BOARD OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS

1 Jan. – 31 Dec. 2024

Board of Directors' Report 1 Jan. – 31 Dec. 2024

General

Valio is owned by around 3 200 dairy farms through cooperatives. 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 profits to dairy farms through the cooperatives.

Valio's vision is to be the leading dairy and food company offering beloved brands and innovative solutions. We offer consumers sustainable, interesting, and delicious dairy and plant-based products, and serve as a partner to food industry professionals through our Valio Aimo® wholesale business. We assist our international industrial customers in developing top products using our special milk powders. At the same time, we are building the food system of the future through new business ideas and innovations. For instance, joint venture partner Suomen Lantakaasu Oy produces renewable energy from manure.

In 2024, the operating environment was characterised by uncertainty in global politics and poor economic conditions in Finland. Many people favoured inexpensive food products and ate out less often.

Despite the challenging operating environment, Valio's net sales increased slightly to EUR 2 278.5 million, exceeding the previous net sales record set in 2023 (EUR 2 277.6 million). The milk return, which is used to measure profitability, was also at a very good level. In 2024, Valio recorded its second highest milk return ever. Exports were successful, and the market price for the exported butter was at a very good level. The positive development of exports counterbalanced moderate customer demand in Finland. Underlying factors also included successful development of the product range, strong brands, and the positive results of Valio's own operations.

In 2024, the value of Valio's exports from Finland stood at around EUR 513 million, or around 25 per cent of Finland's total food exports. Valio's biggest export items were industrial milk powder and industrial butter, which are used by food industry customers in their own production. Therefore, the global market prices of these products had a significant effect on Valio's profitability. The price of industrial butter rose to a record level in 2024, while the price of skim milk powder remained fairly stable. Valio's strategy is to increase exports of special milk powders and thus grow the value added of exports. In 2024, exports of special milk powders grew favourably.

Following the coronavirus pandemic and the outbreak of war in Ukraine, the inflation rate was high and costs increased drastically for dairy farms. The profitability of many fell, and dairy farmers' confidence in a brighter future was put to the test. The situation is now a little brighter than a couple of years ago, but the level of dairy farm costs at the end of 2024 was still around 20 per cent higher compared with the beginning of 2021. High interest rates, high fertiliser prices, and uncertainty concerning energy prices continued to present challenges to farm finances.

After a challenging first half of the year, Valio was able to raise the price paid for raw milk to dairy cooperatives in the autumn due to the positive development of the company's business operations, although the total average price paid for raw milk was clearly lower than in 2023.

Valio Ltd took in 1 641 million litres of raw milk in Finland (2023: 1 664 million litres), 22 million litres less than in the previous year. The average price paid for raw milk was 50.9 cents per litre (2023: 53.7 c/l). A total of EUR 844 million (2023: EUR 902 million) was paid to the owners, comprising the raw milk price, dividends, and interest. The milk margin amounted to EUR 982 million (2023: EUR 983 million), and the milk return stood at 52.2 cents per litre (2023: 51.6 c/l).

Valio Group net sales amounted to EUR 2 278.5million (EUR 2 277.6 million) and domestic net sales stood at EUR 1 485 million (EUR 1 499 million). Net sales from international operations totalled EUR 794 million (EUR 778 million). Domestic net sales decreased by 1.0 per cent, and international net sales increased by 2.0 per cent. Valio Group net profit totalled EUR 67 million (EUR 21 million).

Valio's strategy proceeded as planned during the year.

In our domestic market, comprising Finland, Sweden, and Estonia, we utilised our strong brands and maintained our strong market position. We continued to develop the competitiveness of the Valio Aimo® wholesale business, launching among other things a new online shop for professional kitchens and other wholesale customers.

In Finland, we launched, for example, the Valio Keittiön product range that brings together classics as well as new cooking and baking products, with direct access to recipes through the QR code on the packages. The sales of Gold&Green® products were boosted by the launch of Mureat ja mehevät strips.

The PROfeel® concept generated net sales of around EUR 85 million. Most are generated in Finland, but PROfeel® protein products are already being sold on nine different markets, for example, in the Baltic States, Poland, Spain, and Sweden.

In Estonia, the launch of the Alma brand curd snack was highly successful, and cheese exports developed favourably. In Sweden, the new ready-to-use cooking sauces were launched as Valio Middagsmagi, and we also introduced cheese sauces to retail outlets. Cheese exports from Finland to the US continued steadily. Valio was granted marketing authorisation for consumer packages of baby foods in China, and started exporting them from Finland at the end of the year. Valio's exports were slowed early in the year by weakened consumer demand in China and harbour strikes, but the sales targets were reached late in the year.

Overall, industrial product exports, butter and special milk powders in particular, proceeded well. Valio acquired new customers for special milk powders in Southeast Asia.

