

An aerial photograph of a large dam and reservoir, overlaid with a blue color filter. The dam is a curved concrete structure with a spillway. The reservoir is a large body of water. The surrounding landscape is arid and rocky. The text 'VEO' is centered in the upper half of the image.

VEO

ANNUAL REPORT

2025

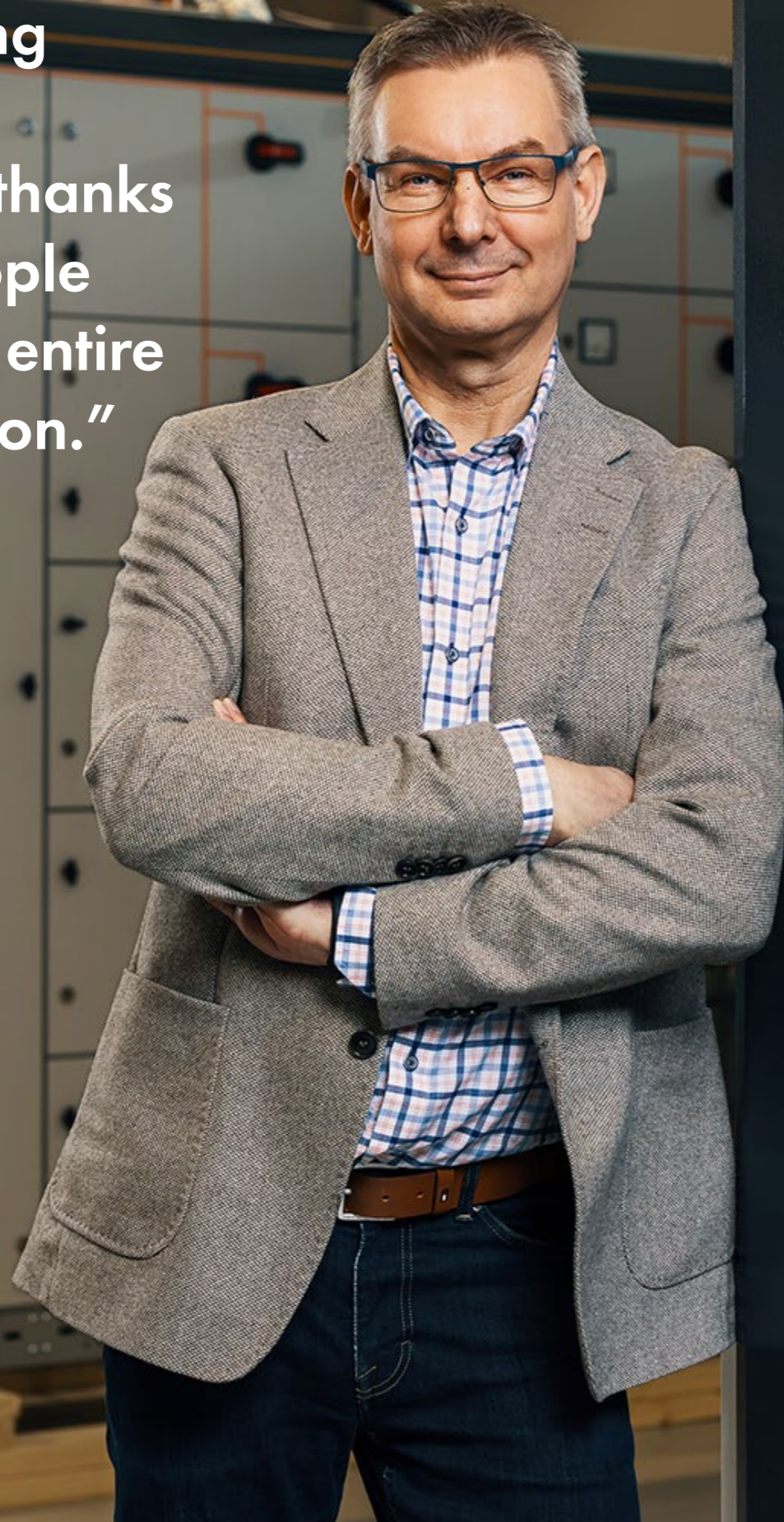
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“Our strong results are above all thanks to our people across the entire organisation.”

