Board of Directors' Report and Financial Statements

1 Jan. – 31 Dec. 2023

Board of Directors’ Report 1 Jan. – 31 Dec. 2023

General

Valio is owned by some 3 400 dairy farms through co-operatives. The company’s primary purpose is to process the raw milk produced by the dairy farmer entrepreneurs and support their livelihood by paying the best possible price for raw milk. Valio pays its income from operations through dairy co-operatives to dairy farms.

Valio’s vision is to be the leading dairy and food company offering much loved brands and innovative solutions. Our strength lies in dairy business operations in Finland, Sweden, and the Baltic States, and we will continue to further their development. At the same time, we are seeking growth in new food categories. We also supply Food Service customers through our Valio Aimo® wholesale business. The third important strategic focus where we seek strong growth is ingredients and solutions that generate added value for our international industrial customers. In addition, we are building the food system of the future through new business opportunities and innovations. The most recent examples are Oddlygood with its plant-based products, and Suomen Lantakaasu Oy which produces renewable energy.

The operating environment in 2023 was once again challenging for food industry companies. The war in Ukraine and general economic uncertainty continued to prevail, and global supply chain issues impacted, for example, ingredient availability. Consumers’ declining purchasing power increased price sensitivity, and they switched to more affordable products. The period following the coronavirus pandemic and the outbreak of war in Ukraine has increased volatility in the dairy market. The prices of the key dairy products on the global market, milk powders and butter, went into a steep decline in autumn 2022, having peaked at record-high levels before that. After an exceptional period, the prices of industrial dairy products returned to their five-year average level.

Farms also faced difficult conditions. Although the persistent rise in costs at dairy farms came to an end, and the prices of energy, animal feed, and fertilisers even fell, costs were still around 30 per cent higher at the end of 2023 compared with the beginning of 2021. In addition, the farms’ liquidity was hampered by changes to the payment schedules of agriculture subsidies. These were challenging for farms located in subsidy areas A and B in particular, as the dairy cow premium for 2023 was rescheduled for payment in 2024. So the difficult financial times are not over for the farmers. High interest rates, high fertiliser prices, and uncertainty regarding energy prices continue to prevail.

Valio Ltd took in 1 664 million litres of raw milk in Finland, 18 million litres less than in the previous year. The average price paid for raw milk was 53.7 cents per litre (2022: 52.1 c/l). A total of EUR 902 million (2022: EUR 883 million) was paid to the owners, comprising the raw milk price, dividends, and interest. Valio Group net profit totalled EUR 21 million (EUR 26 million).

Valio Group net sales stood at EUR 2 278 million (EUR 2 236 million), up 1.9% on 2022. Domestic net sales increased by 6.8 per cent, and international net sales decreased by 6.5 per cent. The milk margin amounted to EUR 983 million (EUR 1 008 million), and the milk return stood at 51.6 cents per litre (52.5 c/l).

In 2023, Valio Group net sales increased by 1.9 per cent. The growth stemmed largely from the price rises implemented in 2022. Weakening consumer purchasing power, and the drastic decline in the global market prices of butter and milk powder together with cost inflation, resulted in a fall in the milk return, which is used to measure profitability.

Due to the aforementioned financial factors, Valio had to reduce the price paid for raw milk. Although the average price paid for raw milk by Valio to dairy co-operatives in 2023 was higher (53.7 c/l) than the 2022 average (52.1 c/l), the price level was considerably lower at the end of the year compared to the beginning.

Despite the challenging operating environment, we advanced our strategy in determined fashion. In our domestic market, comprising Finland, Sweden, and Estonia, we succeeded in defending our market position in the face of weakening consumer purchasing power. We also continued to develop the Food Service concept.

In Finland, we increased our market share in items such as snack products, cottage cheeses, and cheeses. We successfully extended, for example, the Valio PROfeel® snack product family, and the range of Valio baking products and grated cheeses. In autumn, we launched the renewed Gold&Green® brand as well as new, plant-based Gold&Green® products. Gold&Green® took over as market leader in Finland during the autumn, and towards the end of the year the total market for plant-based products began to grow again.

Net sales from Valio's international operations totalled EUR 778 million (EUR 832 million).

In export markets, Valio's profitability was challenged by the fall in global market prices of industrial products, and the poor global economic conditions. This was apparent in the decreased demand for value-added ingredients and solutions. Customers favoured more affordable basic products and postponed their product development projects. Investments in value added ingredients continued. The sales of both lactose free Valio Eila® and organic milk powders increased.

The fall in prices of international industrial dairy products, that is industrial butter and milk powders, ended during 2023. The demand for industrial butter was strong towards the end of the year as the price levels rose, yet remained clearly below the level of 2022.

In China, we continued to invest in sales of value added milk powders, and in growing the market. However, the general deceleration of the rising rate of inflation, and falling food prices after their rapid increase in 2022, had a negative effect on the price of basic and organic milk powders, and the value of sales decreased on the previous year. Nevertheless, our profitability improved. Our profitability increased considerably in the United States. In Sweden, net sales increased on the previous year, mainly due to price rises. Sales of Oddlygood®, PROFeel®, and Gårdsgoda products developed positively. In the Baltic States, we successfully defended our position as market leader, despite high inflation and consumers' weaker purchasing power.

Owned by Valio and Mandatum Asset Management, Oddlygood expanded into new markets, and established subsidiaries in Great Britain and the Netherlands. In

October, the company acquired the Nordic brand Planti. The acquisition accelerated Oddlygood's strong growth and further strengthened its plant-based supply, especially in snack and cooking products.

The business development of Suomen Lantakaasu Oy progressed as planned. We completed the environmental impact assessment for the biogas plant in the Upper Savo region, and submitted an environmental permit application. In accordance with a hybrid model for biogas production, the project in Upper Savo will develop the main plant in Kiuruvesi, as well as three satellite plants in neighbouring municipalities. Suomen Lantakaasu Oy also started to map new plant locations in the Ostrobothnia region, and signed a share purchase agreement on a majority shareholding of Nurmon Bioenergia Oy's unfinished biogas plant project. Together, these projects will enable production of up to a half of Suomen Lantakaasu Oy's target of 1 TWh.

Valio is running a programme on the improvement of financial performance that started in 2022 and will continue to 2025, whose goal is to significantly improve the milk return. We aim to advance profitability by tens of millions of euros through hundreds of different measures, looking to reduce costs, seek cost-effective ways of working, improve daily operating processes, and reduce, for example, any wastage of time. The programme is proceeding on schedule and in accordance with the goals.

Valio renewed the dairy farm sustainability programme in May. In addition to measures related to animal well-being, dairy farms may now receive a higher price for their milk based on grazing and opportunities for cows to stay outdoors, farming that supports biodiversity, and work to reduce the carbon footprint of the farm. The reform is significant for agriculture overall in Finland, as around 80 per cent of the milk produced in the country is covered by Valio's sustainability programme.

Valio again topped the Sustainable Brand Index comparison that measures Finns' perception of brands' sustainability. Respondents especially valued Valio's domestic food production, healthy high-quality products, and our work on animal well-being and the climate. In addition, Valio was the third most reputable company in T-Media's Reputation & Trust survey, in which consumers name Finnish companies with the best reputation.

Changes in group structure

Oddlygood Global Oy established its first subsidiaries in the United States, Estonia, and Sweden in late 2022, and in 2023 added the Netherlands and Great Britain.

Shareholders and share capital

Valio Ltd has 13 shareholders, the same number as in the previous year. The share capital of Valio Ltd stands at EUR 166 127 400, and Valio Ltd shares number 48 861. They are all of the same type and confer identical rights to dividends and the company's assets, with the exception that dividends can be partially distributed to Valio's procurement co-operatives in proportion to their supplied milk volumes. The shares carry a redemption clause.

Risk management

As an international food industry player, Valio's business operations are affected by the global operating environment and milk market, as well as domestic demand and competition. As a significant raw milk processor and food product manufacturer and distributor, the continuity of business operations, processes, and information systems are of key importance, enabling us to ensure a high level of supply performance to customers every day. At the same time, Valio contributes to securing Finland's national emergency supply in various exceptional conditions.

Product safety, occupational safety, and quality lie at the heart of Valio's risk management, and, if they fail, the risk is personal damage, and possible liability risks for both consumers and Valio's customer companies. The goal for occupational safety is zero accidents. Reputational risk that damages the Valio brand is also associated with the risk factors.

The operating environment remained challenging in 2023. Instability was caused by the weakened global economic conditions, increasing cybersecurity threats, the rise in inflation, interest rates and costs, as well as changes in consumer behaviour. The focal point of risk management was to ensure Valio's preparedness for the changing regulations at the EU and national level that will enter into force in 2024. With respect to sanctions against Russia, the obligation to identify customers and suppliers is emphasised. Growing political tensions in Asia, and increasing extreme weather phenomena, emphasise the supply chain risks. Despite all the uncertainty factors in the operating environment, Valio has been able to maintain its supply performance at an excellent level.

The goal of Valio's risk management is to identify, evaluate, and manage the risks that threaten the company's goals for its business operations. That is the responsibility of the business operation units supported by the Risk Management Office. In Valio's risk management policy, the risks are classified as strategic, operative, financial, and compliance.

The Risk Management Office administers insurance programmes covering Valio Ltd and the whole Group. It also guides insuring in subsidiaries. Valio insures against risks that would significantly impact the Group's operating capacity. The scope of insurance cover and sufficient insured amounts are continuously evaluated, for example, in conjunction with the risk mapping of Valio locales, taking the Valio Group level perspective into account.

Legal proceedings

The Finnish Competition and Consumer Authority proposed that a fine of 900 000 euros be imposed on Valio for breaching a condition related to the acquisition of Heinon Tukku. The case is pending in the Market Court, which is expected to issue its resolution by the end of 2024.

Research and development

Valio launched a total of 88 new products in 2023 (2022: 66) in Finland, as well as new products in other markets. Six new patent applications were filed in 2023 (2022: 0).

R&D and quality control costs totalled EUR 33 million (EUR 30 million), or 1.5% (1.3%) of net sales.

Personnel

The average number of employees in Valio Group in 2023 was 4 360 (2022: 4 457), and at the end of the financial year the number stood at 4 247 (4 256). On average, 3 542 (3 472) employees worked in Finland and 586 (717) in foreign subsidiaries. Valionova Tukku- ja Logistiikkapalvelut Oy, the Finland subsidiary of significant size, had on average 213 (246) employees. Of the foreign subsidiaries, the highest number of staff was found in Estonia, on average 456 (452).

