cents/kWh, which is 19% lower than in 2023. The system price in the Nordic countries was 3.61 cents/kWh, 36% lower than in the year before. Extremely high prices were seen during the severe frosts in January, but the year also saw more negative prices than ever before.

Finland's electricity consumption in 2024 was 83 TWh, which was 3% more than in the previous year. Industrial consumption remained at the previous year's level of 34 TWh. Other consumption increased by 6% to 49 TWh.

Net electricity production in Finland increased by 2% to 80 TWh. Nuclear power production amounted to 31 TWh, which was 5% less than in 2023. Wind power production was the second largest form of production in terms of volume. Wind power production was 20 TWh, 37% more than in the previous year. Hydropower production was 14 TWh, 6% less than in the previous year. As in 2023, the largest relative increase was in solar power production. Last year, solar power production increased by 61% and exceeded 1 TWh. The production of traditional thermal power continued to decline. The production amounted to 13 TWh, 13.0% less than in 2023.

Electricity imports decreased by 10 per cent to 9 TWh. Electricity exports decreased by 30% to 6 TWh. Only imports from Estonia increased, but Estonia's share of Finland's electricity imports was only 3%. The decrease in exports was due to the failure of the EstLink 2 connection in late January. The repair work took more than seven months. EstLink 2 broke down again at the end of the year. Due to the significant decrease in exports, Finland's net imports increased by 84% to over 3 TWh.

The market for emission allowances was on a downward trend throughout the year. The allowance price (EUADEC-24) fell by 17% during the year, ending the year at EUR 63.30/tCO₂.

According to the statistics of the energy industry, the total emissions of district heating decreased by 19% from the previous year and the emissions of electricity production decreased by 25%. Carbon dioxide emissions from the production of electricity amounted to 1.9 million tonnes and from the production of district heat to 2.5 million tonnes in 2024. The heating season in Finland was 0.9 °C warmer than normal. In 2024, the average temperature in Savon Voima's operating area was 0.8 °C higher than the year before.

SAVON VOIMA GROUP'S BUSINESS OPERATIONS

District heating

The net sales of the Group's district heating business excluding Group eliminations in 2024 amounted to EUR 98.8 (93.8) million. Net sales increased by EUR 5.3 million compared to 2023. The increase in net sales is explained by the increase in customer prices at the beginning of 2024. The operating profit from district heating in 2024 was EUR 11.1 (11.2) million.

Heat sales volumes were higher in the first half of 2024 than in the corresponding period in 2023 due to colder-than-average outdoor temperatures. The warmer-than-normal summer and the end of the year balanced out sales volumes for the whole year and, in the end, total heat and steam sales volumes in 2024 were 2.6% lower than in 2023. The total volume of heat and steam sales was 1.117 (1.147) GWh.

A total of 1,606 (1,626) GWh of fuels and purchased heat were used in the Group, including fuels for power production and steam supply sites. A total of 1,304 (1,342) of fuels and purchased heat were used in the production of district heat. The share of renewable heat sources in the production of district heat was 81 (77) per cent, the rest of the heat sources being peat, fuel oil, and liquefied petroleum gas. The share of fuel oil and liquefied petroleum gas in the fuels used in the production of district heat was 3.9% (2.2). The share of peat was reduced as planned by replacing it with wood fuels. The share of peat was 14.1% (21.1%). Electric heat production, i.e. production from electric boilers and heat pumps, continued to grow, totalling 24.4 (7.6) GWh in 2024. This covered 2.0% of heat production.

The increase in the share of carbon-neutral energy sources was reflected in a decrease in the specific emissions of district heating. The specific emissions of district heat in 2024 were 62 (74) gCO₂/kWh.

The fuel market was still more affected than expected by the end of imports of wood fuels from Russia, the importing of which was discontinued in 2022 due to the war in Ukraine. As a result, the demand for domestic fuels has increased significantly, and this has been reflected in a significant increase in fuel batch prices in the wood fuel market. Indeed, the increase in fuel costs was the most significant reason for the increase introduced in district heating prices at the beginning of 2024. The prices of district heating were increased by 6% in Savon Voima's district heating networks.

The domestic content of energy sources remained high at 95.9% (97.1%) in 2024 for total energy production, including electricity and steam production. The only imported fuels used in energy production are fuel oil and liquefied petroleum gas. Intensified competition from domestic wood fuels was reflected in the fuel market but, despite this, fuel supply for district heat production has been secured in all of Savon Voima's district heating network areas, and measures to improve the security of supply in fuels were promoted.

A total of 29 (33) new district heating customer relationships were established during 2024. The number of new district heating connections decreased, especially due to the depression in the construction sector. Correspondingly, 23 (8) customers terminated their contract for district heating during the year. At the end of the year, the total number of customers was 5,829 (5,850). A total of 3,021 (1,680) metres of new district heating network was built, and 5,468 (4,377) metres of old pipelines were renovated. At the end of 2024, the total length of the networks was 629 (627) km.

The most significant of the new investments completed during 2024 was the Joensuu thermal battery, which will contribute to the utilisation of electric heat production and waste heat in the production of district heat in Joensuu.

In addition, a building for Joensuu Biocoal Oy's biocoal plant was completed in Joensuu, built by Savon Voima. Biocoal production is expected to start in 2025. In addition, P2X Solutions, in cooperation with Savon Voima, promoted its design for a hydrogen and electric fuel production plant that could be implemented next to the Joensuu power plant. The hydrogen production plant received a building permit during 2024.

During 2024, several investments were made to ensure the operational reliability of district heat production and to enable the replacement of peat with wood fuels. Examples of these investments include new soot blowers for the Pieksämäki power plant boiler and the replacement of the superheater at the Joensuu power plant.

A cooling solution was completed for the new Break Sokos Hotel Tahko in Tahkovuori, which allows the waste heat from the heat pump in the cooling production to be utilised in the district heating network. The same heat pump will also be used to produce district heat from outdoor air during summer. Cooperation was started with Pohjois-Karjalan Osuuskauppa on the utilisation of waste heat from the Sokos-Vaakuna block for district heat.

We also made investment decisions on new investments in electric boilers for district heat production in Iisalmi and Keitele to replace combustion-based heat production with electric production. The electric boilers are scheduled to be commissioned during 2025.

We launched our water management business under a service agreement with the municipality of Pielavesi. The service includes water metering and remote reading services with the Pielavesi water supply plant. In addition, we agreed on enquiries into cooperation with the municipalities of Pieksämäki, Suonenjoki and Leppävirta to explore synergy benefits in water and energy supply.

Power generation

The net sales of power generation excluding Group eliminations in 2024 amounted to EUR 36.6 (43.5) million. The realised operating profit was EUR 2.7 (10.1) million. The operating result for power generation decreased due to lower electricity market prices and lower production than the previous year. Successful price hedging and optimisation of production effectively minimised the impacts of the decrease in market prices on the Group's net sales and profitability. The optimisation of power generation allowed us to increase the value of our own power generation by €12/MWh during the year. The unit price improvement achieved through derivative hedging was €14/MWh. Overall, Savon Voima's average hourly price for power generation was €72 (75)/MWh.

In 2024, the overall production volume of electricity amounted to 496 (569) GWh, which is 12.7% higher than the previous year. The volume of own back pressure generation decreased by 15.2% to 180 (212) GWh.

During the year, the production volume of hydropower amounted to 88 (117) GWh, which is 25% less than in 2023. The lower level of rainfall compared to the previous year reduced hydropower generation.

The production shares owned through Kymppivoima Oy generated 228 GWh of electricity, which is 11 GWh less than the reference year. The decrease in volume was due to prolonged planned and unplanned maintenance shutdowns of the Olkiluoto nuclear power plants.

We opened the fishway at the Maavesi hydropower plant. The fishway, built at the old Vasaralankoski rapids, will be kept open through volunteer efforts throughout the year in order for it to develop into the most attractive habitat for migratory fish as possible.

During 2024, we deployed an AI application for the planning and optimisation of the production of five hydropower plants on the Nilsä waterway. The application will be used to optimise the running of the power plants, taking into account the water situation and the electricity market.

The most significant investment in power generation was the completion of the Joensuu district heat accumulator. The accumulator will help to optimise the power generation of the CHP plant in Joensuu's CHP plant. During the financial year, Savon Voima Oy made, through Kymppivoima Oy, equity investments totalling EUR 5.1 million in Finland's largest onshore wind farm being built in Lestijärvi, which is expected to be completed in 2025. During the financial year, Savon Voima Oy also made, through Kymppivoima Oy, equity investments totalling EUR 0.7 million in the Heinineva solar power park. The first part of Heinineva was completed in late 2024, and Savon Voima decided in 2024 to also participate in the investment for the extension of the park.

Electricity distribution network business

The net sales of electricity network business excluding Group eliminations in 2024 amounted to EUR 102.3 (101.4) million, and the operating profit was EUR 36.7 (41.5) million.

Electricity transmission in our network amounted to 1,878 GWh (total area consumption and production), compared to 1,879 GWh in the previous year. The total network losses were about 78 (76) GWh.

The higher fluctuation in electricity market prices in the first half of 2024 levelled off over the course of the year. The activity of customers in monitoring electricity prices and their own consumption increased even further. The levelling of electricity prices contributed to an increase in customers' own power generation. The number of new small-scale production sites connected to the electricity network was 510, which is more than half of the number connected in 2023. The new sites were mainly solar power systems.

At the end of the year, the number of network service contracts was 121,262. During the year, 290 new customers were connected to the electricity network, and 387 connections were deactivated. At the end of the year, there were 4,938 small-scale production sites connected to the network, the majority of which were solar power systems. During 2024, one 1 MW energy storage was connected to the electricity network, and several dozen additional connection contracts were concluded for similar energy storages around the network area.

The average energy-weighted fault outage time experienced by the customer was 1 hour 59 minutes. This represents a service rate of 99.98% of the hours of the year. In 2024, we were spared any large-scale major disruptions. Of the year's storms, Ilona and Jari caused the most simultaneous power outages. In other respects, the year was filled with normal gusts and thunderstorms. Overall, the year was calm with regard to electricity distribution failures.

In 2024, construction in accordance with the weatherproof investment programme progressed according to plan, with the exception of a few major construction delays. The weatherproof network currently covers approximately 86,100 customers. A total of 695 kilometres of a weatherproof network were built and EUR 36.4 million was spent on investments. Savon Voima Verko's distribution network is approximately 28,000 km long, which is about 230 m per customer. 246 km of the medium-voltage network and 295 km of the low-voltage network were cabled.

Another part of building a weatherproof network is moving overhead medium- and low-voltage lines to roadsides. This was carried out for 154 km. The rate of underground cabling for the whole electricity network is 38 per cent, for the medium voltage grid 23 per cent and for the low voltage grid 49 per cent.

The majority of investments in the electricity distribution network were concentrated around urban areas and substations, and in trunk lines between substations. In 2024, the most significant of urban area renovations were the Kurkimäki-Pellesmäki and Kinnari-Timola construction sites. In 2024, the Kurkimäki urban area was cabled from the Kurkimäki-Pellesmäki site. For Pellesmäki, the cabling will be completed in 2025. The total cost of the project is around EUR 7.0 million.

The Kinnari-Timola site started from Kinnari substation towards Puurtila, from where the cabling will continue in 2025 towards Huruslahti. The total cost of the project is EUR 6.4 million. In Upper Savonia, several projects were implemented to improve the security of electricity supply and the quality of electricity. The most significant projects were Huotari and Porosuo in Iisalmi (EUR 4.1 million), Sukeva-Poromäki (EUR 3.1 million) and Karankajärvi and Pitkämäki in Vieremä (EUR 2.6 million).

The renovation of the 110 kV regional network between Alapitkä and Siilinjärvi started with the replacement of poles and wires in the old road with power lines. The work will be completed during spring 2025 and the total estimated cost is around EUR 3.2 million. The most significant investment in substations was the renovation of the Joroinen substation at a cost of around EUR 0.8 million.

Around 9,000 pieces of remote metering devices were replaced, and more extensive mass replacements will start in 2025.