Timo Ala-Heikkilä
CEO



Entering the next phase of growth

Strengthening VEO’s position as a key industry player

The year 2025 was once again a year of significant growth for VEO. We entered the year from a strong position: our order backlog stood at EUR 89 million, with the highest margin in our history. This gave us an excellent starting point from which, through determined work across the entire organisation, we once again significantly improved our results compared with the previous year.

During the year, our performance improved quarter by quarter. Consistent execution was reflected in both turnover and cash flow. It is fair to say that 2025 marked another clear step forward in VEO’s long-term development.

Technological expertise that is always in demand

The results we are now celebrating are above all thanks to our people across the entire organisation. I would like to sincerely thank everyone for their commitment, professionalism and entrepreneurial mindset. A high level of ownership was visible at every level of the organisation throughout the year.

We continued to strengthen our capabilities in sales, demonstrated reliable execution also in demanding projects, succeeded in recruitment and further developed our leadership practices — to name just a few examples.



“We will continue our efforts to further rethink VEO with even greater ambition.”

This close collaboration across teams enables us to respond flexibly to diverse customer needs, develop new solutions and ways of working, and continuously create added value for our customers. VEO’s technological expertise supports not only the ongoing energy transition but also helps address future energy demands.

Success built on a sustainable foundation

The development over recent financial periods shows that we have built VEO into a consistently profitable and steadily growing company, recognised as a well-established brand across the Nordic region. Our success does not depend on a single segment or one-off achievement, but on several pillars that keep our business balanced.

I am very proud that, even under high project pressure, we have continued to build also new business. In 2025, key milestones included the establishment of our Lifecycle service offering and the development of our new VECTOR 36 kV medium-voltage switchgear technology, both of which reinforce our ability to serve current and future customers.

I would also like to thank our customers and partners for the cooperation. With their trust, we have strengthened VEO’s role as a critical infrastructure partner.

Our growth story is only just beginning

While we can be proud of what we have achieved, we are not standing still. We will continue our efforts to further rethink VEO and the renewal of energy infrastructure.

Looking ahead, we will continue to prioritise employee well-being and advancing our expertise. We will also invest in customer experience and deepen collaboration with our partners to deliver even more competitive technology solutions and services.

We will further enhance project profitability by developing our functions and operational models. At the same time, we will expand our presence in the Nordic region, with particular focus on building new customer relationships in Sweden and Norway.

In recent years, we have built a strong and sustainable foundation for VEO. But now, with the financial performance behind us, we are able to invest in our growth more than ever before. This momentum is already translating into concrete actions to strengthen VEO’s position as a key industry player.

Sincerely,

Timo Ala-Heikkilä

CEO

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Orders
142.8 M€

Turnover
140.9 M€

Operating Profit (EBIT)
8.6 M€

Net Profit
6.6 M€



“The figure that best describes VEO’s financial year 2025 is a strong and stable cash position.”

Outi Mäntylä
CFO

A record year strengthened VEO’s financial foundation

Growing revenue, strong cash flow and constantly improving profitability provide a solid basis for accelerating growth.

This time last year, VEO was celebrating record-breaking financial performance across all key metrics. Now, the results for 2025 have improved even further.

“Overall, all key figures improved significantly compared to the previous year. For the first time, we exceeded EUR 140 million in revenue, and a net profit of EUR 6,6 million was an incredible 65 % improvement against last year,” says VEO’s CFO Outi Mäntylä.

However, the figure that best describes VEO’s performance in 2025 is the most fundamental financial indicator: cash. “We have taken major steps in developing our cash management, and I am pleased to say that we achieved a record both in cumulative cash flow and in available cash reserves during the financial period.”

Long-term development behind the performance

Strong financial performance is the result of many factors and long-term development following the organisational changes implemented at the beginning of the strategy period.

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“This is not about a single success factor. All parts of the organisation have supported each other and strengthened our overall performance. The improvement in both customer and employee satisfaction is directly reflected in our financial results.

We have increased capacity particularly in engineering, succeeded in sales, and improved project margins during execution. In addition, our reputation and level of trust have strengthened across the market for turnkey deliveries, which is visible in the growth of average project size. In 2025, we were also awarded the largest contract in VEO’s history.”