Personnel distribution by gender in 2023 was 53% male and 47% female (55% and 45%). The average age of employees in 2023 was 43 years (42 years).

The salaries and other remunerations paid by Valio Group in 2023 amounted to EUR 222 million (EUR 214 million). Pension costs for the year stood at EUR 31 million (EUR 25 million).

Environmental protection

Valio's environmental system is certified in accordance with the ISO 14001 standard, and covers the company's operations in Finland and Estonia. No significant deviations from environmental legislation or the requirements of the authorities have been detected in the internal audits that are part of Valio's environmental system, or in inspections conducted by an external auditor. Neither were any significant deviations from permit regulations detected in permit inspections conducted by the environmental authorities.

Significant environmental impacts of Valio operations are caused by the waste water load resulting from production wastage, water and energy consumption as a downside of maintaining a high level of hygiene, and waste management of spent packages.

Capital expenditure during the financial year targeting the reduction of environmental impacts amounted to EUR 1.0 million in Finland, and environmental costs recorded as expense totalled EUR 14.3 million. The most significant single investment related to the management of environmental impacts was participation in the renovation of a waste water purification plant in one Valio locale. A document delineating Europe-wide environmental protection regulations for the food industry was published at the end of 2019. The transition period for the required changes expired in December 2023. In some powder drying units, studies on conforming to the new permitted limits remained ongoing in 2023.

Valio Group's total energy consumption in 2023 stood at 788 GWh, waste water volume was 6.0 million cubic metres, and the waste water load directed at water purification plants was 9 440 tonnes calculated in terms of chemical oxygen demand (COD). Compared with the previous year, energy consumption decreased by 0.5 per cent, waste water volume increased by 0.1 per cent, and the waste water load decreased by 2.1 per cent. The figures include information on Planti's business operations from the date of acquisition.

Valio published its own climate programme in 2018, looking to cut the carbon footprint of its milk value chain to zero by 2035. The Science Based Targets set by Valio with regard to climate were approved in spring 2021. According to the targets, the greenhouse gas emissions of milk production per litre of raw milk taken in will be halved by 2030 compared with 2019. Furthermore, the goal is to halve the energy use emissions from the plants in total, and cut emissions from milk collection logistics by one-third in the same timeframe. Valio participated for the fifth time in CDP evaluation (evaluation of the environmental programmes and measures taken by companies by an independent party). The result (A-F) improved in several categories, but the overall score remained in the second-best class (B).

Valio continued training dairy farmers in carbon farming in 2023, more extensively as the coronavirus pandemic eased, and the training has now been provided at around 1 500 farms. Carbon farming is practised on nearly 130 000 hectares of farmed land at Valio dairy farms. Training in the application of the Valio Carbo® Farm Calculator continued throughout the year. Close to 2 500 farms calculated the carbon footprint of their own production, which accounts for around 80% of Valio's total milk procurement. The model used as the basis for the Valio Carbo® Farm Calculator was developed further together with the Natural Resources Institute Finland and Atria Plc. Based on discussions held during 2023, it is now certain that the Valio Carbo® Farm Calculator will become the national standard in carbon footprint calculation for cattle farming in Finland.

Suomen Lantakaasu Oy, a joint venture between Valio and energy company St1 Oy, continued operations in 2023 according to its business plan. The construction of the first plant facility in Upper Savo proceeded as planned. The locations of all plants within the project were confirmed, the environmental impact process of the central plant completed, and its environmental permit application submitted in autumn 2023. In a hybrid model for biogas production, the central plant (biogas production and gas liquefaction unit) will be built in Kiuruvesi, together with three medium-sized satellite plants in Lapinlahti, Sonkajärvi, and Nurmes from which the gas will be transported to the central plant for liquefaction. It is intended that the final investment decision on the hybrid facility will be made in autumn 2024, and that the plant will be in operation by 2026. Also, planning for the next hybrid facilities in Northern, Central, and Southern Ostrobothnia commenced in 2023.

In 2022 and 2023, Valio successfully piloted the use of a feed additive to reduce the methane emissions of cows at Valio dairy farms. The pilot process implemented in 2023 involved 40 dairy farms and more than 3 000 cows. The feed additive worked well in practice, encountering no problems in production, milk quality or animal health. The goal for 2024–2025 is to expand the use of the additive. At the same time, we are looking to provide an opportunity for export customers to participate in reducing methane emissions together with Valio.

More detailed environmental information on operations in Finland is published as part of the Sustainability Report on Valio Ltd's website.

Net sales

Consolidated net sales amounted to EUR 2 278 million (EUR 2 236 million) and domestic net sales stood at EUR 1 499 million (EUR 1 404 million). Net sales from international operations totalled EUR 778 million (EUR 832 million). Valio Ltd net sales totalled EUR 2 002 million (EUR 1 944 million).

Capital expenditure

Consolidated investments totalled EUR 79 million (EUR 55 million), or 3.5% (2.5%) of net sales.

The most significant completed investments were the renovation of maturation cellars for Valio AURA® cheese in Äänekoski, new powder packing equipment in Lapinlahti, and improved energy efficiency and changes made to heat production in Finland. In addition, in Finland and Estonia, production equipment and IT systems were replaced, and product ranges and packages redesigned.

The most significant new investments were for the replacement of the powder plant cleaning centre and regional laboratory in Seinäjoki, of production premises and equipment in Suonenjoki, and of the enterprise resource planning system.

Part-owned by Valio, Oddlygood Global Oy acquired the Planti® brand rights. Also, Valio acquired Planti's production of the plant-based Planti® products, located in Turku. In addition, Valio became a shareholder in eniferBio Oy.

Finance

Both Group and parent company liquidity remained good throughout the financial year. Cash in hand and at banks, and short-term investments, totalled EUR 230 million (EUR 235 million) at the year-end. The value of inventories stood at EUR 235 million at the end of the financial year and EUR 254 million at the beginning. Interest-bearing liabilities totalled EUR 295 million at the end of the financial year and EUR 325 million at the beginning. Loans from financial institutions decreased by EUR 30 million. Of loans from financial institutions, short-term loans stood at EUR 39 million (EUR 30 million) and long-term loans at EUR 171 million (EUR 210 million). The parent company has at its disposal binding lines of credit totalling EUR 110 million (EUR 110 million). Net financing expenses amounted to EUR 7 million (EUR 7 million), or 0.3% (0.3%) of consolidated net sales.

Valio Ltd has a capital loan, in accordance with Section 12 of the Limited Liability Companies Act, totalling 77 626 800 euros. Of that amount, 30 000 000 euros is capital loan recorded under shareholders' equity, in accordance with Chapter 5, Section 5c of the Finnish Accounting Act. The share of capital loans recorded in shareholders' equity has no due date. Interest is paid once a year. The other part of capital loans, 47 626 800 euros, has a due date and shall be paid as a lump sum on that date. Interest is paid once a year. The principal and interest on the loans shall be repaid at a lower priority than debts to other creditors, were the company to be placed in liquidation or declared bankrupt. The principal may otherwise only be returned and interest paid to the extent that the total of the company's non-restricted shareholders' equity and all capital loans exceeds the amount of loss confirmed for the company's most recent financial year or included in more recent financial statements at the time of payment. No security shall be given for the payment of the principal or interest. If interest cannot be paid, it shall be transferred for payment on the basis of the first such financial statements that allow its payment. No unpaid interest not entered as cost has accrued for the loans.

Financial performance

Consolidated profit before taxes was EUR 17 million (EUR 38 million). Net taxes for the financial year totalled EUR -7 million (EUR -14 million). Net profit for the financial year stood at EUR 21 million (EUR 26 million).

Parent company profit before taxes and appropriations stood at EUR 9 million (EUR 62 million). Income taxes for the financial year totalled EUR -5 million (EUR -16 million). Parent company net profit for the financial year stood at EUR 17 million (EUR 59 million).

The Valio Group milk margin stood at EUR 983 million (EUR 1 008 million) and the milk return at 51.6 cents per litre (52.5 c/l).

Significant events after the close of the financial year

Valio's Board of Directors decided in January 2024 to reduce the price paid for raw milk by two cents per litre as of the beginning of February 2024. The underlying factors affecting the decision were the fall in the global market prices of industrial dairy products, and in consumer demand.

In January, Valio commenced change negotiations concerning 1 170 people. As a result, it was initially estimated that a maximum of 130 people would be affected by personnel reductions, and of 135 people by planned substantial changes to terms and conditions of employment. Ultimately, those figures were 89 and 114 people, respectively. The factors underlying the negotiations were the fall in global market prices and consumer demand, as well as the need for adaptation due to increasing costs. The goal of the negotiations was to improve Valio's profitability and secure its ability to pay dairy co-operatives for their raw milk.

There have been several political strikes in Finland in early 2024. While some Valio units were on strike for a few days, production and deliveries were largely completed as per normal. In March, sea container transports were halted completely for two weeks, so deliveries to international customers will be delayed significantly. Most of the deliveries to the EU area could be completed, although they have entailed challenges, too. Interruptions to deliveries also involve significant challenges and costs in terms of warehousing. During the spring months, it is highly likely that Finnish ports will be congested, container availability poor, and cargo ship capacity fully booked, which will in turn result in further delays. The final costs and effect on business operations cannot be assessed until later in the spring.

Year 2024

The global population is growing, and world food needs will double by 2050. At the same time, climate change is forcing our food system to renew itself. Hence, our local and global food systems are facing unprecedented challenges.

We at Valio believe a sustainable food system of the future will be a combination of a number of forms of food production, some of which already exist while others are being studied. In order to secure enough food for all the people of the world in the future, we need plant-based foods, sustainably produced milk and meat, and new innovations in cellular agriculture. Valio is involved in all of these.

It is best to produce food where it is most sensible in terms of farming conditions, financially profitable, and sustainable from the perspective of climate and nature. Most often, it is viable to cultivate plants that require heat and light in the farmlands of the South. In the North, grass growth in fields produces a secure crop that is eaten by cows, which in turn produce nutritious milk.

Although the operating environment is currently challenging with respect to business operations, food is a global growth business in the long term. The consumption of dairy products is growing in emerging markets such as Asia, and of plant-based products in the western world.