The Energy Authority monitors the pricing of network companies as a whole in four-year periods. The new control methods that came into force at the beginning of 2024 brought significant changes to the previous control methods, which are generally seen by the industry as undermining the operating conditions and investment capacity of distribution system operators. The new control methods are valid for the next two control periods, i.e. a total of eight years. Savon Voima Verkkö, like almost all distribution system operators in Finland, is in the process of applying to the Market Court for an amendment to the control methods. The Market Court proceedings on the issue are still pending. During the year, the company has carried out economic modelling and impact assessments related to the new control methods and, based on these, has refined some parts of its strategy.

RESULT OF THE PARENT COMPANY AND SUBSIDIARIES

Savon Voima Oyj runs the Group's power generation and district heating business in North Savo and parts of South Savo. In addition, the company has been responsible for the Group's financial management, personnel services, communications, marketing, ICT operations, invoice lifecycle services and customer services as well as environmental and land use services during the financial year. The net sales of the company in 2024 amounted to EUR 141.7 (143.6) million, and the operating profit was EUR -8.1 (0.6) million. The operating profit for the financial year was EUR 11.7 (17.2) million.

Savon Voima Verkkö Oy runs electricity distribution network operations in an electricity network owned by the company itself and is a distribution system operator as referred to in the Electricity Market Act in its own area of responsibility. The net sales of the company in the financial year amounted to EUR 102.3 (101.4) million, and the operating profit was EUR 36.7 (41.5) million.

Itä-Suomen Biomassa Oy procures fuels for its owner companies Savon Voima Oyj and Joensuu Biocoal Oy. During 2024, the company acquired fuels for Savon Voima only, as the launch of Joensuu Biocoal Oy's business operations moved to 2025. The net sales of the company in the financial year amounted to EUR 47.7 (44.1) million, and the operating profit was EUR 0.0 (0.0) million.

NET SALES BY COMPANY (MEUR)	2024	2023	2022
Savon Voima Oyj	141.7	143.6	80.7
Savon Voima Joensuu Oy	—	—	58.8
Savon Voima Verkkö Oy	102.3	101.4	99.5
Itä-Suomen Biomassa Oy	47.7	44.1	15.1
Group's internal transactions	-54.3	-50.3	-22.3
Savon Voima Group in total	237.4	238.7	231.7

OPERATING PROFIT BY COMPANY (MEUR)	2024	2023	2022
Savon Voima Oyj	-8.1	0.6	12.3
Savon Voima Joensuu Oy	—	—	14.9
Savon Voima Verkkö Oy	36.7	41.5	36.8
Itä-Suomen Biomassa Oy	0.0	0.0	0.0
Consolidated entries and eliminations	6.4	5.6	-15.0
Savon Voima Group in total	35.0	47.7	49.0

FINANCIAL STATEMENTS, parent company	2024	2023	2022
Financial performance (MEUR)			
Net sales	141.7	143.6	80.7
Planned depreciation	41.0	41.0	11.6
Operating profit	-8.1	0.6	12.3
Profit before appropriations	-7.0	0.8	15.6
Profit for the financial year	11.7	17.2	31.8

Key figures (% of net sales)	2024	2023	2022
Operating profit	-5.7	0.4	15.2
Profit before appropriations	-5.0	0.5	19.3
Equity ratio	29.1	28.9	23.5
Return on equity	4.0	7.6	15.2

Personnel

The Savon Voima Group has a personnel strategy, the implementation of which is regularly reported to the Board of Directors of the parent company, which monitors the implementation and development of the plan.

During the year, the average number of employees was 217 (214) and at the end of the year the number of employees was 218 (211). During the year, 17 (16) new permanent employees were recruited. 6 (7) permanent employees and 6 (5) retired persons left the service. At the end of the year, the average age of the permanent employees was 44.4 (44.6) years and 24 (23)

per cent of the employees were women. At the end of the year, the average length of service was 12.6 (14) years.

In the strategy process, the well-being and skills development of employees was placed at the heart of the development measures. A personnel survey was carried out in September, and the results were discussed in teams at various development events during the end of the year. In the PeoplePower® personnel survey, our index score was 69.8 (72.1).

The Group's overall rate of sickness-related absences was 1.8 (2.0)% and the share of those with no absences was 42.3 (37.6)%. The latter refers to persons who did not have any sickness-related absences during the review period. The average number of working days lost due to incapacity for work was 4.4 (4.7). There were no accidents that caused at least one day of incapacity for work during the year (in 2023: 0 pcs). At the end of the year, the number of days without an accident was a record-breaking 1,599 (1,233) days. The average retirement age was 64.2 (64.1) years.

Regular safety sessions were held for the entire staff, and various safety themes were presented on a monthly basis. Campfire events were organised for frontline staff to develop leadership skills by addressing themes from Savon Voima's leadership guidebook. Savon Voima's internal training portal and learning platform VoimaSoppi was launched in the summer.

Over the course of the year, we employed 27 (21) summer workers and trainees, five (5) thesis workers, and three worker through practical professional orientation. Cooperation with educational institutions continued through visits and company presentations at various events.

Personnel key figures, Group	2024	2023	2022
Average personnel	217	214	209
Personnel at the end of the financial year	218	211	205
Salaries paid (EUR thousand)	13,695	12,678	12,958
Total personnel expenses (EUR thousand)	15,112	13,978	13,892
Personnel key figures, Parent company	2024	2023	2022
Average personnel	181	178	127
Personnel at the end of the financial year	175	176	127
Salaries paid (EUR thousand)	11,254	10,447	7,811
Total personnel expenses (EUR thousand)	13,042	12,144	9,065

Risk management

Risk management is implemented in the Savon Voima Group as part of normal management work and strategic planning. The Group's general risk management objectives and principles have been defined in the risk management policy. The objective of the Group's risk management is to support the achievement of the goals of the business strategy and to prevent undesirable operational deviations.

The political environment and legislation have a significant impact on the conditions for operation in the energy sector. Possible increased regulation, the position of fuels used, the development of emission control mechanisms and the market environment and various tax solutions are factors that can have a detrimental effect on the financial position and profitability of the Savon Voima Group.

The Group has plans for significant investments in the coming financial years, especially in relation to the electricity distribution network and reaching the carbon neutrality target. For this reason, the availability of financing and the changes in interest rates are sources of uncertainty for the business. The risks of long-term investments are also increased by the fact that the population development in the Group's operating area has been mainly negative as a whole.

The key financial risks for Savon Voima Group are caused by fluctuations in market prices and volumes as well as potential challenges for counterparties to meet their obligations. Price risks are mainly related to wholesale electricity prices, emission allowance prices and fuel prices.

The price development in the electricity market mainly affects the Group's production business. Factors having an impact on the price of electricity in the Nordic market in the short term include the water supply situation, the fluctuation in wind power, temperature, the prices of emission allowances, the price of fuels and the export and import situation between countries. The volume risk is caused by, among other things, fluctuations in the production of electricity and heat and fluctuations in the demand in retail sale. The counterparty risk consists of the ability of third parties to fulfil their obligations under the contracts entered into.

Savon Voima hedges against the price risks of electricity by concluding electricity derivative contracts for production and electricity loss. For hedging operations, the Group has a risk management policy for energy trade approved by the Board of Directors of the parent company, the implementation of which is monitored systematically.

Key identifiable areas by risk category are the following:

STRATEGIC RISKS	Management
Changes in regulation	Monitoring of development through cooperation between Finnish Energy and authorities; analysis of changes, impact assessment and consideration in strategic planning
Energy and environmental risks	Participation in technology projects and representation of interests, monitoring and analysis of the development of the energy market
Functionality of the energy commodity and emission allowance market	Active influencing and preparing for market disturbances
Strategic investment decisions (including M&A) and technology-related risks	Monitoring of technological developments, planning, monitoring and ex post evaluation of investments (including regular impairment tests)
Risks related to the reputation of the industry and the company	Proactive and active communication, communication with stakeholders and customers and observation of the general opinion
Risks affecting the market and the operating area, such as risks related to the regional economy and negative demographics	Monitoring of development and use of research data for operational planning, optimisation of production and flexibility of consumption, anticipation of resource and labour shortages
Value chain and compliance risks	Process mapping, operating instructions, risk management tools, supplier management development
Risk related to climate change	Monitoring and anticipation, decentralisation and adaptation of production and diversification of energy sources, improving the sustainability of the electricity distribution network
OPERATIONAL RISKS	Management
Interruption of operations	Proactive planning and maintenance, long-term supply contracts, storage of fuel and other materials, contingency plans, operating instructions, emergency power generation, interruption insurance
Information and cyber security risks	Information management strategy and architecture, information security policy, guidelines and control, risk management information system, ensuring value chain compliance, cyber insurance
Component and material availability problems in exceptional situations	Proactive planning and maintenance, storage of critical materials and components, contingency plans
FINANCING AND MARKET RISKS	Management
Interest rate, liquidity and financial market risks	Financial policy, investment policy, financial strategy, active monitoring and analysis of financial markets, systematic control and reporting
Risks related to the counterparty	Financial policy, investment policy, credit control included in energy trade risk management policy
Mankala responsibilities	Corporate governance, participation in the management of Kymppivoima Oy and supervision by Kymppivoima Oy
Energy trade risks	Risk management policy and control in energy trade
RISKS OF ACCIDENT	Management
Personal Injury	Occupational health and safety policy, personal insurance, EHS guidelines and minimum requirements, other guidelines, training, preventive action
Large-scale disruption of electricity supply	Blackout guidelines, preparedness and communication plans, preventive action, suppliers' extension
Serious damage at a power plant or substation	Property and interruption insurance, safety reports, contingency and communication plans, physical security arrangements, risk management information system, preventive action
Environmental damage	Environmental policy, risk management information system, protection guidelines, contingency and communication plans, operating systems, insurance, preventive action

The energy trade risk management policy is prepared by the Group's internal energy trade risk management committee (RMC) and approved by the Group's Board of Directors on the proposal of the CEO of Savon Voima. Businesses involved in energy trade implement a risk management policy on a daily basis. RMC, the Group's Management Team and the CEO are responsible for the continuous supervision of the implementation. The risk management situation in energy trade, risk positions and their estimated development are reported to the Board of Directors of Savon Voima Oyj on a monthly basis.

Savon Voima Group's interest-bearing debt financing is centralised in the parent company. The availability of financing and the changes in interest rates are sources of uncertainty for the business. For the management of financial risks, the Group has a financial policy and financial strategy approved by the Board of Directors of the parent company and a policy for the management of interest rate risks defined by the Board of Directors. Their implementation is systematically monitored as part of regular monthly reporting.

In accordance with the financial policy, the long-term objective is to manage the risks related to access to finance and the re-financing of maturing financial instruments by arranging the Group's financing in a multi-channel manner using financial instruments of different types and maturities.

As the Group's interest-bearing liabilities are mainly floating-rate loans, any increase in market interest rates may have a significant impact on the Group's profit development. In accordance with the Group's financial policy, Savon Voima hedges against changes in market interest rates with interest derivatives that are only used for hedging purposes. A significant part of the Group's debt financing is hedged by interest rate swaps.

Due to the inherent seasonal fluctuation of the Group's business operations, the timing of cash flow income and expenses is not even for each month and financial year. This gives rise to liquidity risk associated with the business. In addition, as the Group's amount of debt has increased, the liquidity risk has increased in the long term as a result of the increase in loan repayments and interest payments. In addition to the financial policy and investment policy confirmed by the Board of Directors of the parent company and the cash flow forecasts, liquidity risk is managed by maintaining sufficient overdraft and revolving credit facilities and a commercial paper programme at the Group's disposal.

Savon Voima Oyj has a share of 19.4% in Kymppivoima Oy, a company operating on the Mankala principle. In accordance with the Mankala principle, the owner company is entitled to

the electricity produced by the Mankala company in proportion to its ownership of each series of shares. The owner company is responsible, in proportion to its ownership of each series of shares, for the Mankala company's power generation costs, which consist of variable costs, fixed costs, depreciations and financing costs. These financing costs are also affected by interest rate derivative contracts entered into by Kymppivoima Oy. Risks related to the Mankala liabilities are managed through corporate governance and active participation in the management of the Kymppivoima Group.