The significance of the Swedish market within the group continued to grow. Particularly significant, however, was that we delivered a growing result in all operating countries.

Profitability remains in focus

As VEO’s objective is steady and sustainable growth, the direction remains clear. Profitability will continue to be at the core of operations.

“Alongside growth, we ensure strong sales and negotiation practices, clear contractual terms, efficient execution and proactive risk management. Close monitoring and a strong commercial mindset will remain essential,” Mäntylä says.

“We have also strengthened our focus on project control within the finance team to better support project managers in financial management and ensure projects continue to be delivered profitably,” she continues.

Financial stability enables investments

Financial stability provides VEO with a strong foundation to pursue its ambitious growth targets, which were already increased to reflect the fact that prior targets were achieved ahead of schedule.

“Now that we have a strong cash position, we are focused on identifying the most productive investments that will accelerate our growth. At this stage, careful investment analysis and business predictability play a key role.”

The main investment priorities are technology and people. “In the coming years, we will make significant investments in technology development. We will also implement a new ERP system later this year and continue to enhance engineering efficiency, where artificial intelligence will play an important role.

At the same time, we will continue investing in recruitment, talent development, operational efficiency and empowering our people. It is encouraging to see that many development initiatives have already been successfully implemented by our own personnel, both efficiently and with high quality,” Mäntylä lists.

Overall, 2025 marked an important milestone, completing three consecutive calendar years of significant year-over-year profitability improvement. This is already reflected in growing interest and attention from new stakeholders.

“We are on a journey toward even greater success as a company, and I look forward to continuing that journey together with our partners and people,” she concludes.



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VEO AB had an exceptionally strong year in 2025. The company achieved its highest turnover to date and secured the largest contract in VEO Group's history with one of the country's major grid operators.

The company continued to strengthen its organisation to meet the growing demand for electrification projects, although competition for skilled professionals remains intense.

In 2025, VEO further strengthened its lifecycle function. Previously managed within project teams, lifecycle support is now centralised under a dedicated organisation. A well-defined service offering and a digital customer portal provide customers with greater clarity and improved access to support.

This strengthens VEO's ability to meet growing demand for long-term support and underlines its role as a trusted partner beyond project delivery.

With the launch of VECTOR 36 kV, VEO expands its SF₆-free medium-voltage switchgear technology to meet the increasing demands of energy transition projects. The new switchgear combines proven VECTOR quality with enhanced capacity, reliability and installation efficiency.

Developed and manufactured in Vaasa, Finland, the solution reinforces VEO's position as a Nordic provider of modern energy infrastructure technologies.

Despite high project pressure and continuous problem-solving, employee satisfaction at VEO improved significantly, and eNPS doubled during the year.

This result reflects VEO's investments in leadership, internal communication, active listening and celebrating shared successes. VEO's growth has been built through strong collaboration and a conscious effort to strengthen positive engagement — not at the expense of the people.

“Today, a vast majority of our projects support the energy transition, and this share continues to grow.”

Kim Råholm

Development and HSEQ Director



Structured progress in sustainability

In 2025, VEO advanced its sustainability work through structured measures and clear strategic focus. While many sustainability challenges require industry-wide cooperation, VEO remains committed to making measurable progress where it can.

Environmental responsibility in practice

VEO's environmental focus rests on three pillars: supporting customers in their decarbonisation journeys, reducing emissions in its own operations and addressing impacts across the value chain.

“Our most significant environmental impact is created through the solutions we design and deliver. Today, a vast majority of our projects support the energy transition, and this share continues to grow,” says Kim Råholm, Development and HSEQ Director.

In its own operations, VEO continued to improve energy efficiency, increase material reuse and advance the electrification of its vehicle fleet. Emission monitoring was further strengthened through the introduction of a new carbon accounting tool. From 2026 onwards, the remaining Scope 1 and 2 emissions will be partly compensated through certified forest planting projects.

“Compensation is not a shortcut, but complements structural improvements. Our focus is systematic progress, improving data quality and increasing transparency.”

Most emissions originate from Scope 3 within the wider value chain. “We work systematically with suppliers and customers to identify concrete reduction measures. Real progress is achieved together.”

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“Making sure that our people are safe and feel valued is fundamental.”



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A culture built on safety and engagement

Safety and employee engagement remain central pillars of VEO's sustainability work.