Oddlygood has emerged in the space of just seven years as a key player in plant-based products in the Nordic countries. Owned by Valio and Mandatum Asset Management, in 2024 the company generated net sales of over EUR 50 million. In October, Oddlygood Oy acquired the British company Rude Health, whose plant-based products are sold in over 40 countries, taking another major step towards being a market leader in Europe. The products secured as part of the Planti business acquisition concluded in 2023 were given a new visual identity in line with Oddlygood Planti.

Suomen Lantakaasu Oy progressed swiftly towards the production target of one terawatt hours by 2030, and in February acquired a majority holding in Nurmon Bioenergia Oy, where Atria Suomi Oy continues to be a minority shareholder. In August, the companies made the decision to invest over EUR 60 million to build a biogas plant in Nurmo. Construction work began and the plant is due for completion by the end of 2026.

An investment decision on the Kiuruvesi biogas plant was made in November, and construction commenced in early 2025. The civil engineering work had already been completed in autumn 2024. The plant itself is due for completion in 2026. Suomen Lantakaasu Oy also decided to continue planning new plant projects in the Pedersöre-Kruunupyy and Nivala-Sievi regions.

Valio is running a programme on the improvement of financial performance that started in 2022 and will continue to 2025. 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 has proceeded in accordance with the goals.

During 2024, we actively promoted Valio’s massive ERP-project known as VALUE. Within the project we renew and harmonise Valio’s systems and related processes, and enhance knowledge-based management. The project will continue through 2025 and 2026.

In early 2024, Valio held change negotiations aimed at improving profitability. These concerned head office functions, technical support services for production, maintenance, and plant services. In addition, separate change negotiations were held at individual plants to improve production efficiency and profitability.

Valio proceeded with several production-related development projects and investments during the year.

We commenced an investment of EUR 60 million in the cheese production process at the Lapinlahti plant that will extend into 2026. At the Seinäjoki powder plant, covering the period 2023–2026, we are investing around EUR 70 million in renewal and basic improvement projects as well as a new regional laboratory. The plants’ production capacity will grow, operations become more efficient, and energy-efficiency improve.

During 2024, Valio decided on transferring production in four locales to improve efficiency and profitability.

The production of juices and berry soups as well as plant-based snack and cooking products will be transferred from the Helsinki and Turku plants to Riihimäki. According to the current estimate, the plants will be closed in the first half of 2026 at the earliest. The modern production infrastructure and the manufacturing expertise in plant-based products in Riihimäki will create new opportunities for the development of the transferring product range.

The operations of the Vantaa plant will be transferred to Joensuu, and the warehouse operations in the Pitäjänmäki district of Helsinki will be transferred to Riihimäki. According to the current estimate, the Vantaa plant will be closed in stages during 2025–2027, and the Pitäjänmäki warehouse operations will shut down in late 2027 at the earliest. The location also matters: the Joensuu plant is located in a lively milk production region and already produces cheeses that are transported to the Vantaa plant for packing. The City of Helsinki is designating the Pitäjänmäki district as an inner-city residential district, where it will no longer be possible to run industrial operations in the future.

Valio reformed the dairy farm sustainability programme in May. The focal points remain measures related to animal well-being, work to reduce the carbon footprint of the farm, and farming that supports biodiversity. The reform, however, led to an increase in the weight and choices of voluntary measures within the programme. Valio pays its owner-entrepreneurs around EUR 50 million annually through the sustainability programme, for measures within it that exceed the statutory requirements.

Various brand and stakeholder surveys indicate the development of Valio's reputation. In 2024, Valio took its place for the first time amongst the Top 10 strongest dairy brands in the world in the Brand Finance Food 100 report. In addition, Valio polled second in the Sustainable Brand Index that measures Finns' perception of brands' sustainability, and was identified as the fourth most reputable company in the Reputation & Trust survey.

In 2024, Valio initiated the Food 2.0 project that develops the food system of the future and promotes the competitiveness of Finland's food exports. Valio's role is to head up partner network co-operation and a number of R&D projects. Business Finland granted the project EUR 10 million of funding, and is also prepared to finance the projects of the partner network to the sum of EUR 20 million. The goal was to attract at least 100 partners linked to the food system, which was achieved in record time.

In December, Valio was the target of a significant cyber attack. We take matters of data security and data protection very seriously. The attack was quickly repelled using Valio's comprehensive data security systems and practices, reported to Finland's Office of the Data Protection Ombudsman and Traficom, and a complaint filed with the police. In addition, Valio contacted the people affected by the data breach and instructed them on how to go about protecting their personal data.

Changes in group structure

In October 2024, Oddlygood Oy acquired the British company Rude Health, whose plant-based products are sold in more than 40 countries. As a result of the acquisition, some 30 people joined Oddlygood's personnel.

As of the beginning of 2025, the PROfeel® product family was established as a wholly-owned Valio subsidiary. The incorporation of the business operations is an operating model through which we support the acceleration of international growth.