Operational risks refer to potential losses due to interruption of operations, for example due to equipment failures or other unforeseen events at a facility. Operational risks are managed in accordance with defined risk management principles, including operational and information systems for risk management, process descriptions, operating instructions, proactive planning and maintenance, regular detection and monitoring rounds, staff training, equipment and network condition monitoring, emergency power plants and machinery, and business interruption insurance. Problems with the availability of critical components and equipment can also cause interruptions to operations, which can be prevented through advance planning and maintenance, stockpiling of critical components and contingency planning.

Due to the nature of the business, the Group's operations are also exposed to significant information security risks. The Group has an information security policy approved by the Board of Directors of the parent company, the implementation of which is systematically monitored as part of the regular reporting to the Management Team and the Board of Directors. Savon Voima's information security management system is ISO/IEC 27001:2013 certified, which verifies that it complies with the good practices applicable to it and the requirements set by laws and regulations. In addition, the certificate is a sign of commitment to the continuous development of the system and that Savon Voima systematically and regularly identifies, assesses and manages information security risks, such as cyber threats.

Savon Voima's environmental management system is ISO 14001:2015 certified, which verifies that Savon Voima's operations meet the requirements set by the standard and that the company is committed to continuous improvement in environmental management. With the help of the certified management model, Savon Voima identifies the environmental impacts of its operations and sets goals and objectives to minimise the environmental impacts. In 2024, the certificate covered the district heating and power generation operations of both Savon Voima and Savon Voima Verkko, including district

heating and power generation plants, substations and district heating networks.

The risks of damage with the most significant economic impact relate to physical damage to production facilities or substations, damage to the distribution network and system failures. These can also result in the operations being interrupted and third parties becoming accountable. The aim is to prevent damage through high-quality operations, which are ensured by, for example, operating instructions, personnel training and preventive risk management measures. In addition, damage risks are prepared for by means of appropriate property, business interruption, liability and personal insurance, if it is reasonable and appropriate in terms of costs, taking into account the impact of the risks.

Environmental matters and responsibility

The implementation of the Savon Voima Group's environmental policy is regularly reported to the Board of Directors of the parent company, which monitors the implementation and development of the policy. The Board of Directors is not aware of any environmental risks affecting the financial position of the company that would differ from the risks generally associated with the nature of the industry or with government decisions and future legislation.

In 2024, the development of an environmental management system pursuant to ISO14001 continued, and we carried out investments striving for carbon neutrality. We also continued other smaller measures to implement our roadmap to carbon neutrality. In 2024, there was one significant environmental incident related to a lye feed failure in condensation water treatment. In 2024, a total of 20 transformer oil accidents occurred, half of which were caused by thunderstorms or strong winds.

For more information on environmental measures, see our Sustainability Report. The report will be published later in the spring.

Emission allowances and trading

Savon Voima Oyj's emission trading covers district heating and power generation in Iisalmi, Pieksämäki and Joensuu.

The realised emissions in Iisalmi, Pieksämäki and Joensuu in 2024 were 70,329 tonnes of carbon dioxide before verification (verified in 2023: 112,715 tCO₂). Savon Voima Oyj received a total of 34,774 EUA of free emission allowances for the 2024 surrenders. To cover the deficit, the purchase of emission allowances resulted in costs of EUR 2.37 (6.2) million.

The hydropower plants of Savon Voima Oyj and the power plants of Iisalmi, Pieksämäki and Joensuu are covered by the Guarantee of Origin system for electricity produced from renewable energy sources. The Guarantee of Origin (GoO) system is based on the EU's Renewable Energy Directive. The guarantee of origin is a certificate of the origin of electricity produced from renewable energy sources. The origin of electricity must be verified if it is sold as renewable. Nationally, the certification of the origin of electricity is based on the Act on Verification and Notification of Origin of Electricity. Guarantees of origin were issued for a total of 241.8 GWh directly for the power generation of the company's own hydro and CHP power plants.

Research and development

Savon Voima Group companies are involved in the following research and development projects:

- The project Pohjois-Savon Energiaklusteri aims to establish and expand the operations of Pohjois-Savon Energiaklusteri ("Energy cluster of North Savo"). The project is organised by Navitas, Savonia and Sakky. The project also involves a wide range of energy sector companies from the North Savo region. The companies are included in Energiaklusteri. The operations of Energiaklusteri invest in open innovation groups, RDI activities, networking and raising the level of competence in the member companies.
- Interreg Europe EXPRESS 2023–2027 is a project in which European regions promote self-sufficiency in renewable energy in 2023–2027. Savon Voima is involved in the North Karelia working group of the project. Interreg Europe is an interregional cooperation programme co-financed by the European Union.
- "More efficient use of living resources as energy storage and an enabler of green transition" (BitKein) is a project by VTT and the University of Jyväskylä that studies solutions for regulating the electricity system and storing energy. The solutions studied include adding electricity-based heat production to an existing combustion plant.
- The Better Results Through Management project implemented by Motiva improved the use of the existing ETJ+ system and ensured compliance with the requirements. The ETJ+ system has been integrated into the existing environmental management system. The energy efficiency management system ETJ+ is a tool for continuous improvement of energy efficiency. The project was completed during 2024.
- The main objective of the project "Skilled workforce for hydrogen economy and energy transition" implemented by Karelia University of Applied Sciences is to identify the training content needs of the region's educational organisations from

the perspective of hydrogen economy and energy transition and to strengthen the skills of the workforce and the availability of skilled labour in the future through education. The project started in 2024 and is due to be completed in 2026.

- A new innovative research project called "Power plant boilers as part of circular economy and renewable energy solutions (VOKUS)" was launched in 2024. The aim of the project is to develop new solutions for power plant boilers so that the transition from peat to renewable fuels will take place without endangering the security of supply of energy production, at the same time utilising the resulting raw material flows in accordance with the principles of the circular economy. The project is being implemented by Savonia University of Applied Sciences and the University of Eastern Finland.
- A project with LUT University on the effects that electricity price volatility has on the electricity distribution system and on flexibility in demand for electricity was completed in December. The project explored the effects of electricity price volatility on the electricity consumption of customers with different types of contracts, the extent of the potential for flexibility and the market price incentives to introduce flexibility into the electricity market. The project also examined the impact on the electricity network and the effects of a power tariff in electricity distribution from the perspective of different stakeholders.
- Finnish Energy's Electricity Research Pool, which organises and promotes research related to the technology and business development of electricity power engineering, electricity distribution and service production in Finland. Through the operations of the Electricity Research Pool, we participated in the steering groups of several research projects.
- Through the Electricity Research Pool, we are participating in a study exploring the market place and mechanisms for flexibility in the electricity network, flexibility products and the role of flexibility in power system management. The project will run a test trading period in 2025 with real flexibility services and, based on experience, it may be extended with a second test trading period until 2026. The project will increase Savon Voima's understanding of the use and development of flexibility services.
- A study on the carbon footprint of investments in the electricity network, with the major objective of developing a harmonised reporting policy for the industry and defining emissions data for key components of the electricity distribution network. The data generated by the project will help identify ways to reduce the carbon footprint at different stages of the investment process.
- A two-year research project carried out by XAMK investigating the protection provided by the latest impregnating agent against the decay of wooden poles. In the project, the strength of the poles is tested by mechanical bending tests in accordance with the relevant standard. The project will produce infor-

mation for the development of pole work safety and network asset management. The project will be completed in 2025.

Changes in the ownership and management of the company

There were no changes in the ownership of Savon Voima Oyj during the financial year.

All members of the Board of Directors of Savon Voima Oyj were re-elected at the Annual General Meeting held on 9 April 2024, and there were no changes in the composition of the Board of Directors during the financial year.

Juha Räsänen, M.Sc. (Tech), was the CEO of Savon Voima Oyj throughout the financial period.

Kari Anttonen was appointed Head of Business Unit for power generation and district heating of Savon Voima Oyj as of 1 April 2024.

General meetings

The Annual General Meeting of Savon Voima Oyj was held on 9 April 2024. The financial statements were approved, the Board of Directors and the CEO were discharged from liability, and a dividend of EUR 14,015,541.50 was resolved to be paid. Audit firm Ernst & Young Oy was selected as the auditor, with Soile Antikainen, Authorised Public Accountant, as the principal auditor.

Significant changes in the Group structure during the financial year

There were no changes in the Group structure during the financial year.

Associated company loans and liabilities

Savon Voima Oyj has granted directly liable guarantees on behalf of the Group companies. The total amount of the guarantees is EUR 0.9 million. The guarantees are subject to an annual commission of 0.25% on the amount of the guarantee used at that time. The guarantees granted will all be valid until 31 December 2025 at the latest.

Savon Voima Oyj has granted directly liable guarantees in favour of the associated company Väre Oy. The total amount of the guarantees at the end of the financial year was EUR 13.2 million. The guarantees are subject to an annual commission on the amount of the guarantee used at that time.

Savon Voima Oyj has a 19.4% holding in Kymppivoima Oy, which operates on the Mankala principle. In accordance with the Mankala principle, Savon Voima Oyj is entitled to electricity produced by Kymppivoima Oy in proportion to its ownership of each series of shares. Savon Voima Oyj is responsible, in proportion to its ownership of each series of shares, for Kymppivoima Oy's electricity purchase costs, which consist of variable costs, fixed costs, depreciations and financing costs. The financing costs are also affected by interest rate derivative contracts entered into by Kymppivoima Oy. Savon Voima Oyj's share of Kymppivoima Oy's loans calculated in proportion to its ownership of each series of shares is EUR 32.5 million: EUR 22.9 million for hedges on loans and EUR 2.9 million for the positive market value of the hedges.

Share capital and shares

Savon Voima Oyj's share capital is EUR 968,577.12, which is divided into 576,534 shares.

The company's shares are divided into Series A and B as follows:

- There are 576,534 shares in Series A.
- Series B shares have not been issued so far.

When the company's assets are distributed, Series A shares provide a right to the part of the assets to be distributed that has been accumulated from activities other than water management services. Series B shares provide a right to the part of the assets to be distributed that has been accumulated from water management services.

Shares are not encumbered by consent or redemption clauses.

Administration and management

Chairperson: Juha Koukka, CEO, M.Sc. (Econ.)
Deputy Chairperson: Jari Kääriäinen, Lawyer, LL.M., LL.B.
• Ossi Martikainen, Account Manager, M.Soc.Sc.
• Finance and Information Management Director, Tiina-Liisa Liukkonen M.Sc. (Econ.), eMBA
• Entrepreneur, Jukka Laakkonen B. Eng.
AUDITOR: Ernst & Young Oy, Authorised Public Accountant Firm, Soile Antikainen, Authorised Public Accountant, as the principal auditor
CEO: Juha Räsänen M.Sc. (Tech.)
MANAGEMENT TEAM:
Juha Räsänen, CEO, Chair; Lauri Siltanen, electricity network; Kari Anttonen, energy production and district heating; Toni Vainikainen, finance, funding and risk management; Minna Vierimaa, personnel, communications and service centre; Tuo-

mas Räsänen, ICT and digitalisation. Kirsi Tarvainen serves as the Secretary of the Management Team.

Significant events after the financial year

As of the beginning of 2025, the prices of district heating were increased by an average of 7.0%, as the profitability of business operations deteriorated as a result of higher prices for fuels and the increase in fixed costs caused by general inflation.

Savon Voima Verkko increased network service fees by an average of 4.2 from the beginning of 2025. The price increases were due to the general increase in costs, the high level of investments in security of supply and the increase in the grid fees charged by the transmission system operator Fingrid.

Savon Voima Oyj, together with Keskusosuuskunta Oulun Seudun Sähkö, Oulun Energia Oy and Vantaan Energia Oy, established a limited liability company called Suomen Aurinkovoima Oy. The purpose of the company is to focus on the joint production and management of solar power on the basis of the Mankala principle. The company was entered in the Trade Register on 29 January 2025. Savon Voima's shareholding in the company is 25%.