Year 2024 is continuing to progress along the guidelines of Valio's strategy. Our goal is that strategic projects will generate new growth, improve operational efficiency, and enhance profitability in the coming years. We purposefully continue, for example, to develop our expertise in value added powders, R&D, sales, and production. Our Valio Aimo® wholesale unit aims to be a trailblazer in the Food Service market in Finland. Suomen Lantakaasu Oy, a joint venture with energy company St1 Oy, is continuing operations in 2024 according to its business plan. It is intended that the final investment decision on the hybrid facility in the Northern Savo region will be made in autumn 2024, and that the plant will be in operation by 2026.

In 2024, Valio will initiate Food 2.0, an extensive research, development and innovation project. The goal of the five-year project is to create in Finland an environmentally sound food system in which growth, profitability, and added value are built on the foundation of sustainable production. In February 2024, Valio's Food 2.0 project was granted funding of EUR 10 million by Business Finland's challenge competition for leading companies. In addition, Business Finland is prepared to provide funding of EUR 20 million to RDI projects run in Valio's partner network within the Food 2.0 concept. The food system is linked to hundreds of companies and other actors in Finland, and the aim is to have at least one hundred partners in the network. The goal is to generate additional investments of EUR 100 million in research and development activities in Finland over a period of five years, and to grow exports linked to the food system as a whole by more than one billion euros in the years after the project. Valio is the first food industry company to be selected by Business Finland as a leading company. The Food 2.0 themes include future products, technological transition, regenerative agriculture, circular economy, and resource efficiency.

The operating environment is still challenging and hard to anticipate. War is being waged in Ukraine and Gaza, and elections will be held in a large number of countries during the year. In Finland, several trade unions are objecting to the government's labour market measures, and have or may take industrial action.

After an exceptional period, the prices of industrial dairy products have returned to their five-year average level. In recent months, the global market prices have shown some signs of picking up, but they are still around 25–40 per cent lower compared to their peaks in 2022.

Dairy farm production costs are expected to remain high in the future. Valio's primary purpose is to process the raw milk produced by its owners, Finnish dairy farms, as profitably as possible, and pay the best possible return through the co-operatives to the dairy farms.

The Board of Directors' proposal on the distribution of profit

The parent company's distributable assets amount to EUR 301 102 241.33, of which profit for the financial year accounts for EUR 17 389 849.64 and retained earnings EUR 283 712 391.69. The Board of Directors proposes to the Annual General Meeting that a dividend of 3.33% on the nominal value of the shares be declared, or 113.22 euros per share, totalling EUR 5 532 042.42.

Valio Group five-year statistics

	2023	2022	2021	2020	2019
Milk volume taken in from owners, mill. l	1 664	1 682	1 723	1 807	1 792
Sum paid to owners, MEUR [1)]	902	883	736	747	722
Price paid for milk to the co-operatives by Valio, per litre total cents [2)]	53.7	52.1	42.3	40.9	39.9
Net sales, MEUR	2 278	2 236	1 934	1 808	1 787
Change %	1.9	15.6	7.0	1.2	3.0
- Domestic, MEUR	1 499	1 404	1 194	1 062	1 071
Change %	6.8	17.6	12.4	-0.9	0.6
- International operations, MEUR	778	832	740	746	715
Change %	-6.5	12.4	-0.7	4.3	6.9
Net sales/milk litre taken in from owners, €/l	1.37	1.33	1.12	1.00	1.00
Average no. of personnel	4 360	4 457	4 518	4 246	4 256
Wages and salaries, MEUR	222	215	202	187	187
R&D expenditure, MEUR	21	18	22	16	16
Book profit, MEUR	21	26	37	37	33
Balance sheet total, MEUR	1 272	1 328	1 309	1 171	1 122
Stocks, MEUR	235	254	210	178	180
Investments, MEUR	79	55	56	61	64
Depreciation according to plan, MEUR	85	90	89	85	89
Equity assets ratio, % [3)]	53	50	48	50	48
Milk margin, MEUR [4)]	983	1 008	862	861	838
Milk return, c/l [5)]	51.6	52.5	43.7	41.5	41.2

1) Comprising the raw milk price, after payment, dividend and interest.

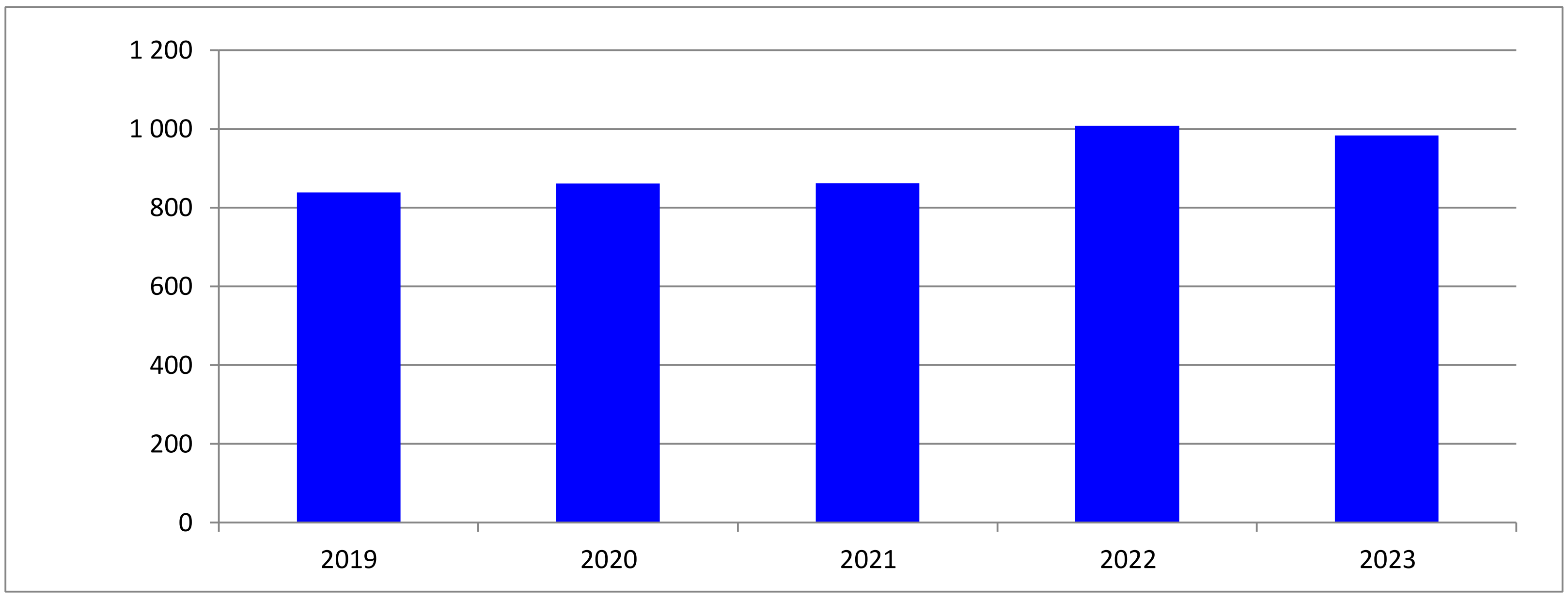
2) Includes the basic price, and extra payments according to composition and quality; extra payments for organic milk; after payment.

3) Shareholders' equity divided by balance sheet total from which advances received have been deducted. Shareholders' equity also includes minority interest. Long-term capital loans under liabilities are not included in shareholders' equity.

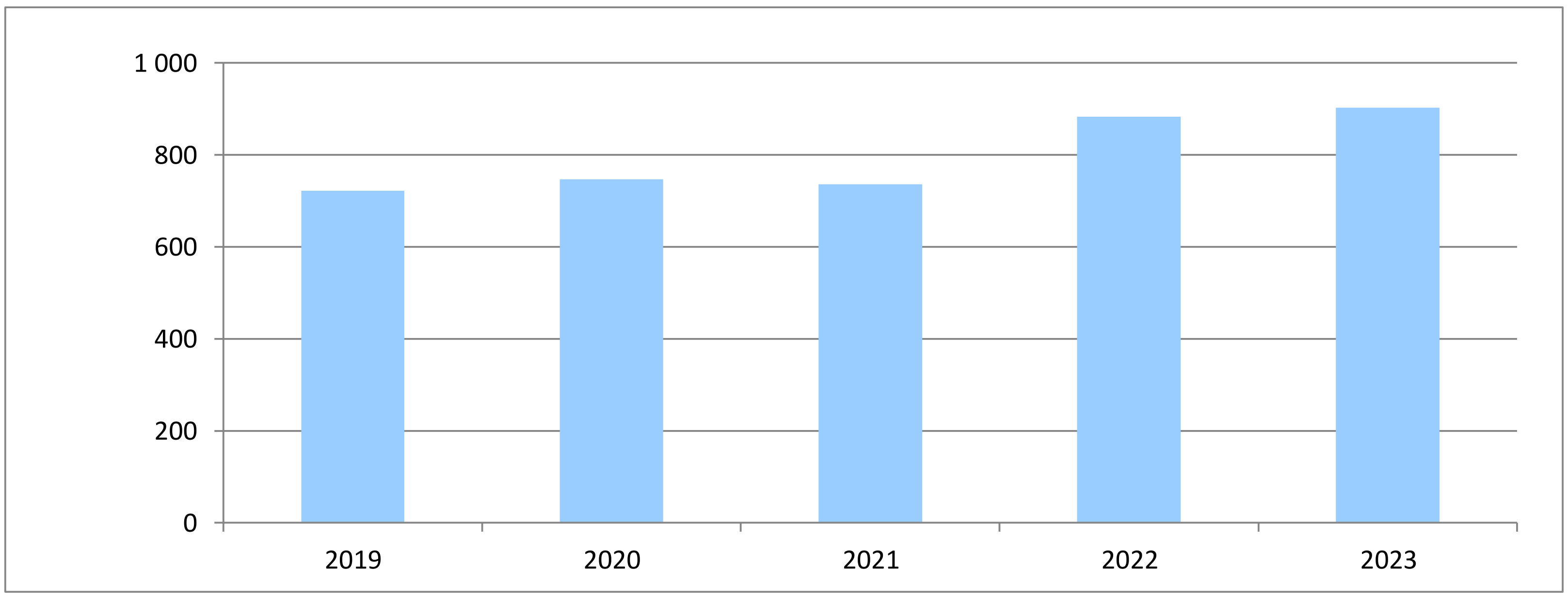
4) Net sales less all other costs excluding the price paid to the co-operatives for raw milk, interest on shareholder loans, depreciation according to plan, supplementary payments to the pension fund, pension contribution refunds, and items not included in actual business operations, such as sales gains from sales of business operations, provisions, sales gains and losses from real estate sales, write-offs of non-current assets, costs arising from acquisitions of companies and business operations, and subsidiaries' minority interest of the profit. The milk margin includes Valio Ltd's taxes, with the tax share of the net profit corresponding to the amount of the average dividend percentage from the share capital, and taxes of subsidiaries. Taxes also include the cost effect of direct taxes resulting from depreciation deficit.