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 cooperatives in proportion to their supplied milk volumes. The shares carry a redemption clause.

Risk management

Valio is an international food industry player whose business operations are affected by the global operating environment and milk market, as well as domestic demand and competition. As a major raw milk processor and food product manufacturer and distributor, the continuity of business operations, smooth flow of processes, and operational reliability of information systems are of key importance. These enable Valio to ensure a high level of supply performance to customers every day, and to contribute to securing Finland’s national emergency supply in various exceptional conditions.

Product safety, occupational safety, and quality of products and operations lie at the heart of Valio’s risk management. Succeeding in these areas is important to avoid the risk of personal injuries, and liability risks for both consumers and Valio’s customer companies. The goal for occupational safety is zero accidents. All of the issues described above also affect Valio’s reputation.

In 2024, food industry companies faced major challenges, such as the fluctuating prices of raw materials and problems with their availability, both caused by geopolitical tensions. Extreme weather conditions and logistical issues resulting from industrial action both served to emphasize the vulnerability of complicated supply chains. Cybersecurity threats increased, and in December Valio was targeted in a serious cyber attack via a hacked username of an IT service partner. General economic uncertainty, rising inflation, and energy costs all put pressure on the cost structure of our business operations. Despite the challenging operating environment, Valio maintained a very high level of supply performance and competitiveness.

Valio’s biggest export items are industrial milk powder and butter. The prices of these industrial products sold by Valio are quoted on commodities exchanges, and the fluctuation of global market prices may have a significant effect on Valio’s financial performance. To protect against the price risk of industrial products, Valio can use commodity derivatives in accordance with its hedging policy.

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. Our Risk Management Office supports that work, for which the business units are responsible. In Valio’s risk management policy, the risks are classified as strategic, operative, financial, and compliance.

The Risk Management Office is responsible for insurance programmes covering Valio Ltd and the whole Group, and also provides guidance to subsidiaries on insuring. Insurances are used as protection against risks that could significantly impact the Group’s operating capacity. The scope of insurance cover and sufficient insured amounts are continuously evaluated. This evaluation is carried out, for example, in conjunction with the risk mapping of Valio locales, taking the Valio Group level perspective into account.

Legal proceedings

Finland’s Market Court issued on 30 October 2024 its resolution of the case in which 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. In its resolution, the Market Court reduced the fine to 600 000 euros. The Competition and Consumer Authority has appealed the resolution of the Market Court to the country’s Supreme Administrative Court, which is expected to issue the final resolution of the case by the end of 2025.

Research and development

Valio launched a total of 120 new products in 2024 (2023: 88) in Finland, as well as new products in other markets. Five new patent applications were filed in 2024 (2023: 6).

R&D and quality control costs totalled EUR 34 million (EUR 33 million), or 1.5% (1.5%) of net sales. Business Finland granted a five-year funding package for Valio’s Food 2.0 research programme. EUR 10 million of the funding is directed to Valio, and EUR 20 million to the Food 2.0 ecosystem headed up by Valio, mainly comprising businesses, research institutions, and universities.

Personnel

The average number of employees in Valio Group in 2024 was 4 297 (2023: 4 360), and at the end of the financial year the number stood at 4 172 (4 247). On average, 3 451 (3 542) employees worked in Finland and 846 (818) in foreign subsidiaries. Valionova Tukku- ja Logistiikkapalvelut Oy, the Finland subsidiary of significant size, had on average 208 (213) employees. Of the foreign subsidiaries, the highest number of staff was found in Estonia, on average 458 (456).

Personnel distribution by gender in 2024 was 55% male and 45% female (53% and 47%). The average age of employees in 2024 was 43 years (43 years).

The salaries and other remunerations paid by Valio Group in 2024 amounted to EUR 229 million (EUR 222 million). Pension costs for the year stood at EUR 25 million (EUR 31 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 were 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.

Valio’s operations entail significant environmental impacts: production wastage results in waste water load, and water and energy are consumed as a downside of maintaining a high level of hygiene. The waste management of spent packages also causes significant environmental impacts.

Capital expenditure during 2024 targeting the reduction of environmental impacts amounted to EUR 0.5 million in Finland, and environmental costs recorded as expense totalled EUR 14.1 million. The most significant investments related to the management of environmental impacts were participation in the renovation of waste water purification plants in two Valio locales. Expenses included one minor cleaning project regarding contaminated soil in connection with a real estate deal. Environmental studies related to the transfers of Valio locales and the investments linked thereto commenced in 2024.

In 2024, Valio Group's total energy consumption stood at 785 GWh, waste water volume was 6.0 million cubic metres, and the waste water load directed at water purification plants was 9 240 tonnes calculated in terms of chemical oxygen demand (COD). Compared with the previous year, energy consumption decreased by 0.2 per cent, waste water volume increased by 0.3 per cent, and the waste water load decreased by 2.2 per cent.