Business development in the financial year 2025

All of the Group's businesses are heavily dependent on energy demand fluctuations, which are primarily influenced by winter season temperatures. In addition, the production business depends on the market price for wholesale electricity, which is influenced not only by demand but also by the price development of fuels and emission allowances, and especially by the water and snow situation in Norway and Sweden. Price formation in the Nordic market area is also affected by the opening of new transmission links in the rest of Europe. The predictability of wholesale electricity prices has been further hampered by the strongly increased production of renewable energy, the volume of which is itself dependent on weather factors, and by the uncertainties associated with the volume of imported electricity. Energy price volatility is expected to continue into 2025.

In addition to weather conditions, such as storms causing major disruptions, the result of electricity distribution network business is affected by changes in regulation. The new methods for controlling the reasonableness of pricing, which came into force at the beginning of 2024, brought significant changes to the determination of network value compared to the previous methods. The changes are widely seen as undermining the ability of network companies to operate and invest. This change in meth-

ods may also have a detrimental effect on the availability or terms of financing of the entire electricity sector. The transmission system operator Fingrid increased its grid fees by 8% from the beginning of 2025, increasing the cost of network business.

The global economy continues to be overshadowed by high interest rates, geopolitical tensions, rising protectionism and uncertainty in energy markets. In the euro area, economic growth is subdued but, as inflation slows, the monetary policy of central banks may ease further towards the end of the year, which would support investments and economic activity. In the energy sector, green transition investments will continue, but a tighter financial environment and regulatory changes may affect project implementation and profitability. In Finland, the volatility of the energy market requires a flexible and optimised generation and acquisition strategy.

Key issues for the Savon Voima Group in the current financial year include improving cost efficiency and promoting carbon neutrality and renewable energy projects in line with the strategy. The efficiency programme launched during 2024 to improve the productivity of Group-wide operations aims to have a EUR 10 million impact on profitability by the beginning of 2027. If successful, the efficiency programme will have a significant impact on profitability already in 2025.

The Savon Voima Group's operating profit excluding non-recurring items for 2025 is expected to be at least at the level of 2024 or slightly better. However, the estimate contains significant uncertainties.

Use of the profits

The distributable funds of Savon Voima Oyj on 31 December 2024 were as follows:

Retained earnings	137,241,580.99
Profit for the financial year	11,657,911.93
	148,899,492.92

The financial situation of the company has not changed significantly since the end of the financial year, and the solvency test referred to in Chapter 13, Section 2 of the Limited Liability Companies Act does not affect the amount of distributable funds. The Board of Directors proposes that a dividend of EUR 24.31 per share, or 576,534 x EUR 24.31, be distributed to Series A shares.

Total	14,015,541.50
To be held as retained earnings	134,883,951.42
	148,899,492.92

Board of Directors and Management Team



JUHA KOUKKA (b. 1968)
*Chairperson of the Board of Directors,
M.Sc. (Econ.), CEO Mondi Powerflute Oy*

2016– Savon Voima Oyj, Chairperson of the Board of Directors
2016– Savon Energiaholding Oy, Member of the Board of Directors
2016– Savon Voima Oyj, Member of the Board of Directors



JARI KÄÄRIÄINEN (b. 1967)
*Vice Chair of the Board of Directors, LL.B., LL.M.,
Lawyer Asianajotoimisto Kääriäinen Oy*

2020– Savon Voima Oyj, Member of the Board of Directors



JUKKA LAKKONEN (b. 1976)
Member of the Board of Directors, Bachelor of Engineering, Entrepreneur JLC Oy, Hydroline Oy Partner, J5L Oy Partner

2023– Savon Voima Oyj, Member of the Board of Directors



TIINA-LIISA LIUKKONEN (b. 1978)
Member of the Board of Directors, M.Sc. (Econ.), eMBA Finance and Information Management Director Olvi Oyj

2023– Savon Voima Oyj, Member of the Board of Directors
2023– Savon Energiaholding Oy, Member of the Board of Directors



OSSI MARTIKAINEN (b. 1970)
Member of the Board, M.Soc.Sc., Account Manager Regional Council of Pohjois-Savo

2012– Savon Voima Oyj, Member of the Board of Directors
2010– Savon Energiaholding Oy, Chairperson of the Board of Directors
2008– 2010 Savon Energiaholding Oy, Member of the Board of Directors



JUHA RÄSÄNEN
President and CEO



LAURI SILTANEN
Head of Business Unit, electricity network, Savon Voima Verkko Oy



KARI ANTTONEN
Head of Business Unit, power generation and district heating



TUOMAS RÄSÄNEN
ICT and Digitalisation Director



TONI VAINIKAINEN
Finance Director, Deputy CEO



MINNA VIERIMAA
Director, HR, marketing and communications, service centre



Financial statements of Savon Voima Oyj for the financial year 1 January–31 December 2024

Consolidated balance sheet

31 December 2024

EUR thousand ASSETS	31 December 2024		31 December 2023	
FIXED ASSETS				
Intangible assets				
Intangible rights	1,695		1,795	
Goodwill	352,815		366,928	
Other capitalised long-term expenses	7,020	361,530	8,236	376,959
Tangible assets				
Land and water areas	2,522		2,599	
Buildings and constructions	30,186		29,621	
Electricity network	389,793		380,414	
Heat distribution network	50,611		51,469	
Machinery and equipment	105,582		115,392	
Data network	2,190		1,640	
Other tangible assets	6,350		6,087	
Advance payments and acquisitions in progress	30,185	617,420	31,239	618,461
Investments				
Holdings in participating interests	63,801		58,965	
Other shares and holdings	1,431	65,233	1,431	60,396
Total non-current assets	1,044,183		1,055,816	
CURRENT ASSETS				
Inventories				
Raw materials and consumables		13,454		12,611
Receivables (long-term)				
Other receivables	63		66	
Deferred tax assets	254	317	257	322
Receivables (short-term)				
Sales receivables	37,539		40,744	
Receivables from participating interests	656		440	
Other receivables	336		0	
Prepayments and accrued income	5,153	43,684	2,026	43,210
Financial fixed assets				
		45		33
Cash in hand and at banks		23,081		36,072
Total current assets	80,582		92,248	
Total assets	1,124,765		1,148,064	

EUR thousand CAPITAL, RESERVES AND LIABILITIES	31 December 2024		31 December 2023	
EQUITY				
Share capital	969		969	
Premium fund	1		1	
Revaluation reserve	568		630	
Reserve fund	612		612	
Retained earnings	330,316		309,345	
Profit for the financial year	24,875	357,341	34,987	346,543
Minority interest		30		30
Statutory provisions		1,313		1,313
LIABILITIES				
Connection fees		156,519		156,027
Long-term				
Loans from financial institutions	470,000		490,000	
Other long-term liabilities	1		0	
Deferred tax liabilities	74,761	544,763	73,965	563,965
Short-term				
Loans from financial institutions	20,000		20,000	
Advance payments	222		137	
Premiums	18		18	
Accounts payable	25,206		35,110	
Group contribution liabilities to Group companies	141		157	
Liabilities to participating interests	1,278		4,463	
Other liabilities	12,831		12,735	
Accruals and deferred income	5,102	64,799	7,568	80,186
Total capital, reserves and liabilities	1,124,765		1,148,064	

Consolidated income statement

1 January–31 December 2024

EUR thousand	1 January–31 December 2024		1 January–31 December 2023	
NET SALES	237,421		238,715	
Share of associated companies' result	3,294		2,449	
Other operating income	1,414		3,603	
MATERIALS AND SERVICES				
Raw materials and consumables				
Purchases during the financial year	90,353		88,144	
Change in inventories	-840	89,513	-3,958	84,186
Personnel expenses	15,112		13,978	
Depreciation and reduction in value	68,778		67,453	
Other operating expenses	33,705		31,495	
OPERATING PROFIT	35,020		47,655	
Financial income and expenses				
Interest and financial income	1,354		1,471	
Interest and financial expenses	-2,553	-1,199	-2,141	-670
Profit before appropriations	33,821		46,985	
Group contributions given	-141		-157	
Profit before tax	33,679		46,828	
Income tax	-8,804		-11,841	
Minority share	0		0	
PROFIT FOR THE FINANCIAL YEAR	24,875		34,987	

Consolidated cash flow statement

1 January–31 December 2024

EUR thousand	2024	2023
Cash flow from operating activities		
Cash receipts from sales	240,719	229,024
Cash receipts from other operating income	1,414	3,603
Payments made for operating expenses	-152,136	-141,214
Cash flow from operating activities before financial items and taxes	89,997	91,413
Interest and other financial expenses paid for operating activities	-2,684	-2,056
Interest received from operating activities	1,416	1,246
Dividends received from operating activities	1,275	322
Direct taxes paid	-10,656	-8,394
Cash flow from operating activities (A)	79,348	82,533
Cash flow from investments		
Investments in tangible and intangible assets	-55,784	-63,873
Proceeds from sale of tangible and intangible assets	41	53
Capital repayments from associated companies	2,863	40
Capital paid to associated companies	-5,770	-5,895
Cash flow from investments (B)	-58,650	-69,676
Cash flow from financing activities		
Increase in connection fees	493	650
Change in receivables	3	-3
Repayments of long-term loan	-20,000	-20,000
Group contribution paid	-157	-213
Dividends paid	-14,016	-14,016
Cash flow from financing activities (C)	-33,677	-33,581
Change in cash and cash equivalents (A+B+C)	-12,979	-20,724
Cash and cash equivalents 1 Jan.	36,105	56,829
Cash and cash equivalents 31 Dec.	23,126	36,105

Parent company's balance sheet

31 December 2024

EUR thousand	31 December 2024		31 December 2023	
ASSETS				
FIXED ASSETS				
Intangible assets				
Intangible rights	1,260		1,249	
Goodwill	432,551		449,853	
Other intangible assets	529	434,340	1,003	452,106
Tangible assets				
Land and water areas	1,845		1,922	
Buildings and constructions	27,609		26,992	
Machinery and equipment	92,645		102,361	
Other tangible assets	6,350		6,087	
Heat distribution network	50,611		51,469	
Data network	124		189	
Advance payments and acquisitions in progress	6,872	186,057	4,417	193,437
Investments				
Holdings in Group companies	5,573		5,573	
Holdings in participating interests	55,423		52,516	
Other shares and holdings	1,417	62,413	1,417	59,506
Total non-current assets	682,810		705,048	
CURRENT ASSETS				
Inventories				
Raw materials and consumables		13,312		12,452
Receivables (long-term)				
Other receivables	63		63	
Deferred tax assets	206	268	208	271
Receivables (short-term)				
Sales receivables	17,960		18,394	
Receivables from Group companies	23,985		31,165	
Receivables from participating interests	654		358	
Prepayments and accrued income	4,490	47,089	1,787	51,704
Financial fixed assets		45		33
Cash in hand and at banks		23,081		36,072*)
Total current assets	83,796		100,532	
Total assets	766,606		805,581	

EUR thousand	31 December 2024		31 December 2023	
CAPITAL, RESERVES AND LIABILITIES				
EQUITY				
Share capital	969		969	
Premium fund	1		1	
Revaluation reserve	568		630	
Reserve fund	612		612	
Retained earnings	137,242		134,056	
Profit for the financial year	11,658	151,049	17,201	153,468
Appropriations				
Accumulated depreciation difference		60,621		63,259
Statutory provisions		1,070		1,070
LIABILITIES				
Long-term				
Connection fees	22,546		22,722	
Loans from financial institutions	470,000		490,000	
Other long-term liabilities	1		0	
Liabilities to Group companies	2		2	
Deferred tax liabilities	5,852	498,402	6,942	519,667
Short-term				
Loans from financial institutions	20,000		20,000	
Advance payments	45		137	
Premiums	18		18	
Accounts payable	5,003		11,962	
Liabilities to Group companies	23,883		25,788	
Liabilities to participating interests	1,260		4,427	
Other liabilities	1,785		572	
Accruals and deferred income	3,468	55,463	5,212	68,116
Total capital, reserves and liabilities	766,606		805,581	