5) Milk margin less estimated required financing for investments, and the figure is divided by the milk volume taken in from the owners of Valio Ltd.

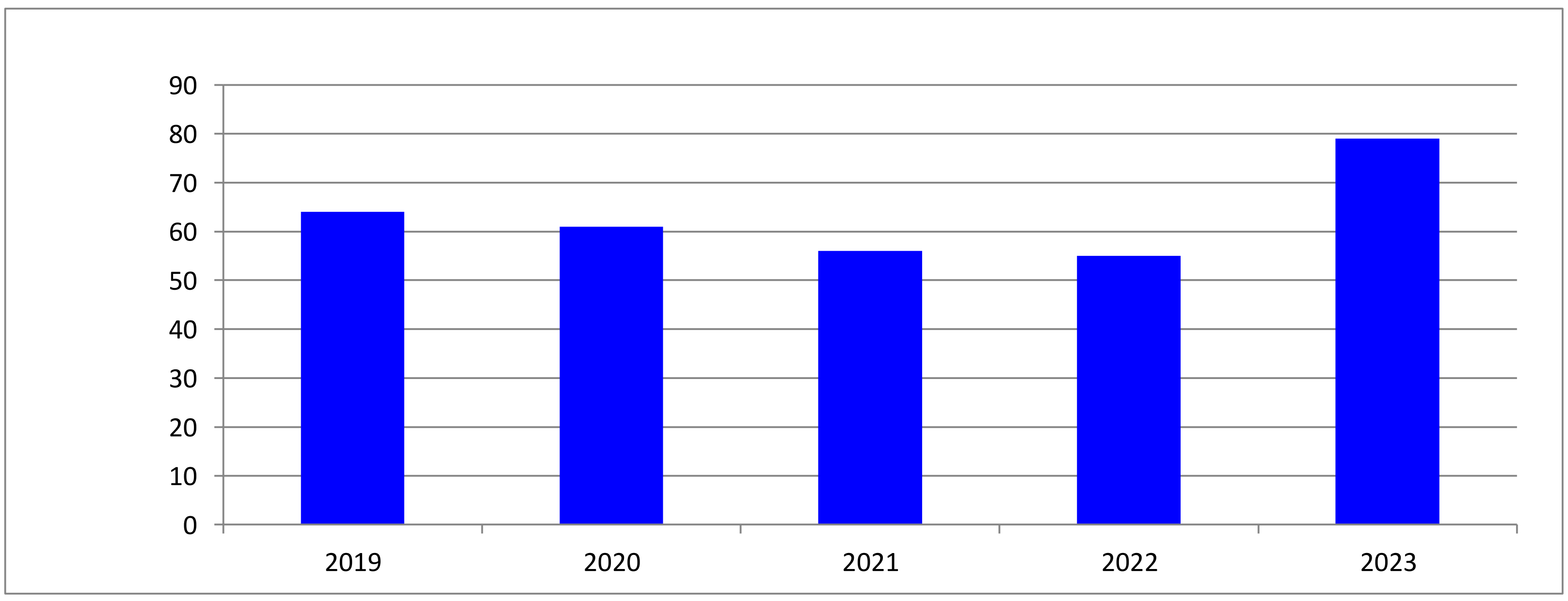
Valio Group milk margin, MEUR



Payments to owners, MEUR



Valio Group investments, MEUR



Consolidated Income Statement

	2023	2022
Net sales	**2 277 595**	2 236 175
Increase (+) / decrease (-) in stocks of finished goods and in work in progress	**-11 291**	51 204
Production for own use	**796**	615
Other operating income	**39 486**	35 655
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	**1 472 661**	1 478 208
Increase (-) / decrease (+) in stocks	**5 727**	-4 563
External services	**20 592**	21 745
	-1 498 980	-1 495 390
Staff expenses		
Wages and salaries	**221 925**	214 621
Social security expenses		
Pension expenses	**30 702**	24 967
Other social security expenses	**13 702**	14 319
	-266 329	-253 907
Depreciation and amortisation		
Depreciation according to plan	**81 722**	86 782
Amortisation from assets held as non-current assets	**68**	179
Depreciation of consolidation goodwill	**2 916**	2 916
	-84 706	-89 877
Other operating expenses	**-431 920**	-439 825
Operating profit/loss	**24 651**	44 650
Financial income and expenses		
Other interest and financial income		
From others	**5 892**	2 461
Share of profit of associated companies	**208**	24
Reduction in value from investments held as non-current assets		-10
Interest and other financial expenses		
To others	**-13 424**	-9 249
	-7 324	-6 774
Profit/loss before appropriations and taxes	**17 327**	37 876
Income taxes		
Income taxes	**-9 216**	-17 809
Deferred taxes	**2 086**	3 671
	-7 131	-14 138
Minority interest of the profit for the financial year	**-11 239**	-2 654
Net profit/loss for the financial year	**21 435**	26 392

All figures in EUR '000s.

Consolidated Cash Flow Statement

	2023	2022
Cash flow from operations		
Operating profit	**24 651**	44 650
Adjustments		
Depreciation and amortisation	**84 638**	89 877
Changes in provisions	**4 580**	3 111
Other adjustments	**1 777**	1 227
Cash flow before change in working capital	**115 646**	138 865
Change in working capital		
Increase (-) / decrease (+) in current non-interest-bearing receivables	**22 779**	-34 105
Increase (-) / decrease (+) in stocks	**19 717**	-43 833
Increase (+) / decrease (-) in current non-interest-bearing debts	**-29 734**	31 631
Cash flow from operations before financial items and taxes	**128 408**	92 558
Interests and expenses paid for other financing costs of operations	**-12 682**	-9 933
Dividends received	**-**	1
Interest and other financial income received	**5 621**	2 371
Direct taxes paid	**-15 005**	-8 929
Cash flow from operations	**106 342**	76 068
Cash flow from investments		
Capital expenditure in tangible and intangible assets	**-80 808**	-52 922
Investment subsidies received	**634**	361
Proceeds from sale of tangible and intangible assets	**2 060**	68
Capital expenditure in investments	**-1 000**	-1 000
Proceeds from sale of investments	**-**	5
Loans granted	**-3**	-
Repayment of loan receivables	**159**	-169
Other	**8 280**	23 315
Cash flow from investments	**-70 678**	-30 342
Cash flow from financing activities		
Increase (+) / decrease (-) in current financing	**-5 311**	4 128
Proceeds from non-current financing	**18 800**	75 200
Repayment of non-current financing	**-48 889**	-130 149
Dividends paid	**-5 532**	-4 984
Cash flow from investments	**-40 932**	-55 805
Change in liquid assets	**-5 268**	-10 079
Liquid assets at beginning of financial year	**234 773**	244 852
Liquid assets at end of financial year	**229 505**	234 773

Liquid assets include cash in hand and at banks, and short-term investments in securities:

	31.12.2023	31.12.2022
Short-term investments in securities	**97 189**	78 812
Cash in hand and at banks	**132 316**	155 961
Liquid assets in cash flow statement	**229 505**	234 773

All figures in EUR '000s.

Consolidated Balance Sheet

ASSETS	31.12.2023	31.12.2022
Non-current assets		
Intangible assets		
Intangible rights	**8 207**	7 137
Goodwill	**5 998**	7 509
Consolidation goodwill	**65 705**	68 621
Other intangible assets	**22 247**	15 542
	102 157	98 809
Property, plant and equipment		
Land	**25 016**	24 801
Buildings and constructions	**242 418**	255 356
Machinery and equipment	**188 348**	203 194
Other tangible assets	**583**	867
Advance payments and construction in progress	**45 555**	29 440
	501 920	513 658
Investments		
Shares in associated companies	**2 405**	2 196
Other shares and interests	**3 515**	2 515
	5 920	4 711
Current assets		
Stocks		
Raw materials and supplies	**39 707**	45 744
Work in progress	**11 246**	9 709
Finished goods	**179 790**	195 152
Other stocks	**3 849**	3 542
Prepayments		163
	234 592	254 310
Receivables		
Non-current receivables		
Loan receivables	**1 493**	1 626
Other receivables	**186**	213
Deferred tax assets		230
	1 679	2 069
Current receivables		
Trade receivables	**161 002**	172 123
Deferred tax assets	**2 417**	2 197
Other current receivables	**24 448**	37 229
Accrued income and prepaid expenses	**8 566**	7 658
	196 433	219 207
Short-term investments in securities		
Other securities	**97 189**	78 812
Cash in hand and at banks	**132 316**	155 961
Total assets	**1 272 206**	1 327 537

All figures in EUR '000s.

Consolidated Balance Sheet

SHAREHOLDERS' EQUITY AND LIABILITIES	31.12.2023	31.12.2022
Shareholders' equity		
Share capital	**166 128**	166 128
Other reserves		
Other reserves	**5 984**	5 984
Translation differences	**-28 928**	-27 867
Capital loan	**30 000**	30 000
Retained earnings/losses	**477 260**	456 400
Net profit/loss for the financial year	**21 435**	26 392
	671 879	657 037
Minority interest	**7 158**	8 908
Provisions		
Other provisions	**5 524**	1 181
Liabilities		
Non-current liabilities		
Capital loan	**42 766**	28 827
Loans from financial institutions	**170 800**	209 644
Deferred tax liability	**29 087**	31 108
Other liabilities	**7**	37 654
	242 660	307 233
Current liabilities		
Capital loan	**4 861**	-
Loans from financial institutions	**38 845**	30 289
Advances received	**682**	644
Trade payable	**166 997**	198 489
Current liabilities to participating interests	**726**	381
Deferred tax liability	**24**	-
Other liabilities	**59 694**	45 379
Accrued expenses and deferred income	**73 156**	77 996
	344 985	353 178
Total shareholders' equity and liabilities	**1 272 206**	1 327 537

All figures in EUR '000s.