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. The goal is to halve the greenhouse gas emissions of milk production per litre of raw milk taken in 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.

In 2024, we began updating these goals in accordance with the renewed international Greenhouse Gas Protocol. In addition, we participated for the sixth time in CDP evaluation, in which the environmental programmes and measures taken by companies are evaluated by an independent party. The result (A-F) was in many areas better compared to other companies, but the overall score remained in the second-best class (B).

We continued training dairy farmers in carbon farming in 2024. The training has now been provided at around 1 600 farms, and carbon farming is practised on nearly 130 000 hectares of farmed land at Valio dairy farms. We also continued to provide training in the application of the Valio Carbo® Farm Calculator. Close to 2 500 farms calculated the carbon footprint of their own production, which accounts for around 80% of Valio's total milk procurement. We continued to develop the model used as the basis for the Valio Carbo® Farm Calculator together with the Natural Resources Institute Finland and Atria Plc. In 2024, the use of the Valio Carbo® Farm Calculator became a national tool covering nearly all cattle farming. Along with Valio, the partners include Atria Plc, HKFoods Plc, Snellman Oy, and Juustoportti Ltd.

Suomen Lantakaasu Oy, a joint venture between Valio and energy company St1 Biokraft Oy, continued operations in 2024 according to its business plan.

The investment decisions on the plants producing liquefied biomethane in Nurmo and Kiuruvesi were made in autumn 2024. The construction of both plants started in 2024, and they are due to be in operation by the end of 2026.

Planning of the satellite units included in the hybrid model of the Upper Savo region continued. The goal is to make the investment decisions on the satellite plants during spring 2025. The plants are expected to be in operation by the end of 2026. Planning of the next two plant facilities in the regions of Northern, Central and Southern Ostrobothnia continued in accordance with the business plan.

Preparations were made for the sites and obtaining environmental permits for new biogas plant projects, and the procurement of input materials started by signing letters of intent. Building the organisation for the operations of Suomen Lantakaasu Oy started in late 2024. The personnel appointed in the first stage included the Managing Director, Plant Managers for the Nurmo and Kiuruvesi plants, and the Input Materials Manager. A brand image for Suomen Lantakaasu Oy was completed during the year. The planning of the future plants will be implemented by the operating organisation and the project organisation comprising experts from both Valio and St1 Biokraft.

In early 2024, Valio started selling emission reduction units to its industrial customers. The Carbo® customer programme is being piloted in 2024 and 2025: emission reductions are sold together with industrial butter and milk powder to the same customer.

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

Net sales

Valio group's net sales amounted to EUR 2 278.5 million (EUR 2 277.6 million) and domestic net sales stood at EUR 1 485 million (EUR 1 499 million). Net sales from international operations totalled EUR 794 million (EUR 778 million). Valio Ltd net sales totalled EUR 1 993 million (EUR 2 002 million).

Capital expenditure

The group's investments totalled EUR 153 million (EUR 79 million), or 6.7% (3.5%) of net sales.

The most significant completed investments were the new laboratory in Seinäjoki, the replacement of cheese kettles and operation platforms in Joensuu, and powder transfer and bagging in Lapinlahti. In addition, we replaced production equipment and IT systems, and redesigned product ranges and packages in Finland and Estonia.

The most significant new investments were in production and logistics linked to the transfers of Valio locales. Other large new investments were the replacement of the cheese production line in Lapinlahti, basic improvement of the drying process in the Seinäjoki powder plant, and building the cheese maturing warehouse in Võru. The most significant ongoing investments are the replacement of the enterprise resource planning system, and the building of the pre-processing facilities in Suonenjoki and the cleaning centre in Seinäjoki.

Oddlygood Oy, which is partly owned by Valio, acquired the British company Rude Health that manufactures plant-based foods. Also Valio's joint venture Suomen Lantakaasu Oy announced investments in two biogas plant projects.

Financing

Both the group's and the parent company's liquidity remained good throughout the financial year. Cash in hand and at banks, and short-term investments, totalled EUR 201 million (EUR 230 million) at the year-end. The value of inventories stood at EUR 231 million at the end of the financial year and EUR 235 million at the beginning. Interest-bearing liabilities totalled EUR 262 million at the end of the financial year and EUR 295 million at the beginning. Loans from financial institutions decreased by EUR 34 million. Of loans from financial institutions, short-term loans stood at EUR 72 million (EUR 39 million) and long-term loans at EUR 103 million (EUR 171 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 4 million (EUR 7 million), or 0.2% (0.3%) of consolidated net sales.

Valio Ltd has a capital loan, in accordance with Section 12 of the Limited Liability Companies Act, totalling 116 066 000 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, 86 066 000 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.

Net profit

The group's profit before taxes was EUR 80 million (EUR 17 million). Net taxes for the financial year totalled EUR -17 million (EUR -7 million). Net profit for the financial year stood at EUR 67 million (EUR 21 million).