Parent company's income statement

1 January–31 December 2024

EUR thousand	1 January–31 December 2024		1 January–31 December 2023	
NET SALES	141,733		143,561	
Other operating income	1,645		3,831	
MATERIALS AND SERVICES				
Raw materials and consumables				
Purchases during the financial year	80,324		80,283	
Change in inventories	-861	79,464	-3,914	76,368
Personnel expenses	13,042		12,144	
Depreciation and reduction in value	41,007		41,006	
Other operating expenses	17,970		17,315	
OPERATING PROFIT	-8,103		558	
Financial income and expenses				
Interest and financial income	3,632		2,349	
Interest and financial expenses	-2,553	1,078	-2,137	212
Profit before appropriations and taxes	-7,025		770	
Appropriations				
Change in depreciation difference	2,638		114	
Group contribution	22,962	25,600	25,454	25,568
Income tax	-6,918		-9,138	
PROFIT FOR THE FINANCIAL YEAR	11,658		17,201	

Parent company's cash flow statement

1 January–31 December 2024

EUR thousand	2024	2023
Cash flow from operating activities		
Cash receipts from sales	141,799	141,137
Cash receipts from other operating income	1,645	3,831
Payments made for operating expenses	-120,400	-121,638
Cash flow from operating activities before financial items and taxes	23,044	23,329
Interest and other financial expenses paid for operating activities	-2,684	-2,051
Interest received from operating activities	2,442	2,124
Dividends received from operating activities	1,275	322
Direct taxes paid	-10,729	-8,450
Cash flow from operating activities (A)	13,348	15,274
Cash flow from investments		
Investments in tangible and intangible assets	-17,216	-20,292
Proceeds from sale of tangible and intangible assets	41	35
Capital repayments from associated companies	2,863	40
Share capital paid to associated companies	-5,770	-5,895
Cash receipts from interest-bearing receivables	12,310	0
Cash flow from investments (B)	-7,773	-26,112
Cash flow from financing activities		
Change in the balance of the consolidated account	-2,817	-7,336*)
Increase in connection fees	-176	-89
Change in receivables	0	-3
Repayments of long-term loan	-20,000	-20,000
Group contribution paid	-157	-213
Dividends paid	-14,016	-14,016
Group contribution received	18,611	31,770
Cash flow from financing activities (C)	-18,554	-9,886
Change in cash and cash equivalents (A+B+C)	-12,979	-20,724
Cash and cash equivalents 1 Jan.	36,105	56,829*)
Cash and cash equivalents 31 Dec.	23,126	36,105*)

The presentation of cash and cash equivalents has been changed with regard to cash pooling. This change has also been implemented for comparative data. Amended items are marked with *) for illustrative purposes.

Notes to the income statement and balance sheet

The Savon Voima Group is part of the Savon Energiaholding Group. The Group's parent company is Savon Energiaholding Oy, domiciled in Siilinjärvi. The consolidated financial statements are available at Kapteeninväylä 5, 70900 Toivala, Finland, or at the email address kirjanpito@savonvoima.fi.

ACCOUNTING PRINCIPLES

Scope of the consolidated financial statements

In addition to the parent company Savon Voima Oy, the consolidated financial statements include the subsidiaries Savon Voima Verkko Oy, Itä-Suomen Biomassa Oy and Savon Energia Oy. The last-mentioned company has no operations. It also includes the associated companies Kymppivoima Oy and Väre Oy.

Changes in the Group structure

There were no changes in the Group structure during the financial year.

Comparability of the financial statements and changes in comparative data

The presentation of cash and cash equivalents has been changed with regard to cash pooling. This change has also been implemented for comparative data. Amended items are marked with *) for illustrative purposes. The balance of the consolidated account is presented in Savon Voima Oy's cash in hand and in bank and, in the case of sub-accounts, as inter-company receivables/ liabilities.

Savon Voima Verkko Oy has changed its accounting practice for the costs of dismantling replacement investments to comply with the monitoring model for distribution operations that came into force at the beginning of 2024. From the financial year 2024 onwards, the network company will recognise the cost of dismantling replacement investments in network assets as an annual expense instead of the previous balance sheet capitalisation. This change will affect the comparability of the consolidated financial statements between financial years 2024 and 2023. The impact on the result for the financial year 2024 is approximately EUR 1.1 million.

In other respects, the accounting policies remained the same in 2024 as they were in 2023.

Accounting principles applied to the consolidated financial statements

The consolidated financial statements have been drawn up using the acquisition cost method. Business transactions within the Group and the internal margin included in non-current assets, as well as inter-company receivables and liabilities, have been eliminated.

Associated companies are included in the consolidated financial statements using the equity method. In the case of Kymppivoima Oy, the consolidation has been carried out with portions per series of shares because, according to Kymppivoima Oy's articles of association, the company's shareholders are responsible for the purchase costs of electricity in proportion to their ownership of each series of shares, are entitled to receive the acquired energy in proportion to their ownership of each series of shares and are entitled to the company's net assets and profits in proportion to their ownership of each series of shares when distributing assets other than in the dissolution of the company. If, in the event of the liquidation of the company, the debts and liabilities exceed the assets received from the liquidation, the shareholders of the relevant series of shares are responsible for the debts and liabilities exceeding the assets in proportion to their ownership of each series of shares.

The balance sheet includes deferred tax liabilities in their entirety and deferred tax assets as the estimated probable assets.

Goodwill

In the consolidated balance sheet, the difference between the acquisition cost and equity of the subsidiaries has been allocated according to the Group's share of ownership to the fixed assets and liabilities that are considered to be the basis of the consolidation asset. The unallocated consolidation asset, i.e. the consolidated goodwill, is depreciated in 5–30 years in general. The 30-year depreciation period is applied to the Group's goodwill arising from the acquisition of Savon Voima Joensuu Oy on 10 January 2020, which has high long-term income expectations. Savon Voima Joensuu Oy, which merged with its parent company at the end of the financial year on 31 December 2022, has a strong market position in its area, a high level of competence and good quality production assets. The business of Savon Voima Joensuu Oy plays an important strategic role in the operations of the parent company and the Group. In the opinion of the management, the chosen period of 30 years is realistic and in accordance with the principle of prudence.

The merger asset created in Savon Voima Joensuu Oy's subsidiary merger on 31 December 2022 has been allocated in Savon Voima Oyj's balance sheet to the fixed asset items transferred in the merger that have been deemed to have caused the asset. The unallocated merger asset is presented as goodwill, which will be depreciated in 27 years. The depreciation period is based on an estimate of the expected return.

At each balance sheet date, the Group assesses the appropriateness of the remaining balance sheet values of Group goodwill and merger assets by applying a discounted cash flow (DCF) based valuation method, the key parameters of which are the increase in net sales, the operating margin level and the discount rate used. The increase in net sales and operating margin forecasts are based on the budgets approved by the Board of Directors of the parent company and on the economic forecasts of the strategy. The discount rate used is the weighted average cost of capital (WACC) for the Group. As part of the valuation calculations, management has carried out sensitivity analyses to test the impact of changes in the above key parameters on the outcome of the calculations. Based on the impairment tests performed at the end of the financial year 2024, the depreciable acquisition costs of the Group goodwill and the merger asset have been considered to be justified in terms of their carrying amounts and no impairment write-downs have been made. However, the sensitivity analyses carried out have indicated that their balance sheet values are sensitive to changes in the calculation factors and that any change in the key parameters could lead to an impairment.

Revaluations

The financial statements include a revaluation of EUR 709,785.57 in accordance with Chapter 5, Section 17 of the Accounting Act in respect of land areas owned by the company. As a result of the revaluation, long-term deferred tax liabilities of EUR 141,957.11 have been entered in the balance sheet as liabilities. The revaluation is included in the balance sheet item "Land and water areas" under fixed tangible assets. The amount of revaluation of the land and water areas is based on the opinions of an independent external real estate expert on the likely transfer price of the land. The revaluations are dimensioned such that the book value of the revalued land is 90% of its fair value. The revaluation has been made on all land areas for which the prerequisites for revaluation in accordance with the Accounting Act have been deemed to be met.

Inventories

The acquisition cost of inventories is assessed at the weighted average price.

Financial securities

Financial securities are valued at cost. If the probable fair market value at the balance sheet date is below cost, they are valued at that amount.

Calculation principles related to derivative instruments and hedging measures

The valuation of derivatives complies with the basic rule of Chapter 5, Section 2 of the Accounting Act.

The objective of risk management in the Savon Voima Group is to support the achievement of the targets of the business strategy. Electricity price risk is the company's key business risk to be hedged. The price development in the electricity market mainly affects the Group's production business and electricity distribution network business. Factors having an impact on the price of electricity in the Nordic market in the short term include the water supply situation, the fluctuation of wind power production, temperature, the prices of emission allowances for carbon dioxide, the price of fuels and the export and import situation between countries.

The Group hedges against electricity price risks by drawing up electricity derivative contracts for power generation and the purchase of electricity loss for the electricity distribution network business. The price risk of carbon dioxide emission allowances is hedged against with emission allowance derivative contracts and by taking into account the costs of emission allowances in production planning. For hedging operations, the company has a risk management policy for energy trade and procurement approved by the Board of Directors, the implementation of which is monitored systematically.

The fair values of derivative instruments and the values of underlying instruments are presented in note 24. Value changes of derivative contracts drawn up for hedging purposes have not been dealt with through profit or loss, but their realised profits/losses are recorded in the income statement and balance sheet for the same period with the physical contracts they are hedged with. In accordance with the above-mentioned risk policy, we do not engage in speculative derivatives trade. The premiums of hedging options are recorded in the income statement for the same period as the physical contracts they are hedged with.

Savon Voima hedges against interest rate risk associated with long-term floating-rate loans by using interest rate derivatives. The Group's financial policy sets guidelines for interest derivatives used. Derivatives are used for hedging purposes only. Significant interest rate risks are hedged by cash flow hedges. As a rule, hedging against interest rate risks is done using derivatives with interest rate determination and payment terms that are inversely as similar as possible to the current and future floating-rate loans and that are otherwise as identical as possible to the critical terms of the hedged item, so that the derivatives used are genuinely and effectively hedging. Interest rate derivatives that are deemed to be genuinely hedging and whose terms correspond to the terms of current variable interest loans are stated as liabilities in note 23. The negative fair value change of those derivatives, which are not deemed to be effectively and genuinely hedging, is recognised in the financial items of the income statement and in the statutory provisions of the balance sheet; there were no such derivatives on the closing date.

Financial internal rate of interest

The internal rate of interest for financing used in the Savon Voima Group companies is determined according to the average cost of capital (WACC) determined for each year by the Energy Authority. In 2024, the WACC was 7,37%. No premium or margin is added to or deducted from this value.

Company stocks

The company's shares are divided into two series, Series A and B, as follows:

There are 576,534 shares in Series A.
Series B shares have not been issued so far.

When the company's assets are distributed, Series A shares provide a right to the part of the assets to be distributed that has been accumulated from activities other than water management services. Series B shares provide a right to the part of the assets to be distributed that has been accumulated from water management services.

Related party transactions

There have been no unusual transactions with related parties.

	GROUP		PARENT COMPANY	
EUR thousand	2024	2023	2024	2023
1. NET SALES BY BUSINESS AREA				
Electricity distribution	98,780	98,139		
Electricity sales*	35,885	42,813	35,885	42,813
District heating sales	97,622	92,988	97,627	92,991
Installation and service sales	3,521	3,160	7,969	7,454
Connection fee income	589	761	171	228
Other operations	1,023	854	81	75
Total	237,421	238,715	141,733	143,561

*) Savon Voima Oyj's electricity sales consist of electricity produced by both its own and jointly owned power plants.