Parent Company Income Statement

	2023	2022
Net sales	**2 001 598 382.99**	1 944 175 496.12
Increase (+) / decrease (-) in stocks of finished goods and work in progress	**-4 215 117.70**	33 969 456.74
Production for own use	**795 888.87**	615 136.11
Other operating income	**52 510 799.04**	47 893 841.47
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	**1 302 865 726.13**	1 266 956 277.57
Increase (-) / decrease (+) in stocks	**5 431 601.07**	-4 406 852.27
External services	**38 218 061.43**	33 953 754.58
	-1 346 515 388.63	-1 296 503 179.88
Staff expenses		
Wages and salaries	**190 858 460.47**	183 585 553.57
Social security expenses		
Pension expenses	**27 889 663.91**	22 308 056.18
Other social security expenses	**7 665 886.08**	8 449 926.07
	-226 414 010.46	-214 343 535.82
Depreciation and amortisation		
Depreciation according to plan	**-79 429 425.08**	-83 577 184.19
Amortisation from assets held as non-current assets	**-45 984.53**	-163 099.11
	-79 475 409.61	-83 740 283.30
Other operating expenses	**-379 993 985.55**	-363 421 179.98
Operating profit/loss	**18 291 158.95**	68 645 751.46
Financial income and expenses		
Income from other investments held as non-current assets		
From others	**335.51**	401.10
Other interest and financial income		
From Group companies	**88 668.60**	2 591.17
From others	**5 127 274.77**	1 899 932.14
Reduction in value from investments held as non-current assets	**-**	-10 160.00
Interest expenses and other financial expenses		
To Group companies	**-1 697 797.90**	-164 056.72
To others	**-12 729 195.03**	-8 808 054.42
	-9 210 714.05	-7 079 346.73
Profit/loss before appropriations and taxes	**9 080 444.90**	61 566 404.73
Appropriations		
Increase (-) / decrease (+) in depreciation difference	**10 699 461.54**	12 282 271.45
Group contribution received (+) and given (-)	**2 770 000.00**	1 020 000.00
	13 469 461.54	13 302 271.45
Income taxes		
Deferred taxes	**876 601.24**	-12 609.19
Income tax for the financial year	**-6 036 658.04**	-15 605 055.49
	-5 160 056.80	-15 617 664.68
Net profit/loss for the financial year	**17 389 849.64**	59 251 011.50

Parent Company Cash Flow Statement

	2023	2022
Cash flow from operations		
Operating profit	**18 291**	68 646
Adjustments		
Depreciation and amortisation	**79 429**	83 577
Changes in provisions	**1 358**	3 087
Other adjustments	**1 786**	1 203
Cash flow before change in working capital	**100 864**	156 513
Change in working capital		
Increase (-) / decrease (+) in current non-interest-bearing receivables	**25 258**	-60 816
Increase (-) / decrease (+) in stocks	**9 733**	-37 241
Increase (+) / decrease (-) in current non-interest-bearing debts	**-29 157**	27 722
Cash flow from operations before financial items and taxes	**106 698**	86 178
Interests and expenses paid for other financing costs of operations	**-13 686**	-9 646
Dividends received	-	1
Interest and other financial income received	**4 945**	1 813
Direct taxes paid	**-11 961**	-6 743
Cash flow from operations	**85 996**	71 603
Cash flow from investments		
Capital expenditure in tangible and intangible assets	**-74 381**	-47 749
Investment subsidies received	**634**	361
Proceeds from sale of tangible and intangible assets	**2 046**	73
Investments in shares of subsidiaries and associated companies	-	-2 500
Capital expenditure in investments	**-1 000**	-
Transfer of shares of subsidiaries	-	3 165
Loans granted	**-3**	-
Cash flow from investments	**-72 704**	-46 650
Cash flow from financing activities		
Increase (+) / decrease (-) in current financing	**17 248**	40 197
Proceeds from non-current financing	**18 800**	75 200
Repayment of non-current financing	**-48 889**	-130 149
Amortisation of non-current financing	-	5
Dividends paid	**-5 532**	-4 984
Group contribution received	**-**	1 001
Cash flow from financing activities	**-18 373**	-18 730
Change in liquid assets	-5 081	6 223
Liquid assets at beginning of financial year	**209 478**	202 448
Liquid assets transferred in business reorganisation	-	807
Liquid assets at end of financial year	**204 397**	209 478

Liquid assets include cash in hand and at banks, and short-term investments in securities:

	31.12.2023	31.12.2022
Short-term investments in securities	**97 189**	78 812
Cash in hand and at banks	**107 208**	130 666
Liquid assets in cash flow statement	**204 397**	209 478

All figures in EUR '000s.

Parent Company Balance Sheet

ASSETS	31.12.2023	31.12.2022
Non-current assets		
Intangible assets		
Intangible rights	**6 207 540.36**	6 682 081.98
Goodwill	**66 546 812.58**	70 681 113.73
Other intangible assets	**21 308 384.92**	15 070 026.75
Prepayments	**155 766.75**	155 766.75
	94 218 504.61	92 588 989.21
Property, plant and equipment		
Land	**21 978 428.43**	21 731 233.25
Connection fees	**2 930 027.96**	2 961 849.12
Buildings and constructions	**231 913 039.56**	244 410 249.75
Machinery and equipment	**168 442 648.38**	184 037 834.02
Other tangible assets	**156 760.36**	156 760.36
Advance payments and construction in progress	**41 930 334.76**	26 742 004.85
	467 351 239.45	480 039 931.35
Investments		
Shares in Group companies	**120 820 641.67**	120 820 641.67
Shares in associated companies	**1 594 660.80**	1 594 660.80
Other shares and interests	**3 515 171.49**	2 515 134.58
	125 930 473.96	124 930 437.05
Current assets		
Stocks		
Raw materials and supplies	**36 613 463.04**	42 276 465.91
Work in progress	**9 871 320.72**	8 062 868.74
Finished goods	**125 302 271.54**	131 325 841.22
Other stocks	**1 748 230.80**	1 516 829.00
Prepayments	**-**	85 935.27
	173 535 286.10	183 267 940.14
Receivables		
Non-current receivables		
Non-current receivables from Group companies	**8 096 676.80**	1 523 600.00
Other non-current receivables	**63 192.94**	63 192.94
	8 159 869.74	1 586 792.94
Current receivables		
Trade receivables	**114 186 529.81**	119 232 676.50
Current receivables from Group companies	**33 458 090.66**	60 549 396.20
Deferred tax assets	**1 088 658.41**	212 057.17
Other current receivables	**23 955 496.40**	33 722 271.55
Accrued income and prepaid expenses	**6 670 928.84**	6 760 542.90
	179 359 704.12	220 476 944.32
Short-term investments in securities		
Other securities	**97 188 725.32**	78 812 424.13
Cash in hand and at banks	**107 208 022.55**	130 665 512.83
Total assets	**1 252 951 825.85**	1 312 368 971.97

Parent Company Balance Sheet

SHAREHOLDERS' EQUITY AND LIABILITIES	31.12.2023	31.12.2022
Shareholders' equity		
Share capital	**166 127 400.00**	166 127 400.00
Other reserves		
Legal reserve	**5 984 101.53**	5 984 101.53
Capital loan	**30 000 000.00**	30 000 000.00
Retained earnings/losses	**283 712 391.69**	229 993 422.61
Net profit/loss for the financial year	**17 389 849.64**	59 251 011.50
	503 213 742.86	491 355 935.64
Appropriations		
Accumulated depreciation difference	**144 653 014.05**	155 352 475.59
Provisions	**5 443 291.96**	1 060 285.80
Liabilities		
Non-current liabilities		
Capital loan	**42 766 000.00**	28 826 800.00
Loans from financial institutions	**170 799 999.97**	209 644 444.45
Non-current liabilities to group companies	**955 000.00**	955 000.00
Other liabilities	**-**	37 560 932.47
	214 520 999.97	276 987 176.92
Current liabilities		
Capital loan	**4 860 800**	-
Loans from financial institutions	**38 844 444.47**	30 288 888.88
Advances received	**19 912.54**	3 509.90
Trade payable	**149 218 299.34**	181 408 540.74
Current liabilities to Group companies	**78 531 751.53**	67 897 999.43
Current liabilities to participating interests	**726 307.14**	380 892.47
Other liabilities	**57 086 276.94**	43 698 276.83
Accrued expenses and deferred income	**55 832 985.05**	63 934 989.77
	385 120 777.01	387 613 098.02
Total shareholders' equity and liabilities	**1 252 951 825.85**	1 312 368 971.97

Notes to the Consolidated and Parent Company Financial Statements

ACCOUNTING PRINCIPLES

The consolidated financial statements include the parent company and the subsidiaries in which the parent company holds more than 50% of the voting rights, either directly or indirectly. Associated companies have been consolidated using the equity method. The share of the associated companies' net profit for the financial year in accordance with the Group's ownership is presented in financial items.

The consolidated financial statements have been prepared using the acquisition method. All intercompany accounts and transactions have been eliminated. Minority interests have been separated from the consolidated shareholders' equity and profit for the financial year, and presented as a separate item.

The accounting principle for minority interest in the consolidated financial statements relating to the minority holding of Oddlygood Global has been amended in the financial year 2023. The information on the comparison period in the financial statements has been corrected concerning equity and minority interest. The amended accounting principle corresponds with the interpretation on how the minority interest is separated from Oddlygood Global's profit and balance sheet, based on the stipulations of the Articles of Association concerning the distribution of assets, and the terms and conditions of the shareholder agreement. As a minority interest in the balance sheet, Oddlygood Global's shareholders' equity and profit for the financial year are separated for the minority in full, until the amount of equity reaches the acquisition cost of the A series shares paid by the minority shareholder.

The income statements of foreign Group companies have been translated into Finnish currency at the average exchange rate of the financial year, and balance sheets at the exchange rate on the closing day of the financial year. The exchange rate differences generated in the translation and the translation adjustments created in the translation of shareholders' equity of foreign subsidiaries are included in other reserves.