Parent company's profit before taxes and appropriations stood at EUR 81 million (EUR 9 million). Income taxes for the financial year totalled EUR -16 million (EUR -5 million). Parent company net profit for the financial year stood at EUR 70 million (EUR 17 million).

The Valio Group milk margin stood at EUR 982 million (EUR 983 million) and the milk return at 52.2 cents per litre (51.6 c/l).

Significant events after the close of the financial year

The investigation of the cyber attack continues on the part of both Valio and the authorities. The police are investigating the security breach offence, and the Office of the Data Protection Ombudsman is looking into the processing of personal data at Valio. Valio is not able to provide more precise information on the case while the investigation is in progress.

In March 2025, Valio signed lease financing agreements relating to manufacturing plant investments. As a result, the off-balance sheet lease liability is expected to increase by ca. EUR 40 million in 2025 and by ca. 25 million in 2026.

Year 2025

The global population is growing, and need for food will double by 2050. At the same time, climate change is forcing our food system to renew itself. The Valio Strategy addresses the challenges and opportunities faced by the food system of the future.

We at Valio believe a sustainable food system will be a combination of a number of forms of food production, such as plant-based foods, sustainably produced milk and meat, and new innovations in cellular agriculture. Valio is involved in all of these.

In 2025, our strategy is focusing on concepts through which we aim to generate new growth, improving operational efficiency and enhancing profitability.

We want to strengthen our position as market leader in Finland and Estonia, and grow the business in Sweden. Our Valio Aimo® wholesale unit aims to be a trailblazer in the Food Service market in Finland. In the international markets, we are seeking growth especially with the Oddlygood® and PROfeel® brands. We continue to build the food system of the future and work to cut the carbon footprint of milk to zero by 2035. The Food 2.0 project and Suomen Lantakaasu Oy are taking Valio towards these goals. We are continuing the Valio-wide #2025 programme on the improvement of financial performance, and implementing investments and other measures to increase production efficiency at our plants.

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.

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. Cows are needed to convert grass into nutrition suited to humans. The different forms of food production also support each other. For example, livestock farms produce fertilisers for plant cultivation farms, and the by-product flows of plant cultivation generate feed for animals.

In Finland’s new national nutrition recommendations and food-based dietary guidelines published in late 2024, the health benefits of dairy products and their role as a good source of nutrients are still recognised, although the recommendations guide consumers to include more plant-based foods in their diet. As a food industry company Valio’s product range includes abundant options for all different diets.

The operating environment is still challenging and hard to anticipate in 2025. Geopolitical tensions are affecting world trade, and tightening EU regulation threatens to weaken our competitiveness compared with the rest of the world. The work of the new EU Commission is focused on strengthening Europe’s competitiveness. In Finland, there are faint signs of emerging growth, but price competition in foods is still fierce. In many other countries the economy has already started to grow. For example, demand is increasing in Asia.

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 cooperatives to the dairy farms.

Dairy farm production costs are expected to remain high in the future. On the upside, dairy farm investments have recently shown signs of picking up. From the perspective of Finland's food supply security, it is extremely important that also young people choose farming as their occupation. That is why in 2025 we are initiating the Tulevaisuuden Valiot programme for young dairy farmer entrepreneurs and those considering entrepreneurship.

The Board of Directors' proposal on the distribution of profit

The parent company's distributable assets amount to EUR 365 284 916.15, of which profit for the financial year accounts for EUR 70 427 217.24 and retained earnings EUR 294 857 698.91. The Board of Directors proposes to the Annual General Meeting that a dividend totalling EUR 6 827 836.14 be declared as follows:

- Of the total payable dividend, EUR 6 645 096.00 as basic dividend distributed evenly to each share, or EUR 136.00 per share; and

- Of the total payable dividend, EUR 182 740.14 as extra dividend distributed as follows:

    - the share of this part of the dividend for those Valio shareholders that have a milk procurement agreement with Valio in force at the time of the decision on the distribution of dividend shall be the proportion of the total amount equalling the combined share of ownership in Valio of those shareholders (98.63%), or EUR 180 230.60, which will be distributed among those shareholders in accordance with section 7, paragraph 2, second sentence of Valio's Articles of Association, in proportion to the milk volumes supplied by them to Valio in 2024; and

    - the share of this part of the dividend for other Valio shareholders shall be the proportion of the total amount equalling the combined share of ownership in Valio of those shareholders (1.37%), or EUR 2 509.54, which will be paid to them in proportion to their share of ownership in Valio.