2. OTHER OPERATING INCOME				
Rental income	270	172	417	345
Grants and compensations received	45	2	45	1
Guarantees of origin	669	1,842	669	1,842
Other	429	1,587	513	1,641
Total	1,414	3,603	1,645	3,831
3. PERSONNEL EXPENSES				
Wages and salaries	13,695	12,678	11,254	10,447
Pension insurance expenses	2,324	2,249	1,877	1,826
Other indirect employee costs	429	364	374	316
Total	16,448	15,291	13,505	12,588
Activated wages and salaries	-1,336	-1,313	-463	-444
Wages and salaries in the income statement	15,112	13,978	13,042	12,144
Management's salaries				
CEOs and their deputies	454	588		
Board members	139	140		
Management's salaries in total	593	728	343	475

Pension commitments of the Boards of Directors and CEOs:
The retirement age of CEOs of the Group companies is 67–68 years.

Average number of employees				
White-collar workers	150	147	114	111
Blue-collar workers	67	67	67	67
Total	217	214	181	178
Number of employees at the end of the year	218	211	175	176

4. DEPRECIATIONS

The values of fixed assets are based on the original acquisition costs minus accrued planned depreciations. Depreciations have been calculated on a straight-line basis over the economic life of the acquisition cost. No depreciations have been made for land areas. The depreciation period for the consolidated goodwill arising from the acquisition of Savon Voima Joensuu Oy is 30 years. The depreciation period for the goodwill arising from the merger of Savon Voima Joensuu Oy into the parent company is allocated for a period of time corresponding to the Group's goodwill. The depreciation period is based on an estimate of the expected return. The acquisition cost of machinery and equipment included in movable fixed assets that were introduced in 2021–2024 and are under the scope of application of Section 30 of the Act on the Taxation of Business Income have been depreciated by double the regular depreciation amount.

Planned depreciation periods by balance sheet item

Buildings and constructions 15–40 years, heat distribution network 14–40 years, electricity network 20–25 years, machinery and equipment 3–25 years, Other long-term expenses 3–50 years, Goodwill 5–30 years

	GROUP		PARENT COMPANY	
EUR thousand	2024	2023	2024	2023
Planned depreciations by balance sheet item				
Long-term expenses	2,159	2,460	579	768
Buildings and constructions	4,016	3,994	3,814	3,785
Electricity network – depreciations	25,745	23,812	0	0
– reductions in value	0	573	0	0
Heating network	3,635	3,549	3,635	3,549
Data network	625	536	65	65
Machinery and equipment – depreciations	17,742	18,055	14,990	15,236
– reductions in value	375	111	375	111
Other tangible assets	227	171	227	171
Goodwill	14,113	14,113	17,302	17,302
Intangible rights	141	80	20	20
Total	68,778	67,453	41,007	41,006
5. AUDITOR'S FEES				
Audit of financial statements	106	80	68	49
Other fees	2	2	2	2
Tax consultancy	4	2	4	2
Other services	23	26	18	26
Total	135	109	92	79
6. FINANCIAL INCOME AND EXPENSES				
Return on investments	24	322	1,275	322
Total income from investments held as non-current assets	24	322	1,275	322
Interest income				
From Group undertakings			1,127	945
From others	1,330	1,148	1,229	1,081
Total	1,330	1,148	2,356	2,026
Total financial income	1,354	1,471	3,632	2,349
Interest expenses				
To Group undertakings			0	0
To others	-2,438	-1,808	-2,438	-1,807
Other financial expenses	-116	-333	-116	-330
Total financial expenses	-2,553	-2,141	-2,553	-2,137
TOTAL FINANCIAL INCOME AND EXPENSES	-1,199	-670	1,078	212
7. APPROPRIATIONS				
Change in depreciation difference			2,638	114
Group contributions received			23,104	25,611
Group contributions given	-141	-157	-141	-157
Total appropriations	-141	-157	25,600	25,568

	GROUP		PARENT COMPANY	
EUR thousand	2024	2023	2024	2023
8. INCOME TAX				
Income taxes from actual operations	7,990	10,033	7,990	10,153
Change in deferred tax liability	812	1,743	-1,074	-1,079
Change in deferred tax assets	2	64	2	64
Total	8,804	11,841	6,918	9,138
9. FIXED ASSETS BY BALANCE SHEET ITEM				
Intangible rights				
Acquisition cost 1 Jan.	3,747	3,142	1,401	1,396
Additions during the financial year	43	605	32	5
Disposals during the financial year	-2	0	-2	0
Acquisition cost 31 Dec.	3,788	3,747	1,432	1,401
Accumulated depreciation 1 Jan.	-1,952	-1,872	-152	-132
Depreciation during the financial year	-141	-80	-20	-20
Accumulated depreciation 31 Dec.	-2,093	-1,952	-172	-152
Book value 31 Dec.	1,695	1,795	1,260	1,249
Accumulated depreciation difference 1 Jan.			15	15
Change in depreciation difference			0	-1
Accumulated depreciation difference 31 Dec.			15	15
Goodwill				
Acquisition cost 1 Jan.	423,378	423,378	467,155	467,155
Additions during the financial year	0	0	0	0
Disposals during the financial year	0	0	0	0
Acquisition cost 31 Dec.	423,378	423,378	467,155	467,155
Accumulated depreciation 1 Jan.	-56,450	-42,338	-17,302	0
Depreciation during the financial year	-14,113	-14,113	-17,302	-17,302
Accumulated depreciation 31 Dec.	-70,563	-56,450	-34,604	-17,302
Book value 31 Dec.	352,815	366,928	432,551	449,853
Other intangible assets				
Acquisition cost 1 Jan.	52,294	50,566	13,125	12,452
Additions during the financial year	942	1,731	104	676
Disposals during the financial year	0	-3	0	-3
Acquisition cost 31 Dec.	53,236	52,294	13,229	13,125
Accumulated depreciation 1 Jan.	-44,058	-41,600	-12,121	-11,356
Depreciation during the financial year	-2,159	-2,460	-579	-768
Accumulated depreciation of disposals	0	3	0	3
Accumulated depreciation 31 Dec.	-46,216	-44,058	-12,700	-12,121
Book value 31 Dec.	7,020	8,236	529	1,003
Accumulated depreciation difference 1 Jan.			219	311
Change in depreciation difference			-11	-92
Accumulated depreciation difference 31 Dec.			208	219

	GROUP		PARENT COMPANY	
EUR thousand	2024	2023	2024	2023
Land and water areas				
Acquisition cost 1 January	1,812	1,806	1,135	1,135
Additions during the financial year	0	6	0	0
Disposals during the financial year	0	0	0	0
Acquisition cost 31 Dec.	1,812	1,812	1,135	1,135
Revaluations	710	787	710	787
Book value 31 Dec.	2,522	2,599	1,845	1,922
Buildings and structures				
Acquisition cost 1 January	99,058	96,900	87,197	85,039
Additions during the financial year	4,581	2,158	4,431	2,158
Disposals during the financial year	0	0	0	0
Acquisition cost 31 Dec.	103,639	99,058	91,628	87,197
Accumulated depreciation 1 Jan.	-69,437	-65,443	-60,205	-56,420
Depreciation during the financial year	-4,016	-3,994	-3,814	-3,785
Accumulated depreciation 31 Dec.	-73,453	-69,437	-64,019	-60,205
Book value 31 Dec.	30,186	29,621	27,609	26,992
Accumulated depreciation difference 1 Jan.			-5,105	-4,048
Change in depreciation difference			-982	-1,058
Accumulated depreciation difference 31 Dec.			-6,087	-5,105
Electricity distribution network				
Acquisition cost 1 January	714,365	672,659	152	152
Additions during the financial year	35,129	41,724	0	0
Disposals during the financial year	0	-18	0	0
Acquisition cost 31 Dec.	749,494	714,365	152	152
Accumulated depreciation 1 Jan.	-333,951	-309,565	-152	-152
Accumulated depreciation of disposals	0	2	0	0
Impairments	0	-573	0	0
Depreciation during the financial year	-25,749	-23,816	0	0
Accumulated depreciation 31 Dec.	-359,701	-333,951	-152	-152
Book value 31 Dec.	389,793	380,414	0	0
Heat distribution network				
Acquisition cost 1 January	99,700	97,297	115,679	113,276
Additions during the financial year	2,777	2,403	2,777	2,403
Disposals during the financial year	0	0	0	0
Acquisition cost 31 Dec.	102,478	99,700	118,456	115,679
Accumulated depreciation 1 Jan.	-48,232	-44,683	-64,210	-60,661
Depreciation during the financial year	-3,635	-3,549	-3,635	-3,549
Accumulated depreciation 31 Dec.	-51,866	-48,232	-67,845	-64,210
Book value 31 Dec.	50,611	51,469	50,611	51,469
Accumulated depreciation difference 1 Jan.			11,835	12,541
Change in depreciation difference			-775	-705
Accumulated depreciation difference 31 Dec.			11,061	11,835

	GROUP		PARENT COMPANY	
EUR thousand	2024	2023	2024	2023
Data network				
Acquisition cost 1 Jan.	5,485	4,777	324	324
Additions during the financial year	1,175	708	0	0
Disposals during the financial year	0	0	0	0
Acquisition cost 31 Dec.	6,660	5,485	324	324
Accumulated depreciation 1 Jan.	-3,845	-3,309	-135	-70
Depreciation during the financial year	-625	-536	-65	-65
Accumulated depreciation 31 Dec.	-4,470	-3,845	-200	-135
Book value 31 Dec.	2,190	1,640	124	189
Accumulated depreciation difference 1 Jan.			52	72
Change in depreciation difference			-31	-19
Accumulated depreciation difference 31 Dec.			22	52
Machinery and equipment				
Acquisition cost 1 Jan.	373,584	359,336	304,396	292,757
Additions during the financial year	8,306	14,593	5,652	11,984
Disposals during the financial year	-240	-345	-240	-345
Acquisition cost 31 Dec.	381,649	373,584	309,808	304,396
Accumulated depreciation 1 Jan.	-258,192	-240,274	-202,035	-186,932
Accumulated depreciation of disposals	238	244	238	244
Impairments	-375	-111	-375	-111
Depreciation during the financial year	-17,738	-18,051	-14,990	-15,236
Accumulated depreciation 31 Dec.	-276,067	-258,192	-217,162	-202,035
Book value 31 Dec.	105,582	115,392	92,645	102,361
Accumulated depreciation difference 1 Jan.			55,941	54,177
Change in depreciation difference			-793	1,764
Accumulated depreciation difference 31 Dec.			55,148	55,941
Other tangible assets				
Acquisition cost 1 Jan.	10,858	7,633	10,858	7,633
Additions during the financial year	490	3,225	490	3,225
Disposals during the financial year	0	0	0	0
Acquisition cost 31 Dec.	11,349	10,858	11,349	10,858
Accumulated depreciation 1 Jan.	-4,771	-4,600	-4,771	-4,600
Depreciation during the financial year	-227	-171	-227	-171
Accumulated depreciation 31 Dec.	-4,998	-4,771	-4,998	-4,771
Book value 31 Dec.	6,350	6,087	6,350	6,087
Accumulated depreciation difference 1 Jan.			302	306
Change in depreciation difference			-47	-3
Accumulated depreciation difference 31 Dec.			255	302