Exchange rate differences resulting from a long-term loan granted to a foreign subsidiary which is comparable to an investment of shareholders' equity are recorded for the Group as translation difference of shareholders' equity.

Intangible assets and property, plant and equipment of non-current assets are recorded in the balance sheet at the acquisition cost less depreciation according to plan and reduction in value. Depreciation according to plan is calculated as straight-line depreciation on the basis of the useful life of the item. The depreciation plan is the same as in the previous year.

Depreciation and amortisation periods are:

Consolidation goodwill	25 years
Goodwill	20–25 years
Intangible rights and other capitalised long-term expenditure	5–10 years
Buildings and constructions	10–25 years
Machinery and equipment	5–20 years
Computer hardware and software	3–5 years
Transport equipment and some refrigeration equipment	3–15 years
Other intangible assets	5 years

Investments and non-current financial assets have been recorded in the balance sheet at the lower of acquisition price or fair value.

The information on the comparison period in the consolidated financial statements has been corrected regarding intangible and tangible assets in the notes to the balance sheet. The changes in the comparison period concern the following asset groups: other intangible assets, buildings and constructions, machinery and equipment, and other tangible assets. The changes resulting from the sale of the Russian business operations have been taken into account in the disposals and accumulated depreciation on disposals in the comparison period of the aforementioned assets. The correction of the information on intangible and tangible assets in the comparison period does not affect the figures in the income statement and balance sheet.

Liquid assets include cash in hand and cash at bank.

The company uses derivatives to hedge currency exchange risks. Unrealised negative changes in fair value are recorded as expenses for the financial year, while unrealised positive changes in fair value are not rendered as income. There were no open hedging contracts in the financial statements.

The company has a capital loan, in accordance with Section 12 of the Limited Liability Companies Act, totalling 77 626 800 euros. Of that amount, 30 000 000 euros is capital loan recorded under shareholders’ equity, in accordance with Chapter 5, Section 5c of the Finnish Accounting Act. The share of capital loans recorded in shareholders’ equity has no due date. Interest is paid once a year. The rest of the capital loan, amounting to 47 626 800 euros, has a due date, and shall be repaid as a lump sum on the due date. Interest is paid once a year. The principal and interest on the loans shall be repaid at a lower priority than debts to other creditors, were the company to be placed in liquidation or declared bankrupt. The principal may otherwise only be returned and interest paid to the extent that the total of the company’s non-restricted shareholders’ equity and all capital loans exceeds the amount of loss confirmed for the company’s most recent financial year or included in more recent financial statements at the time of payment. No security shall be given for the payment of the principal or interest. If interest cannot be paid, it shall be transferred for payment on the basis of the first such financial statements that allow its payment. No unpaid interest not entered as cost has accrued for the loans.

Products manufactured in-house have been valued at the lower of immediate acquisition cost or probable sales price. Purchased products, raw materials, and packing materials are valued at acquisition cost or the lower of repurchase cost or probable sales price. Acquisition cost is determined using weighted average price or the FIFO method.

Deferred tax liabilities or assets have been calculated on the temporary differences between taxation and the financial statements, and on taxable loss using the prevailing tax base at balance sheet date.

The accounting of emission rights is performed in accordance with statement 1767/2005 of the Accounting Board. If the realised emission tonnage exceeds the rights granted, the cost of the excess tonnage is booked at the fair value of the day of closing the accounts and provisions are booked as counter-account. If the realised tonnage is below the rights granted, these assets are specified in the notes to the accounts. Trading of emission rights is booked as transactions on an accrual basis.

All figures in EUR '000s.

Notes to the Income Statement

	CONSOLIDATED		PARENT COMPANY	
	2023	2022	**2023**	2022
1. DISTRIBUTION OF NET SALES				
1.1. NET SALES BY DIVISION				
Fresh dairy products	**895 553**	810 419	**778 785**	690 954
Butter and spreads	**343 387**	327 510	**330 186**	311 577
Cheese	**503 467**	500 905	**397 620**	372 708
Powdered ingredients	**254 965**	294 083	**223 572**	282 089
Others	**280 223**	303 258	**271 435**	286 847
	2 277 595	2 236 175	**2 001 598**	1 944 175
1.2. NET SALES BY GEOGRAPHICAL AREA				
Domestic	**1 499 150**	1 404 003	**1 494 553**	1 391 063
Foreign	**778 445**	832 172	**507 045**	553 112
	2 277 595	2 236 175	**2 001 598**	1 944 175
2. OTHER OPERATING INCOME				
Logistics income	**20 647**	19 613	**24 394**	23 123
Rent income	**3 114**	3 678	**8 371**	8 105
Sales income from laboratory services	**3 131**	3 140	**3 131**	3 140
Sales gains from non-current assets	**1 561**	72	**4 753**	40
Other income	**11 033**	9 153	**11 862**	13 486
	39 486	35 656	**52 511**	47 894
3. PURCHASES DURING THE FINANCIAL YEAR				
Purchases of raw milk from procurement co-operatives	**893 236**	875 687	**893 236**	875 687
Other purchases	**579 425**	602 521	**409 630**	391 269
	1 472 661	1 478 208	**1 302 866**	1 266 956
4. CHANGE IN PROVISIONS				
INCREASE (-) / DECREASE (+)				
Deductible payment	**-42**	134	**-42**	134
Legal proceedings	**-1 078**	-	**-1 078**	-
Other provisions	**-3 223**	-814	**-3 263**	-790
	-4 343	-680	**-4 383**	-656

Notes to the Income Statement

	CONSOLIDATED		PARENT COMPANY	
	2023	2022	**2023**	2022
5. OTHER OPERATING EXPENSES				
Production	**121 883**	128 924	**112 418**	116 431
Transportation	**134 873**	134 990	**122 461**	119 915
Rents	**20 807**	19 576	**18 523**	16 906
Marketing	**54 770**	50 526	**35 827**	31 080
Administration	**66 167**	56 933	**54 194**	47 167
Other expenses	**33 420**	48 876	**36 571**	31 922
	431 920	**439 825**	**379 994**	**363 421**
6. NUMBER OF PERSONNEL, AVERAGE				
	4 360	4 457	**3 542**	3 472
7. STAFF EXPENSES				
Wages and salaries	**221 925**	214 621	**190 858**	183 586
Social security expenses				
Pension expenses	**30 702**	24 967	**27 890**	22 308
Other social security expenses	**13 702**	14 319	**7 668**	8 450
	266 329	253 907	**226 416**	214 344
8. SALARIES AND BONUSES OF DIRECTORS				
Supervisory Board	**217**	165	**217**	165
Board of Directors	**242**	226	**242**	226
Valio Executive Board, CEO, Managing Directors	**5 236**	4 303	**3 682**	2 921
	5 695	4 694	**4 141**	3 312
9. AUDITOR'S FEES				
To PricewaterhouseCoopers companies				
Audit	**514**	399	**292**	203
Auditor's statements	**20**	16	**16**	15
Tax services	**293**	316	**143**	201
Other services	**132**	66	**132**	66
	959	797	**583**	485

Notes to the Balance Sheet

	CONSOLIDATED 2023	CONSOLIDATED 2022	PARENT COMPANY 2023	PARENT COMPANY 2022
10. INTANGIBLE ASSETS				
Intangible rights				
Acquisition cost at beginning of year	**21 268**	16 302	**18 696**	13 912
Additions 1.1.–31.12.	**3 721**	5 459	**2 032**	5 149
Disposals 1.1.–31.12.	**-1 564**	-493	**-1 521**	-365
Acquisition cost at year-end	**23 425**	21 268	**19 207**	18 696
Accumulated amortisation at beginning of year	**-14 131**	-13 428	**-12 014**	-11 342
Accumulated amortisation on disposals	**46**	367	**3**	240
Amortisation for the year	**-1 133**	-1 070	**-988**	-912
Accumulated amortisation at year-end	**-15 218**	-14 131	**-12 999**	-12 014
Book value at year-end	**8 207**	7 137	**6 208**	6 682
Goodwill				
Acquisition cost at beginning of year	**30 738**	30 738	**74 551**	-
Additions 1.1.–31.12.	**-**	-	**-**	74 551
Disposals 1.1.–31.12.	**-**	-	**-**	-
Acquisition cost at year-end	**30 738**	30 738	**74 551**	74 551
Accumulated amortisation at beginning of year	**-23 229**	-21 628	**-3 870**	-
Accumulated amortisation on disposals	**-**	-	**-**	-
Amortisation for the year	**-1 511**	-1 601	**-4 134**	-3 870
Accumulated amortisation at year-end	**-24 740**	-23 229	**-8 004**	-3 870
Book value at year-end	**5 998**	7 509	**66 547**	70 681
Consolidation goodwill				
Acquisition cost at beginning of year	**72 995**	72 995	**-**	-
Additions 1.1.–31.12.	**-**	-	**-**	-
Disposals 1.1.–31.12.	**-**	-	**-**	-
Acquisition cost at year-end	**72 995**	72 995	**-**	-
Accumulated amortisation at beginning of year	**-4 374**	-1 458	**-**	-
Accumulated amortisation on disposals	**-**	-	**-**	-
Amortisation for the year	**-2 916**	-2 916	**-**	-
Accumulated amortisation at year-end	**-7 290**	-4 374	**-**	-
Book value at year-end	**65 705**	68 621	**-**	-
Other intangible assets				
Acquisition cost at beginning of year	**77 155**	71 321	**76 513**	70 863
Additions 1.1.–31.12.	**10 946**	6 177	**10 340**	5 747
Disposals 1.1.–31.12.	**-28**	-333	**0**	-97
Acquisition cost at year-end	**88 073**	77 165	**86 853**	76 513
Accumulated amortisation at beginning of year	**-61 614**	-57 029	**-61 287**	-56 740
Accumulated amortisation on disposals	**-**	278	**0**	97
Amortisation for the year	**-4 212**	-4 872	**-4 102**	-4 644
Accumulated amortisation at year-end	**-65 826**	-61 623	**-65 389**	-61 287
Book value at year-end	**22 247**	15 542	**21 464**	15 226
Total intangible assets	**102 157**	98 809	**94 219**	92 589