“Making sure that our people are safe and feel valued is fundamental. Safety is about responsibility; every person must return home unharmed at the end of the day. Engagement grows when people feel heard and involved. Open dialogue and clear processes strengthen both.”

In 2025, VEO achieved twelve consecutive months without lost-time injuries, reflecting sustained focus on preventive practices and improved site procedures. A new safety video reinforced shared standards across the organisation.

Employee engagement strengthened in 2025, reflected in a clear rise in eNPS. “During the year, we made a conscious effort to recognise good work, give people more responsibility and strengthen positive internal communication. Regular development discussions and continuous learning support that work”.

Governance and long-term direction

During 2025, VEO also continued to strengthen its governance and reporting practices, while closely monitoring regulatory developments. A double materiality assessment identified the sustainability topics most relevant to VEO and its stakeholders, sharpening strategic priorities.

“Policies, however, are not enough – they also need to be understood and applied in everyday work. All employees complete training on our Code of Conduct and information security, with follow-up through our digital learning platform.”

The overall sustainability work at VEO is guided by clear direction rather than short-term initiatives. “Sustainability is not a separate agenda for us,” Råholm concludes. “It is about working systematically, improving transparency and building trust with our stakeholders.”



“Complexity is not a challenge for us, it is where we add the most value.”

Jakob Lövdahl

Vice President, Sales and Marketing

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Delivering at scale in the Nordic energy transition

Electrification and industrial investments are driving growth in Nordic electricity demand. As the need for modern, resilient power systems continues to increase, VEO is already delivering on all fronts and equipped to scale further.

Across Finland, Sweden and Norway, investments in power generation, grid infrastructure and industrial electrification continue to increase, reinforcing the region's long-term energy transition.

“Forecasts differ in scale, but even the more conservative ones indicate a significant increase in electricity demand over the next decade. That translates into larger, more complex projects throughout the power system, and delivering those projects is exactly what we are built for,” says **Jakob Lövdahl**, Vice President, Sales and Marketing at VEO.

Designed for demanding projects

As projects grow in size and technical complexity, customers increasingly seek partners capable of taking overall responsibility for a fully functioning system.

“We have long been a trusted partner in hydropower, wind power and grid projects,” says Lövdahl. “Now we see the same role emerging in newer industries such as data centres and energy storage. The system logic is the same: complex interfaces, high reliability requirements and no room for error.”



“We respond to real gaps in the market. The market evolves, and we evolve with it.”



In many of these projects, VEO delivers full balance-of-plant solutions, taking responsibility for overall system integration. This reduces interface risks and ensures performance from design to commissioning.

“The more demanding the project, the better suited we are to deliver it. Complexity is not a challenge for us, it is where we add the most value for our customers,” Lövdahl continues.

Technologies tailored for the energy transition

As an independent system integrator, VEO combines its own technologies with those of others to deliver optimal solutions for each project. When existing technologies do not fully meet new system demands, the company develops new ones.

“We aren’t developing technology just for the fun of it,” says Lövdahl. “We respond to real gaps in the market. The market evolves, and we evolve with it.”

This approach has, for example, led to the development of VEO’s air-insulated VECTOR 36 kV switchgear, designed to meet the demand for this voltage level in renewable energy projects and other industrial projects. It has also resulted in the hybrid turbine governor, eHPG, which combines hydro-power with energy storage functionality and enhances reserve capacity while reducing mechanical stress in the turbine.

Beyond individual components, VEO is also expanding its system-level capabilities. SCADA-based control room solutions are

increasingly integrated into projects, enabling centralised monitoring, enhanced operational control, and faster decision-making.

Supporting customers in the long run

VEO’s strength lies in its ability to deliver complete solutions across the entire energy system, from generation to distribution and consumption. This has positioned the company as a trusted partner in the Nordic markets, built not only on technical competence but on its ability to act as a system-level integrator delivering fully functioning systems.

“Our growth hasn’t altered how we work; it has reinforced it,” says Lövdahl. “We bring together the resources of a large organisation with the cooperation and quick response times of a smaller one.”

This mindset extends throughout the project lifecycle. Through a strengthened lifecycle function, VEO remains involved well beyond commissioning.