	GROUP		PARENT COMPANY	
EUR thousand	2024	2023	2024	2023
Advance payments and work in progress				
Acquisition cost 1 Jan.	31,239	30,372	4,417	3,371
Additions during the financial year	19,735	23,660	5,262	4,256
Disposals during the financial year	-20,789	-22,793	-2,807	-3,209
Acquisition cost 31 Dec.	30,185	31,239	6,872	4,417
Book value 31 Dec.	30,185	31,239	6,872	4,417
Shares and holdings				
Acquisition cost 1 Jan.	60,396	52,096	59,506	53,651
Additions during the financial year	5,770	5,895	5,770	5,895
Disposals during the financial year	-1,365	-43	0	-40
Capital repayments	-2,863	0	-2,863	0
Profit for the financial year for the associated companies	3,294	2,448		
Acquisition cost 31 Dec.	65,233	60,396	62,413	59,506
Book value 31 Dec.	65,233	60,396	62,413	59,506
Total balance sheet items				
Acquisition cost 1 Jan.	1,875,917	1,799,962	1,065,345	1,038,340
Additions during the financial year	78,949	96,709	24,519	30,602
Disposals during the financial year	-22,396	-23,202	-3,048	-3,598
Reconciliation of balance sheet value	3,294	2,448		
Acquisition cost 31 Dec.	1,932,901	1,875,917	1,083,953	1,065,345
Accumulated depreciation 1 Jan.	-820,888	-753,684	-361,084	-320,324
Accumulated depreciation of disposals	238	248	238	246
Impairments	-375	-683	-375	-111
Depreciation during the financial year	-68,403	-66,770	-40,631	-40,895
Accumulated depreciation 31 Dec.	-889,428	-820,888	-401,852	-361,084
Revaluations	710	787	710	787
Book value 31 Dec.	1,044,183	1,055,816	682,810	705,048
Accumulated depreciation difference 1 Jan.			63,259	63,373
Change in depreciation difference			-2,638	-114
Accumulated depreciation difference 31 Dec.			60,621	63,259
10. DEFERRED TAX ASSETS				
Of statutory provisions	254	257	206	208
Total	254	257	206	208

	GROUP		PARENT COMPANY	
EUR thousand	2024	2023	2024	2023
11. RECEIVABLES FROM GROUP COMPANIES				
Short-term receivables				
Sales receivables			15	1
Loan receivables*			0	12,310
Prepayments and accrued income			3,515	3,243
Group contribution receivables			20,104	15,611
Advances to Group companies			352	0
Total			23,985	31,165
*) Main loan terms: maximum amount approved by the Board of Directors, repayment on agreement, interest rate determined in accordance with the financial internal rate of interest.				
12. OTHER RECEIVABLES				
Other receivables	336	0	0	0
Total	336	0	0	0
13. KEY ITEMS INCLUDED IN ACCRUED INCOME				
Emission allowances	1,011	281	1,011	281
Interests	21	107	21	107
Income tax and other tax	1,529	102	1,501	0
Other accrued income	2,591	1,536	1,957	1,399
Total	5,153	2,026	4,490	1,787
14. FINANCIAL FIXED ASSETS				
Replacement price	45	33	45	33
Book value	45	33	45	33
15. CHANGES IN EQUITY				
Restricted equity				
Share capital 1 Jan. and 31 Dec.	969	969	969	969
Premium fund 1 Jan. and 31 Dec.	1	1	1	1
Revaluation reserve 1 Jan. and 31 Dec.	568	630	568	630
Reserve fund 1 Jan. and 31 Dec.	612	612	612	612
Total restricted equity	2,150	2,211	2,150	2,211
Unrestricted equity				
Other equity 1 Jan.	344,332	322,683	151,257	147,394
Distribution of dividends	-14,016	-14,016	-14,016	-14,016
Adjustments of previous financial years	0	678	0	678
Profit for the financial year	24,875	34,987	11,658	17,201
Total unrestricted equity	355,191	344,332	148,899	151,257
Total equity 31 Dec.	357,341	346,543	151,049	153,468
Proportion entered under other equity from accumulated depreciation difference	275,642	268,097		
16. CALCULATION OF DISTRIBUTABLE EQUITY				
Total unrestricted equity			148,899	151,257
Distributable assets			148,899	151,257
17. STATUTORY PROVISIONS AND DEFERRED TAX LIABILITIES				
Improvement of impregnation plots	243	243		
Losses on the sale of properties	104	104	104	104
Spoil area	966	966	966	966

	GROUP		PARENT COMPANY	
EUR thousand	2024	2023	2024	2023
Deferred tax liabilities:				
Appropriations	68,909	67,023	0	0
Consolidation measures	5,710	6,785	5,710	6,785
Allocation and temporary differences	142	157	142	157
Total	76,075	75,278	6,923	8,012
18. LIABILITIES TO GROUP COMPANIES				
Short-term liabilities				
Accounts payable			8,489	7,248
Accruals and deferred income			120	434
Other liabilities			15,132	17,950*)
Group contribution liabilities	141	157	141	157
Total	141	157	23,883	25,788
19. LIABILITIES TO PARTICIPATING INTERESTS				
Short-term liabilities				
Accounts payable	1,278	4,456	1,260	4,427
Other short-term liabilities	0	6	0	0
Total short-term liabilities	1,278	4,463	1,260	4,427
20. KEY ITEMS INCLUDED IN DEFERRED LIABILITIES				
Derivatives brokerage	0	895	0	895
Wages and salaries including social costs	3,797	2,895	3,188	2,405
Interests	47	179	47	179
Income tax	0	1,239	0	1,239
Fuels	578	1,746	0	0
Other deferred liabilities	680	614	234	495
Total	5,102	7,568	3,468	5,212
21. CONTINGENT LIABILITIES				
General pledges for the following debts				
Loans from financial institutions	470,000	490,000	470,000	490,000
Real estate mortgages	0	0	0	0
Corporate mortgages	0	0	0	0
Leasing liabilities				
Payable during current financial year	641	520	628	520
Payable at a later date	861	809	845	809
Total leasing liabilities	1,501	1,330	1,473	1,330
Rent liabilities				
Payable during current financial year	920	789	920	789
Payable at a later date	2,646	3,262	2,646	3,262
Total rent liabilities	3,565	4,051	3,565	4,051
Guarantees				
Guarantees on behalf of participating interests	13,168	7,161	13,168	7,161
Guarantees on behalf of Group companies			920	905
Bank guarantee liabilities	670	670	670	670
Total guarantees	13,838	7,831	14,758	8,736
Liability to adjust VAT on property investments	46,217	47,212	5,958	6,074

22. OTHER RESPONSIBILITIES IN ENERGY PRODUCTION COMPANIES

Savon Voima Oyj has a 19.4% holding in Kymppivoima Oy, which operates on the Mankala principle. In accordance with the Mankala principle, Savon Voima Oyj is entitled to electricity produced by Kymppivoima Oy in proportion to its ownership of each series of shares. Savon Voima Oyj is responsible, in proportion to its ownership of each series of shares, for Kymppivoima Oy's electricity purchase costs, which consist of variable costs, fixed costs, depreciations and financing costs. The financing costs are also affected by interest rate derivative contracts entered into by Kymppivoima Oy. Savon Voima Oyj's share of Kymppivoima Oy's loans calculated in proportion to its ownership of each series of shares is EUR 32.5 million: EUR 22.9 million for hedges on loans and EUR 2.9 million for the market value of the hedges.

In a special issue by Kymppivoima Oy in December 2021, Savon Voima Oyj subscribed for the company's XXI series of shares, the subscription payment for which will be made at the dates and amounts separately announced by Kymppivoima Oy's Board of Directors. EUR 5,067,510.00 was paid for the subscribed shares in 2024 and an estimated EUR 1,785,770.00 will be paid in 2025.

	GROUP		PARENT COMPANY	
EUR thousand	2024	2023	2024	2023

23. INTEREST RATE DERIVATIVES with terms and cash flows consistent with the loans**Interest rate swap contract 1**

Notional value corresponding to the principal of the loan 31 Dec.	211,410	233,910	211,410	233,910
– Contract expiration date 31 December 2027				
– Floating interest rate Euribor 6 months				
– Fixed interest rate -0.0360%				
Fair value of derivatives contract	11,974	18,999	11,974	18,999

Interest rate swap contract 2

Notional value corresponding to the principal of the loan 31 Dec.	126,846	140,346	126,846	140,346
– Contract expiration date 31 December 2027				
– Floating interest rate Euribor 6 months				
– Fixed interest rate -0.0464%				
Fair value of derivatives contract	7,167	11,389	7,167	11,389

Interest rate swap contract 3

Notional value corresponding to the principal of the loan 31 Dec.	84,564	93,564	84,564	93,564
– Contract expiration date 31 December 2027				
– Floating interest rate Euribor 6 months				
– Fixed interest rate -0.0450%				
Fair value of derivatives contract	4,753	7,605	4,753	7,605

Interest rate swap contract 4

Notional value corresponding to the principal of the loan 31 Dec.	151,232	151,232	151,232	151,232
– Contract expiration date 31 December 2032				
– Floating interest rate Euribor 6 months				
– Fixed interest rate 0.2780%				
Fair value of derivatives contract	12,236	12,280	12,236	12,280

Interest rate swap contract 5

Notional value corresponding to the principal of the loan 31 Dec.	83,668	83,668	83,668	83,668
– Contract expiration date 31 December 2032				
– Floating interest rate Euribor 6 months				
– Fixed interest rate 0.6385%				
Fair value of derivatives contract	6,128	6,190	6,128	6,190

Interest rate swap contract 6

Notional value corresponding to the principal of the loan 31 Dec.	60,000	60,000	60,000	60,000
– Contract expiration date 31 December 2032				
– Floating interest rate Euribor 6 months				
– Fixed interest rate 1.1630%				
Fair value of derivatives contract	2,798	2,874	2,798	2,874

	GROUP		PARENT COMPANY	
EUR thousand	2024	2023	2024	2023
Interest rate swap contract 7				
Notional value corresponding to the principal of the loan 31 Dec.	84,000	84,000	84,000	84,000
– Contract expiration date 31 December 2041				
– Floating interest rate Euribor 6 months				
– Fixed interest rate 1.1920%				
Fair value of derivatives contract	5,285	5,569	5,285	5,569
Interest rate swap contract 8				
Notional value corresponding to the principal of the loan 31 Dec.	72,000	72,000	72,000	72,000
– Contract expiration date 31 December 2041				
– Floating interest rate Euribor 6 months				
– Fixed interest rate 0.9420%				
Fair value of derivatives contract	5,748	5,957	5,748	5,957
Interest rate floor contract 1				
Notional value corresponding to the principal of the loan 31 Dec.	0	147,096	0	147,096
– Contract expiration date 28 June 2024				
– Interest set at min. 0%				
Fair value of derivatives contract	0	0	0	0
Interest rate floor contract 2				
Notional value corresponding to the principal of the loan 31 Dec.	0	245,160	0	245,160
– Contract expiration date 28 June 2024				
– Interest set at min. 0%				
Fair value of derivatives contract	0	0	0	0
Interest rate floor contract 3				
Notional value corresponding to the principal of the loan 31 Dec.	0	93,564	0	93,564
– Contract expiration date 30 June 2024				
– Interest set at min. 0%				
Fair value of derivatives contract	0	0	0	0
Interest rate floor contract 4				
Notional value corresponding to the principal of the loan 31 Dec.	211,410	222,660	211,410	222,660
– Contract expiration date 30 June 2025				
– Interest set at min. 0%				
Fair value of derivatives contract	0	37	0	37
Interest rate floor contract 5				
Notional value corresponding to the principal of the loan 31 Dec.	126,846	133,596	126,846	133,596
– Contract expiration date 30 June 2025				
– Interest set at min. 0%				
Fair value of derivatives contract	0	22	0	22
Interest rate floor contract 6				
Notional value corresponding to the principal of the loan 31 Dec.	84,564	89,064	84,564	89,064
– Contract expiration date 30 June 2025				
– Interest set at min. 0%				
Fair value of derivatives contract	0	15	0	15

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
EUR thousand				
Interest rate floor contract 7				
Notional value corresponding to the principal of the loan 31 Dec.	120,096	0	120,096	0
– Contract expiration date 30 June 2026				
– Interest set at min. 0%				
Fair value of derivatives contract	9	0	9	0
Interest rate floor contract 8				
Notional value corresponding to the principal of the loan 31 Dec.	200,160	0	200,160	0
– Contract expiration date 30 June 2026				
– Interest set at min. 0%				
Fair value of derivatives contract	14	0	14	0
Interest rate floor contract 9				
Notional value corresponding to the principal of the loan 31 Dec.	80,064	0	80,064	0
– Contract expiration date 30 June 2026				
– Interest set at min. 0%				
Fair value of derivatives contract	6	0	6	0

The market values of interest rate derivatives are based on market prices on the closing date (according to the bank). Interest rate swap contracts that are not hedging are dealt with through profit or loss in accordance with Chapter 5, Section 2 of the Accounting Act, if the fair value is negative. There are no non-hedging interest rate swap contracts on the closing date.