Notes to the Balance Sheet

	CONSOLIDATED		PARENT COMPANY	
	2023	2022	**2023**	2022
11. PROPERTY, PLANT AND EQUIPMENT				
Land				
Acquisition cost at beginning of year	**24 801**	27 251	**24 693**	24 693
Additions 1.1.–31.12.	**346**	-	**347**	-
Disposals 1.1.–31.12.	**-131**	-2 450	**-131**	-
Acquisition cost at year-end	**25 016**	24 801	**24 909**	24 693
Book value at year-end	**25 016**	24 801	**24 909**	24 693
Buildings and constructions				
Acquisition cost at beginning of year	**816 824**	818 263	**793 403**	784 589
Additions 1.1.–31.12.	**16 748**	9 858	**16 394**	9 638
Disposals 1.1.–31.12.	**-6 615**	-11 297	**-6 615**	-824
Acquisition cost at year-end	**826 957**	816 824	**803 182**	793 403
Accumulated depreciation at beginning of year	**-561 468**	-536 429	**-548 993**	-518 931
Accumulated depreciation on disposals	**6 266**	6 829	**6 266**	808
Depreciation for the year	**-29 337**	-31 868	**-28 542**	-30 870
Accumulated depreciation at year-end	**-584 539**	-561 468	**-571 269**	-548 993
Book value at year-end	**242 418**	255 356	**231 913**	244 410
Machinery and equipment and other tangible assets				
Acquisition cost at beginning of year	**942 075**	930 718	**877 262**	856 721
Additions 1.1.–31.12.	**30 462**	23 598	**26 110**	21 928
Disposals 1.1.–31.12.	**-1 442**	-12 166	**-874**	-1 387
Acquisition cost at year-end	**971 095**	942 150	**902 498**	877 262
Accumulated depreciation at beginning of year	**-738 036**	-701 679	**-693 067**	-651 052
Accumulated depreciation on disposals	**1 401**	10 959	**832**	1 266
Depreciation for the year	**-45 529**	-47 369	**-41 664**	-43 281
Accumulated depreciation at year-end	**-782 164**	-738 089	**-733 899**	-693 067
Book value at year-end	**188 931**	204 061	**168 599**	184 195
Prepayments and construction in progress				
Acquisition cost at beginning of year	**29 440**	20 479	**26 743**	19 320
Additions 1.1.–31.12.	**35 998**	25 467	**32 316**	21 592
Disposals 1.1.–31.12.	**-**	-570	**-**	-
Transfer between items	**-16 546**	-14 913	**-13 791**	-13 146
Recorded as expense	**-3 338**	-1 023	**-3 338**	-1 023
Acquisition cost at year-end	**45 554**	29 440	**41 930**	26 743
Book value at year-end	**45 554**	29 440	**41 930**	26 743
Total property, plant and equipment	**501 919**	513 658	**467 351**	480 040
Depreciation according to plan for the year, total	**-84 638**	-89 696	**-79 430**	-83 577
Book value of production machinery and equipment at year-end	**769 345**	186 861	**154 121**	169 384

Notes to the Balance Sheet

12. CONSOLIDATED AND PARENT COMPANY HOLDINGS

GROUP COMPANIES

	Consolidated Ownership and voting rights %	Parent Company Ownership and voting rights %
Valio USA Inc., USA	100	100
Dairy USA LLC	100	0
Import USA LLC	100	0
Butter USA LLC	100	0
SIA Valio International, Latvia	100	100
UAB Valio International, Lithuania	100	100
Nordic Dairy Holding Oy, Finland	100	100
Valio Eesti AS, Estonia	100	0
Valio Shanghai Ltd, China	100	100
Valio Sverige AB, Sweden	100	100
Oddlygood Global Oy, Finland	64	64
Oddlygood USA, Inc., USA	64	0
Oddlygood Sweden AB, Sweden	64	0
Oddlygood Estonia Oü, Estonia	64	0
Oddlygood Netherlands B.V.	64	
Oddlygood UK Ltd	64	
Valionova tukku- ja logistiikkapalvelut Oy, Finland	100	100
Jäätelöyhtymä Oy, Finland *	100	100
Smeds & Co Oy, Finland *	100	100

*) No business operations

PARTICIPATING INTERESTS

ASSOCIATED COMPANIES

Haapaveden Ympäristöpalvelut Oy, Finland	40.5	40.5
Pakastamo Oy, Finland	50.0	50.0
Majakka Voima Oy **	52.9	52.9
Suomen Lantakaasu Oy, Finland	50.0	50.0

** Share of ownership, %

Notes to the Balance Sheet

13. PARENT COMPANY INVESTMENTS

	Shares in Group companies	Shares in participating interests	Other shares
Acquisition cost at beginning of year	125 927	11 650	2 515
Additions	-	-	1 000
Disposals	-	-	-
Acquisition cost at year-end	125 927	11 650	3 515
Accumulated depreciation and write-offs at beginning of year	-9 983	-10 055	-
Accumulated depreciation and write-offs at year-end	-9 983	-10 055	-
Reversal of write-offs at beginning of year	4 878	-	-
Reversal of write-offs at year-end	4 878	-	-
Book value at year-end	120 821	1 595	3 515

14. GROUP INVESTMENTS

	Shares in Group companies	Shares in participating interests	Other shares
Acquisition cost at beginning of year	-	12 631	2 515
Additions	-	209	1 000
Disposals	-	-	-
Acquisition cost at year-end	-	12 840	3 515
Accumulated depreciation and write-offs at beginning of year	-	-10 435	-
Accumulated depreciation and write-offs at year-end	-	-10 435	-
Book value at year-end	-	2 405	3 515

Notes to the Balance Sheet

	CONSOLIDATED		PARENT COMPANY	
	2023	2022	**2023**	2022
15. LONG-TERM RECEIVABLES FROM GROUP COMPANIES				
Trade receivables			**3 800**	-
Other receivables	**-**	-	**4 297**	1 524
	-	-	**8 097**	1 524
16. SHORT-TERM RECEIVABLES FROM GROUP COMPANIES				
Loan receivables			**900**	-
Trade receivables	**-**	-	**28 374**	55 415
Other receivables	**-**	-	**4 184**	5 134
	-	-	**33 458**	60 549
17. ACCRUED INCOME AND PREPAID EXPENSES				
Personnel items	**1 337**	1 970	**1 190**	1 825
Discounts granted	**1 510**	945	**1 510**	945
Interest	**361**	91	**361**	91
Other prepayments and accrued income	**5 358**	4 652	**3 610**	3 900
	8 566	7 658	**6 671**	6 761
18. SHORT-TERM INVESTMENTS IN SECURITIES				
Other securities	**97 189**	78 812	**97 189**	78 812
	97 189	78 812	**97 189**	78 812

Notes to the Balance Sheet

	CONSOLIDATED		PARENT COMPANY	
	2023	2022	**2023**	2022
19. CHANGES IN SHAREHOLDERS' EQUITY				
Share capital, 1 Jan.	**166 128**	166 128	**166 128**	166 128
Share capital, 31 Dec.	**166 128**	166 128	**166 128**	166 128
Legal reserves, 1 Jan.	**5 984**	5 984	**5 984**	5 984
Legal reserves, 31 Dec.	**5 984**	5 984	**5 984**	5 984
Capital loan, 1 Jan.	**30 000**	30 000	**30 000**	30 000
Capital loan 31 Dec.	**30 000**	30 000	**30 000**	30 000
Translation difference for equity of foreign subsidiaries 1 Jan.	**-27 867**	-32 922	**-**	-
Translation difference for equity of foreign subsidiaries 31 Dec.	**-28 928**	-27 867	**-**	-
Retained earnings (losses), 1 Jan.	**482 792**	454 682	**289 244**	234 977
Adjustments to previous financial year 1 Jan.	**-**	6 702	**-**	-
Dividends	**-5 532**	-4 984	**-5 532**	-4 984
Retained earnings (losses), 31 Dec.	**477 260**	456 400	**283 712**	229 993
Net profit (loss) for the financial year	**21 435**	26 392	**17 390**	59 251
Shareholders' equity 31 Dec.	**671 879**	657 037	**503 214**	491 356

The share of accumulated depreciation difference recorded in the consolidated shareholders' equity for financial year 2023 was kEUR 115 948 (kEUR 124 282).

PARENT COMPANY'S UNRESTRICTED EQUITY		
Retained earnings/losses, 31 Dec.	**283 712**	229 993
Profit/loss for the financial year	**17 390**	59 251
Unrestricted shareholders' equity, 31 Dec.	**301 102**	289 244

Holders of capital loan are entitled to receive kEUR 30 000 of the parent company's distributable equity.

20. PROVISIONS				
Deductible payment	**255**	213	**255**	213
Legal proceedings	**1 078**	-	**1 078**	-
Other provisions	**4 191**	968	**4 110**	847
	5 524	1 181	**5 443**	1 060

Notes to the Balance Sheet

	CONSOLIDATED		PARENT COMPANY	
	2023	2022	**2023**	2022
21. DEFERRED TAX LIABILITIES AND ASSETS				
Deferred tax assets				
From matching differences	**1 089**	212	**1 089**	212
From other temporary differences in accounting and taxation	**865**	1 857	**-**	-
Taxable loss	**463**	358	**-**	-
	2 417	2 427	**1 089**	212
Deferred tax liabilities				
From appropriations	**29 111**	31 108	**-**	-
	29 111	31 108	**-**	-
22. ACCRUED EXPENSES AND DEFERRED INCOME				
Interest	**3 533**	2 792	**3 533**	2 792
Staff costs	**44 360**	45 751	**40 032**	42 039
Discounts granted	**6 346**	8 863	**1 644**	4 585
Taxes	**7 902**	13 956	**4 208**	10 398
Other accrued expenses and deferred income	**11 015**	6 634	**6 416**	4 121
	73 156	77 996	**55 833**	63 935
23. LONG-TERM LIABILITIES TO GROUP COMPANIES				
Other liabilities	**-**	-	**955**	955
	-	-	**955**	955
24. SHORT-TERM LIABILITIES TO GROUP COMPANIES				
Trade payable	**-**	-	**29**	131
Other liabilities	**-**	-	**78 503**	67 767
	-	-	**78 532**	67 898
25. SHORT-TERM LIABILITIES TO PARTICIPATING INTERESTS				
Trade payable	**726**	338	**726**	338
Other liabilities	**-**	43	**-**	43
	726	381	**726**	381