“We want to stay close to the customer, not only when everything runs smoothly, but also when challenges arise. That’s how we build long-term partnerships.”

Looking ahead, Lövdahl sees continued solid growth across the Nordic markets. “The demand is clearly there. Our focus is to strengthen our market position and organisation so we can keep supporting our customers as the Nordic energy transition accelerates.”

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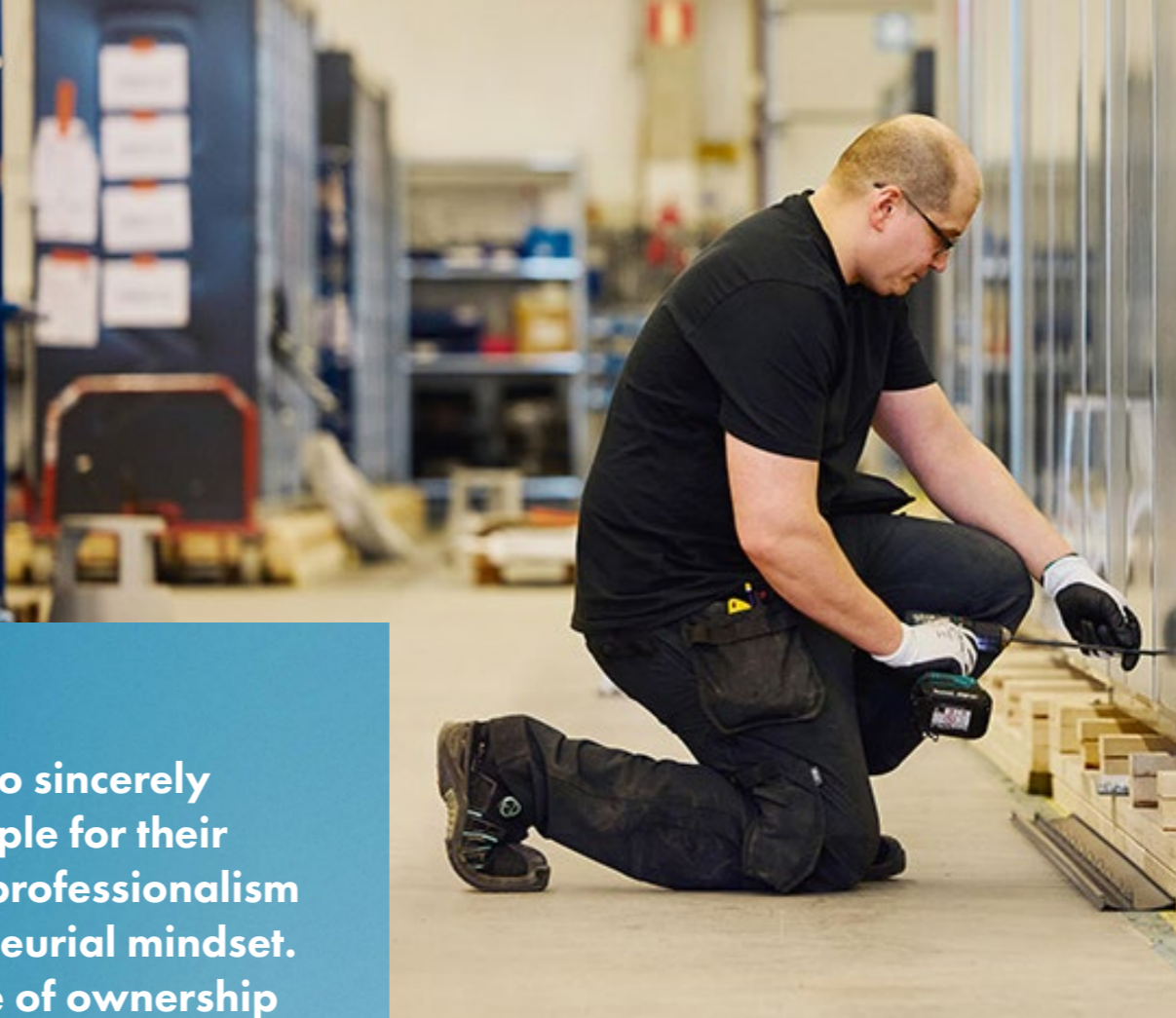
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