Valio Group five-year statistics

	2024	2023	2022	2021	2020
Milk volume taken in from owners, mill. l	1 641	1 664	1 682	1 723	1 807
Payments to owners, MEUR 1)	844	902	883	736	747
Price paid to cooperatives, cent/l	50.9	53.7	52.1	42.3	40.9
Net sales, MEUR	2 278	2 278	2 236	1 934	1 808
Change %	0.0	1.9	15.6	7.0	1.2
- Domestic, MEUR	1 485	1 499	1 404	1 194	1 062
Change %	-1.0	6.8	17.6	12.4	-0.9
- International operations, MEUR	794	778	832	740	746
Change %	2.0	-6.5	12.4	-0.7	4.3
Net sales/milk litre received from owners, €/l	1.39	1.37	1.33	1.12	1.00
Operating profit/loss	83	25	45	66	53
Operating profit/loss, %	4	1	2	3	3
Average no. of personnel	4 297	4 360	4 457	4 518	4 246
Wages and salaries, MEUR	229	222	215	202	187
R&D expenditure, MEUR	21	21	18	22	16
Net profit/loss, MEUR	67	21	26	37	37
Balance sheet total, MEUR	1 341	1 272	1 328	1 309	1 171
Inventory, MEUR	231	235	254	210	178
Investments, MEUR	153	79	55	56	61
Depreciation and impairment, MEUR	85	85	90	89	85
Equity ratio, % 3)	56	53	50	48	50
Return on equity, %	9	3	4	6	7
Milk margin, MEUR 4)	982	983	1 008	862	861
Milk return, c/l 5)	52.2	51.6	52.5	43.7	41.5

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

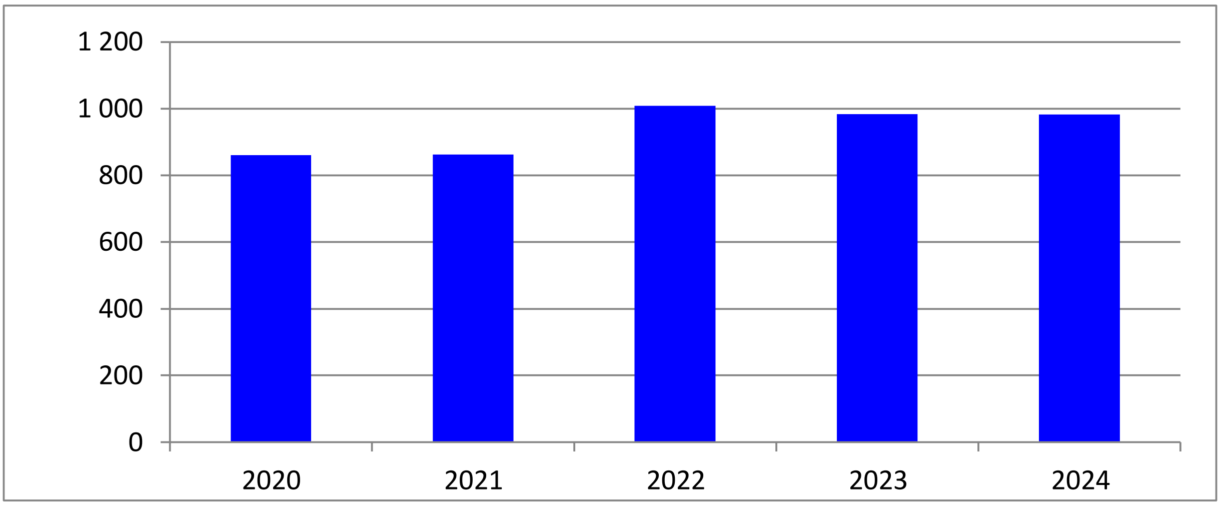
2) Includes the basic price, and extra payments according to composition and quality; extra payments for organic milk; after payment.

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.

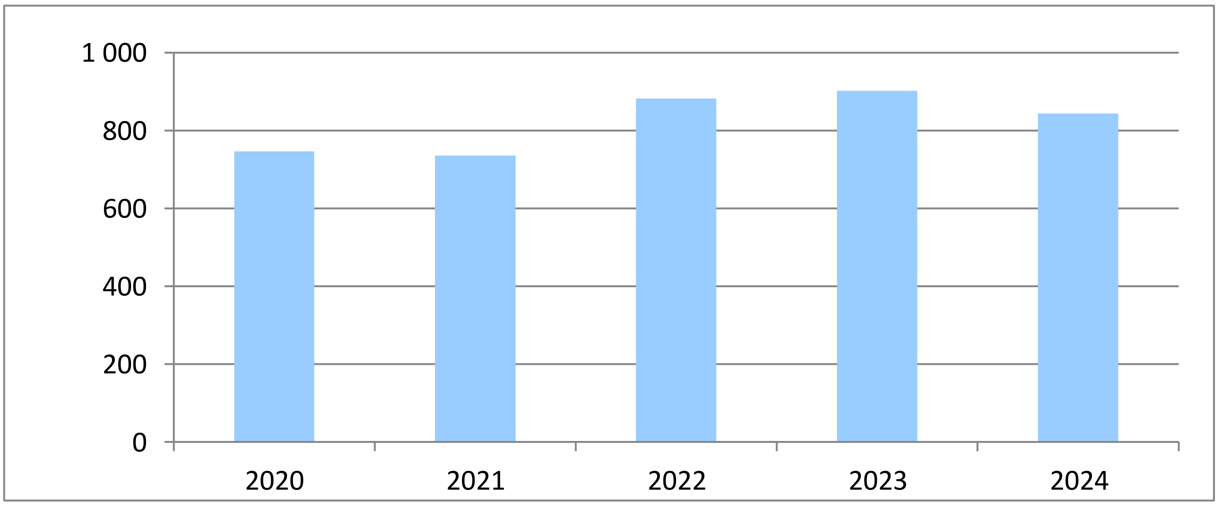
4) Net sales less all other costs excluding the price paid to the cooperatives for raw milk, interest on shareholder loans, depreciation according to plan, supplementary payments to the pension fund, pension contribution refunds, and items not included in actual business operations, such as sales gains 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.