Notes to the Balance Sheet

	CONSOLIDATED		PARENT COMPANY	
	2023	2022	**2023**	2022
26. CONTINGENT LIABILITIES				
For own commitments				
Mortgages given	**217 139**	217 139	**217 139**	217 139
Mortgages	**8**	46 120	**8**	46 120
Guarantees	**3 220**	3 226	**3 220**	3 226
Leasing commitments	**56 342**	25 516	**48 709**	21 233
Total for own commitments	**276 709**	292 001	**269 076**	287 718
For others	**1 982**	2 923	**1 982**	2 923
	278 691	294 924	**271 058**	290 641
Liabilities for which mortgages and pledges have been given as collateral				
Loans from financial institutions	**30 000**	30 000	**30 000**	30 000
Revolving credit facilities				
Total amount of credit granted	**110 000**	110 000	**110 000**	110 000
In use	**-**	-	**-**	-
27. EMISSION RIGHTS				
Gratuitously acquired emission rights, tCO_2	**28 340**	27 123	**28 340**	27 123
Other increases/decreases, tCO_2	**-5 000**	-4 000	**-5 000**	-4 000
Annual emission volumes, tCO_2	**16 771**	23 134	**16 771**	23 134
Emission rights in possession, tCO_2	**27 709**	27 527	**27 709**	27 527
The company has emission rights assets off balance sheet	**820**	355	**820**	355
28. . DERIVATIVES				
Fair value of the derivative	**-**	25	**-**	25

Hedged item: Trade receivables in CNY.
Hedging derivative: CNH currency derivative with nominal value of 130 000 000.00.
Type of hedging: Hedging of cash flow.

29. OTHER FINANCIAL LIABILITIES

Real estate investments
The company has made value added tax deductions on real estate investments which involve a possible obligation to re-evaluate the amount of tax deducted if the premises are taken into use where value added taxation is not applicable. Such a change is not, however, in sight.

Redemption obligations in energy contracts
Valio Ltd has made several contracts, some long-term, for energy supply to its production plants. The contracts include redemption obligations to power plants, if Valio withdraws from a contract during the contract period. The maximum amount of redemption obligations stood at 34.87 million euros on 31 December 2023.

Proposal by the Board of Directors to the Annual General Meeting

Distributable earnings in the financial statements amount to EUR 301 102 241.33.
There have been no material changes in the company's financial position after the balance sheet date, and neither does the liquidity test referred to in section 13:2 of the Companies Act affect the amount of distributable earnings. The Board of Directors proposes to the Annual General Meeting that the distributable assets be used as follows:

Retained earnings	283 712 391.69 €
Net profit for the financial year	17 389 849.64 €
Total	301 102 241.33 €

The Board of Directors proposes to the Annual General Meeting that a dividend of 3.33% on the nominal value of the shares i.e. 113.22 euros per share be declared. 5 532 042.42 €

Should the Annual General Meeting approve the above proposal, company shareholders' equity would be as follows:

Share capital	166 127 400.00 €
Legal reserves	5 984 101.53 €
Retained earnings	295 570 198.91 €
Capital loan	30 000 000.00 €
Total shareholders' equity	497 681 700.44 €

SIGNATURES TO THE BOARD OF DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

25 March 2024

Vesa Kaunisto Chairman of the Board	Pentti Suokannas Board member	Annikka Hurme CEO
Sauli Lähteenmäki Board member	Jarno Kämäräinen Board member	

THE AUDITOR'S NOTE

Our auditor's report has been issued today.

25 March 2024

PricewaterhouseCoopers Oy
Authorised Public Accountants

Niina Vilske
Authorised Public Accountant (KHT)

Auditor’s Report (Translation of the Finnish Original)

To the Annual General Meeting of Valio Ltd

Report on the Audit of the Financial Statements

Opinion

In our opinion, the financial statements give a true and fair view of the group’s and the company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

What we have audited

We have audited the financial statements of Valio Ltd (business identity code 0116297-6) for the financial year ended 31 December 2023. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company’s and the group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional 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 Managing Director’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company’s or the group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

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.

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 that fact. We have nothing to report in this regard.

Other Statements

We support that the financial statements and the consolidated financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Board of Directors and the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

Helsinki 25 March 2024

PricewaterhouseCoopers Oy
Authorised Public Accountants

Niina Vilske
Authorised Public Accountant (KHT)

STATEMENT BY THE SUPERVISORY BOARD

We have examined the financial statements of Valio Ltd, the consolidated financial statements and the Board of Directors' report for 1 January to 31 December 2023, and the auditor's report.

We recommend approval of the financial statements and consolidated financial statements, and concur with the Board of Directors' proposal for profit distribution.

Helsinki, 26 March 2024

On behalf of the Supervisory Board

Esa Kotala
Chairman

Valio Ltd owners 31 Dec. 2023

Valio Ltd is owned by dairy farmer communities that collect or process milk.
Production is primarily based on milk delivered by co-operatives committed to Valio.

The company's owner-management comprises the Annual General Meeting, Supervisory Board, and Board of Directors.

Name	Domicile	No. of shares
		EUR 3.400/share
Evijärven Osuusmeijeri	Evijärvi	72
* Hirvijärven Osuusmeijeri	Jalasjärvi	78
* Hämeenlinnan Osuusmeijeri	Hämeenlinna	1
* Kaustisen Osuusmeijeri	Kaustinen	1
* Kuusamon Osuusmeijeri	Kuusamo	1
* Laaksojen Maitokunta	Ylivieska	54
Osuuskunta Länsi-Maito	Tampere	6 336
* Osuuskunta Maitokolmio	Toholampi	245
* Osuuskunta Maitomaa	Suonenjoki	290
Osuuskunta Maitosuomi	Lapinlahti	20 849
Osuuskunta Pohjolan Maito	Haapavesi	8 496
* Osuuskunta Satamaito	Pori	1
Osuuskunta Tuottajain Maito	Riihimäki	12 437
Total		48 861

Total no. of shareholders 31 Dec. 2023	13
Total share capital	166 127 400 €

* No business relationship with Valio

Supervisory Board 31 Dec. 2023

	Term began	Term ends
Esa Kotala, Chairman Dairy farmer, Lapua Osuuskunta Maitosuomi	2010	2025
Satu Pulkka, Vice Chairman Dairy farmer, Vieremä Osuuskunta Maitosuomi	2018	2025
Mats Broända Dairy farmer, Kruunupyy Osuuskunta Maitosuomi	2021	2026
Hannu Gröhn Dairy farmer, Nurmes Osuuskunta Maitosuomi	2020	2026
Pekka Halinen Dairy farmer, Mikkeli Osuuskunta Tuottajain Maito	2023	2025
Arto Heikkinen Dairy farmer, Pyhäntä Osuuskunta Maitosuomi	2013	2024
Mikko Heikkinen Dairy farmer, Lapinlahti Osuuskunta Maitosuomi	2017	2024
Jari Hekkala Dairy farmer, Kalajoki Osuuskunta Pohjolan Maito	2012	2025
Hannu Hokkanen Dairy farmer, Kangasniemi Osuuskunta Maitosuomi	2018	2024
Mikko Huuskonen[1)] Process specialist, Suonenjoki	2017	2025
Ari Kantonen Dairy farmer, Taipalsaari Osuuskunta Tuottajain Maito	2022	2025
Esa Karjalainen Dairy farmer, Puumala Osuuskunta Tuottajain Maito	2016	2026
Matti Kivelä Dairy farmer, Sysmä Osuuskunta Tuottajain Maito	2023	2024
Otto Kokkila Dairy farmer, Petäjävesi Osuuskunta Maitosuomi	2022	2024
Ritva Kokkonen[1)] Food industry employee, Suonenjoki	2023	2025

Katariina Lampela Dairy farmer, Tervola Dairy farmer Pohjolan Maito	2012	2025
Matti Leikkanen Dairy farmer, Sastamala Osuuskunta Länsi-Maito	2016	2025
Lassi Mäkinen Dairy farmer, Lieto Osuuskunta Länsi-Maito	2015	2024
Petri Natunen Dairy farmer, Joroinen Osuuskunta Maitosuomi	2019	2026
Markus Ojanperä[1)] Product manufacturer, Seinäjoki	2020	2025
Vesa Parvinen Dairy farmer, Parikkala Osuuskunta Tuottajain Maito	2015	2025
Ismo Puurunen[1)] Security Co-ordinator, Lapinlahti	2023	2025
Jukka Rahja Dairy farmer, Kalajoki Osuuskunta Pohjolan Maito	2021	2024
Antti Saari Dairy farmer, Lapua Osuuskunta Maitosuomi	2020	2026
Vesa Seppä Dairy farmer, Sastamala Osuuskunta Länsi-Maito	2023	2025
Juha Törmä Dairy farmer, Tyrnävä Osuuskunta Pohjolan Maito	2017	2026
Päivi Ylä-Outinen Dairy farmer, Lappeenranta Osuuskunta Tuottajain Maito	2008	2024

[1)] Personnel representative

Board of Directors

Vesa Kaunisto, Chairman Dairy farmer, Veteli Osuuskunta Pohjolan Maito	2013	2025
Pentti Suokannas, Vice Chairman Dairy farmer, Askola Osuuskunta Tuottajain Maito	2015	2026
Jarno Kämäräinen Dairy farmer, Kiuruvesi Osuuskunta Maitosuomi	2017	2024
Sauli Lähteenmäki Dairy farmer, Rusko Osuuskunta Länsi-Maito	2007	2024

Auditor

PricewaterhouseCoopers Oy
Authorised Public Accountants, Helsinki

Niina Vilske, Authorised Public Accountant

Executive Board 31 Dec. 2023

	Member of the Executive Board from	Employed by Valio Ltd since
Annikka Hurme CEO	2004	1989
Jyri Virrantuomi Executive Vice President Finance and Legal Deputy CEO	2018	2018
Ismo Nikkola Executive Vice President Brand, Sustainability and Communications	2023	2022
Elli Siltala Executive Vice President Core Businesses and Home Markets	2016	2001
Tuomas Salusjärvi Executive Vice President Growth Businesses and R&D	2014	2007
Juha Penttilä Executive Vice President Operations	2018	1992
Marianne Tammela Executive Vice President People, Strategy and Innovation	2021	2019

Valio

TOGETHER WE MAKE life BETTER