24. ELECTRICITY DERIVATIVES

Electricity price risk is hedged with electricity derivative contracts. The main objective of hedging is to reduce the impact of electricity price changes on the results. The hedging strategy covers several years within the scope of risk-taking authorities. The hedging strategy is constantly assessed as the market situation changes. The Group uses derivatives to hedge power generation, the purchase of electricity for heat production and the purchase of electricity loss for the electricity distribution network business. Electricity derivatives are acquired for hedging purposes. The hedges have been found to be effective and, for this reason, the derivatives are presented in the notes to the financial statements.

Open total positions of forwards 31 December 2024

MIM	PRODUCTION (€)	BROKERAGE (€)	EMISSION ALLOWANCES (€)	ELECTRICITY LOSS (€)	TOTAL (€)
Forwards	620,059	0	122,850	-459,548	283,362
Total	620,059	0	122,850	-459,548	283,362

Hedging of power generation

In the hedging of production, 43% of system price risk (SYS) and 47% of area price risk (EPAD) are being hedged in 2025. Correspondingly, 8% (SYS) and 8% (EPAD) will be hedged for 2026. The hedging is done effectively by bilateral contracts with system and narea price differential products and products containing both components at Finnish prices. The company has estimated the power generation amounts and drawn up derivatives contracts for hedging power generation in accordance with the following table.

Hedging of power generation	2026	2025
MWh, SYS	705,849	601,191
MWh, EPAD	705,849	601,191
SYS hedging MWh	56,630	261,461
SYS hedging %	8%	43%
EPAD hedging MWh	56,630	281,091
EPAD hedging %	8%	47%

Number of electricity derivatives contracts, Production hedging	2024	2023
Amount MWh	558,101	619,851
Acquisition value kEUR	18,381	28,129
EUR MtM	620,059	1,681,616

Emission allowance derivatives, Heat and power production	2024	2023
Amount t	15,000	10,000
Acquisition value kEUR	965	781
EUR MtM	122,850	-450

Hedging of electricity loss in the distribution network	2024	2023
Amount MWh	215,780	190,745
Acquisition value kEUR	5,874	5,779
EUR MtM	-459,548	413,613

25. ADDITIONAL INFORMATION ON ELECTRICITY TRADE BUSINESS REQUIRED BY THE ELECTRICITY MARKET ACT

According to the Electricity Market Act, a company operating in the electricity market must separate its electricity trade business from other business activities carried out by the company. Electricity network operations have been separated into a separate limited liability company. The notes to the consolidated financial statements present the profit and loss account and the balance sheet of the network business. Other electricity trade business has been carried out in the parent company Savon Voima Oyj. Other electricity business activities consist of power generation and whole-sale as well as other activities closely related to the production and sale of electricity.

The unbundling of the income statement is almost completely based on direct allocation of profits and costs to various business operations in the accounting. The financial items have been allocated on the basis of a distribution principle based on the scope of business operations. To the extent possible, balance sheet items have been allocated directly to asset and capital items. Common items have been allocated according to the matching principle or on the basis of a distribution principle based on the size of the business.

BALANCE SHEET OF THE ELECTRICITY TRADE BUSINESS, assets	PARENT COMPANY	
EUR thousand	31 December 2024	31 December 2023
FIXED ASSETS		
Intangible assets		
Intangible rights	38	12
Goodwill	134,706	139,119
Tangible assets		
Land and water areas	1,206	1,284
Buildings and constructions	4,065	4,593
Machinery and equipment	28,399	30,519
Other tangible assets	4,207	3,899
Advance payments and acquisitions in progress	230	117
	38,108	40,412
Investments		
Holdings in participating interests	55,423	52,516
Other shares and holdings	609	609
	56,033	53,126
Total non-current assets	228,884	232,669
CURRENT ASSETS		
Inventories		
Raw materials and consumables	2,211	1,922
Receivables (long-term)		
Deferred tax assets	52	64
Other long-term receivables	16	19
Receivables (short-term)		
Receivables from participating interests	654	358
Prepayments and accrued income	757	553
	1,411	910
Financial fixed assets	11	10
Cash in hand and at banks	-10,220	367
Total current assets	-6,519	3,294
Total assets	222,365	235,962

BALANCE SHEET OF THE ELECTRICITY TRADE BUSINESS, capital, reserves and liabilities	PARENT COMPANY	
EUR thousand	31 December 2024	31 December 2023
EQUITY		
Share capital	969	969
Premium fund	1	1
Revaluation reserve	568	630
Reserve fund	612	612
	2,150	2,211
Unrestricted equity		
Retained earnings from previous years	40,613	36,027
Result for the financial year	-1,843	4,586
	38,770	40,613
Total capital and reserves	40,919	42,824
Appropriations		
Accumulated depreciation difference	17,808	17,553
Statutory provisions	334	334
LIABILITIES		
Long-term		
Loans from financial institutions	144,868	151,535
Deferred tax liabilities	1,476	5,391
Short-term		
Loans from financial institutions	6,667	6,185
Accounts payable	1,408	2,439
Liabilities to Group companies	6,685	2,579
Liabilities to participating interests	1,260	4,427
Accruals and deferred income	674	2,569
Other short-term liabilities	266	125
Total short-term	16,960	18,324
Total liabilities	163,304	175,251
Total capital, reserves and liabilities	222,365	235,962

26. INCOME STATEMENT OF THE ELECTRICITY TRADE BUSINESS

Since 1 January 2024, the electricity business has only existed in the parent company.

INCOME STATEMENT OF THE ELECTRICITY TRADE BUSINESS	PARENT COMPANY	
EUR thousand	1 Jan.–31 Dec. 2024	1 Jan.–31 Dec. 2023
NET SALES	35,217	42,813
Other operating income	917	1,932
MATERIALS AND SERVICES		
Raw materials and consumables		
Purchases during the financial year	25,697	27,421
Change in inventories	-155	-649
Personnel expenses	1,549	1,434
Depreciation and reduction in value	8,629	8,407
Other operating expenses		
Other rental costs	35	37
Other operating expenses	4,305	4,405
OPERATING PROFIT	-3,926	3,691
Financial income and expenses		
Interest and financial income		
Interest and financial income from companies in the same Group	280	282
Interest and financial income from others	1,598	484
Interest and financial expenses	-634	-636
PROFIT BEFORE APPROPRIATIONS	-2,682	3,820
Appropriations		
Change in depreciation difference	-255	-1,146
PROFIT BEFORE TAX	-2,937	2,674
Income tax	1,094	-2,436
PROFIT FOR THE FINANCIAL YEAR	-1,843	238

27. SAVON VOIMA VERKKO OY'S BALANCE SHEET
31 December 2024

EUR thousand			31 Decem- ber 2024	31 Decem- ber 2023
ASSETS				
FIXED ASSETS				
Intangible assets				
Intangible rights	435		546	
Other intangible assets	6,491	6,927	7,233	7,779
Tangible assets				
Land and water areas	677		677	
Buildings and constructions	2,586		2,638	
Machinery and equipment	12,937		13,031	
Electricity network	389,765		380,383	
Data network	2,065		1,451	
Advance payments and acquisitions in progress	23,313	431,342	26,822	425,002
Investments				
Other shares and holdings	14	14	14	14
Total non-current assets			438,283	432,795
CURRENT ASSETS				
Inventories		143		159
Receivables (long-term)				
Deferred tax assets	49		49	
Other receivables	0	49	3	52
Receivables (short-term)				
Sales receivables	19,581		22,351	
Group receivables	14,483		12,959	*)
Prepayments and accrued income	311	34,375	318	35,628
Cash in hand and at banks		0		0*)
Current assets			34,567	35,838
Total assets			472,850	468,633

EUR thousand			31 Decem- ber 2024	31 Decem- ber 2023
CAPITAL, RESERVES AND LIABILITIES				
EQUITY				
Share capital	500		500	
Other reserves				
Reserve for invested unrestricted equity	5,000		5,000	
Retained earnings	1,431		571	
Profit for the financial year	555	7,486	860	6,931
Appropriations				
Accumulated depreciation difference		283,932		271,862
Statutory provisions		243		243
LIABILITIES				
Long-term				
Connection fees		133,973		133,305
Total		133,973		133,305
Short-term				
Advance payments received	177		0	
Accounts payable	11,489		12,633	
Liabilities to Group companies	23,477		31,111	
Other short-term liabilities	11,043		11,963	
Accruals and deferred income	1,031	47,216	585	56,293
Total liabilities		181,189		189,597
Total capital, reserves and liabilities		472,850		468,633

28. SAVON VOIMA VERKKO OY'S INCOME STATEMENT
1 Jan.–31 Dec. 2024

EUR thousand		1 Jan.–31 Dec. 2024	1 Jan.–31 Dec. 2023
NET SALES			
		102,301	101,369
Other operating income		49	63
MATERIALS AND SERVICES			
Raw materials and consumables			
Purchases during the financial year		11,054	8,809
Personnel expenses		1,903	1,663
Depreciation and reduction in value		30,959	29,626
Other operating expenses		21,688	19,868
OPERATING PROFIT		36,746	41,466
Financial income and expenses			
Interest and financial income	101		67
Interest and financial expenses	-1,119	-1,018	-947
Profit before appropriations and taxes		35,729	40,587
Appropriations			
Change in depreciation difference		-12,070	-14,236
Group contributions given		-23,104	-25,611
Income tax		0	120
PROFIT FOR THE FINANCIAL YEAR		555	860

29. SHARES AND HOLDINGS

Name	Pcs	Group's share %	Parent compa- ny's share %	Book value (kEUR)
Group companies				
Savon Voima Verkkö Oy	1,000	100	100	5,500
Itä-Suomen Biomassa Oy	70	70	70	70
Savon Energia Oy	100	100	100	3
Associated companies				
Kymppivoima Oy, Helsinki	656,260	19.4	19.4	35,787
Väre Oy, Kuopio	4,620,000	37.8	37.8	19,637
Other significant holdings				
Varkauden Aluelämpö Oy	19,900	19.9	19.9	615

Signatures of the Board of Directors and auditor's note

Signatures to the financial statements and annual report

Siilinjärvi, 1 April 2025

Juha Koukka
Chairperson of the Board of Directors

Tiina-Liisa Liukkonen

Jari Kääriäinen

Jukka Laakkonen

Ossi Martikainen

Juha Räsänen
CEO

(The financial statements were signed electronically.)

Auditor's note

A report on the audit of accounts was submitted today.

Siilinjärvi, 1 April 2025

Ernst & Young Oy
Authorised Public Accountant Firm

Soile Antikainen
Authorised Public Accountant

(The auditor's note was signed electronically.)

AUDITOR'S REPORT (Translation of the Finnish Original)

To the Annual General Meeting of
Savon Voima Oyj

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Savon Voima Oyj (business ID 0171351-2) for the financial year 1 January–31 December 2024. The financial statements comprise the balance sheets, income statements, cash flow statements and notes for the Group as well as the parent company.

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

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 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. 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 CEO for the Financial Statements

The Board of Directors and the CEO 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 CEO 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 CEO 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 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 judgement and maintain professional scepticism 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 CEO'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 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 plan and perform an audit of the consolidated financial statement to obtain sufficient appropriate audit evidence about the financial information of the entities or business units within the Group to provide a basis for our audit opinion on the consolidated financial statement. We are responsible for the direction, supervision and review of the audit work performed for 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.

Other Reporting Requirements

Other Information

The Board of Directors and the CEO are responsible for the other information. The other information comprises 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 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. 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 requirements.

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

Siilinjärvi, 01 April 2025

Ernst & Young Oy
Authorised Public Accountant Firm

Soile Antikainen
Authorised Public Accountant



SAVON VOIMA OYJ

P.O. Box 1024 (Kapteeninväylä 5), 70901 Toivala
customer service +358 17 224 400

Domicile Siilinjärvi, Business ID 0171351-2

www.savonvoima.fi