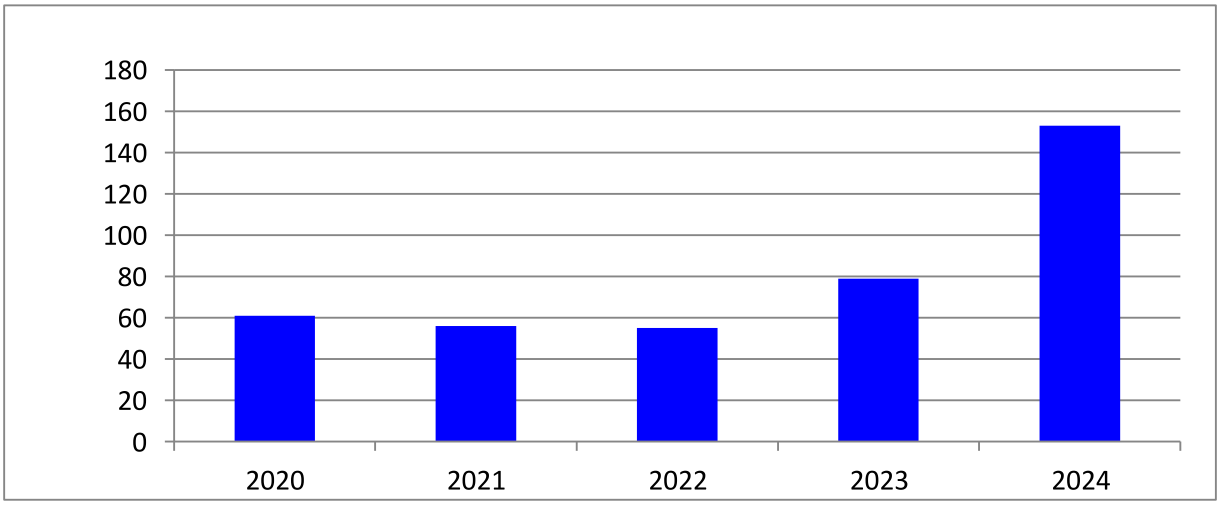
Valio Group milk margin, MEUR



Payments to owners, MEUR



Valio Group investments, MEUR



Consolidated Income Statement

	2024	2023
Net sales	**2 278 466**	2 277 595
Increase (+) / decrease (-) in stocks of finished goods and in work in progress	**-11 460**	-11 291
Production for own use	**883**	796
Other operating income	**38 477**	39 486
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	**-1 417 317**	-1 472 661
Increase (-) / decrease (+) in stocks	**3 910**	-5 727
External services	**-23 480**	-20 592
	-1 436 887	-1 498 980
Staff expenses		
Wages and salaries	**-228 650**	-221 925
Social security expenses		
Pension expenses	**-25 188**	-30 702
Other social security expenses	**-12 996**	-13 702
	-266 834	-266 329
Depreciation and impairment		
Depreciation according to plan	**-80 630**	-81 722
Impairment of assets held as non-current assets	**-700**	-68
Amortization of consolidation goodwill	**-3 668**	-2 916
	-84 998	-84 706
Other operating expenses	**-434 393**	-431 920
Operating profit/loss	**83 254**	24 651
Financial income and expenses		
Other interest and financial income		
From others	**8 304**	5 892
Share of profit of associated companies	**295**	208
Interest and other financial expenses		
To others	**-12 328**	-13 424
	-3 729	-7 324
Profit/loss before appropriations and taxes	**79 525**	17 327
Income taxes		
Income taxes	**-17 029**	-9 216
Deferred taxes	**-206**	2 086
	-17 234	-7 131
Minority interest of the profit for the financial year	**4 266**	11 239
Net profit/loss for the financial year	**66 557**	21 435

All figures in EUR '000s.

Consolidated Balance Sheet

ASSETS	31.12.2024	31.12.2023
Non-current assets		
Intangible assets		
Intangible rights	**9 161**	8 207
Goodwill	**4 487**	5 998
Consolidation goodwill	**102 034**	65 705
Other intangible assets	**31 821**	22 247
	147 503	102 157
Property, plant and equipment		
Land	**25 281**	25 016
Buildings and constructions	**241 089**	242 418
Machinery and equipment	**191 730**	188 348
Other tangible assets	**339**	583
Advance payments and construction in progress	**63 362**	45 555
	521 799	501 920
Investments		
Shares in associated companies	**12 200**	2 405
Other shares and interests	**4 010**	3 515
	16 210	5 920
Current assets		
Stocks		
Raw materials and supplies	**43 863**	39 707
Work in progress	**9 839**	11 246
Finished goods	**173 635**	179 790
Other stocks	**3 608**	3 849
Prepayments	**105**	-
	231 050	234 592
Receivables		
Non-current receivables		
Loan receivables	**1 588**	1 493
Other receivables	**207**	186
	1 795	1 679
Current receivables		
Trade receivables	**170 186**	161 002
Deferred tax receivables	**1 740**	2 417
Other current receivables	**28 783**	24 448
Accrued income and prepaid expenses	**21 286**	8 566
	221 995	196 433
Short-term investments in securities		
Other securities	**5 887**	97 189
Cash in hand and at banks	**195 116**	132 316
Total assets	**1 341 355**	1 272 206

All figures in EUR '000s.

Consolidated Balance Sheet

SHAREHOLDERS' EQUITY AND LIABILITIES	31.12.2024	31.12.2023
Shareholders' equity		
Share capital	**166 128**	166 128
Other reserves		
Other reserves	**5 984**	5 984
Translation differences	**-27 988**	-28 928
Capital loan	**30 000**	30 000
Retained earnings/losses	**496 071**	477 260
Net profit/loss for the financial year	**66 557**	21 435
	736 752	671 879
Minority interest	**15 587**	7 158
Provisions		
Other provisions	**1 941**	5 524
Liabilities		
Non-current liabilities		
Capital loan	**77 300**	42 766
Loans from financial institutions	**103 400**	170 800
Deferred tax liability	**28 868**	29 087
Other liabilities	**-**	7
	209 568	242 660
Current liabilities		
Capital loan	**8 766**	4 861
Loans from financial institutions	**72 400**	38 845
Advances received	**2 373**	682
Trade payable	**194 841**	166 997
Current liabilities to participating interests	**226**	726
Deferred tax liabilities	**-**	24
Other liabilities	**23 980**	59 694
Accrued expenses and deferred income	**74 920**	73 156
	377 507	344 985
Total shareholders' equity and liabilities	**1 341 355**	1 272 206

All figures in EUR '000s.

Consolidated Cash Flow Statement

	2024	2023
Cash flow from operations		
Operating profit	**83 254**	24 651
Adjustments		
Depreciation and amortization	**84 298**	84 638
Other income and expenses, which do not involve payment	**-2 626**	4 580
Other adjustments	**-15**	1 777
Cash flow before change in working capital	**164 911**	115 646
Change in working capital		
Increase (-) / decrease (+) in current non-interest-bearing receivables	**-18 136**	22 779
Increase (-) / decrease (+) in stocks	**6 306**	19 717
Increase (+) / decrease (-) in current non-interest-bearing debts	**33 634**	-29 734
Cash flow from operations before financial items and taxes	**186 715**	128 408
Interests and expenses paid for other financing costs of operations	**-14 956**	-12 682
Dividends received	**1**	0
Interest and other financial income received	**8 536**	5 621
Direct taxes paid	**-22 233**	-15 005
Cash flow from operations	**158 063**	106 342
Cash flow from investments		
Capital expenditure in tangible and intangible assets	**-108 769**	-80 808
Investment subsidies received	**64**	634
Proceeds from sale of tangible and intangible assets	**72**	2 060
Investments in shares of subsidiaries and associated companies	**-40 765**	-
Capital expenditure in investments	**-495**	-1 000
Loans granted	**-**	-3
Repayment of loan receivables	**116**	159
Other	**855**	-1 150
Cash flow from investments	**-148 922**	-80 108
Cash flow from financing activities		
Issue of shares for cash	**1 810**	9 430
Increase (+) / decrease (-) in current financing	**5 470**	-5 311
Proceeds from non-current financing	**43 300**	18 800
Repayment of non-current financing	**-81 266**	-48 889
Dividends paid	**-5 532**	-5 532
Interest on equity loan	**-1 425**	-
Cash flow from investments	**-37 643**	-31 502
Change in liquid assets	**-28 502**	-5 268
Liquid assets at beginning of financial year	**229 505**	234 773
Liquid assets at end of financial year	**201 003**	229 505

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

	31.12.2024	31.12.2023
Short-term investments in securities	**5 887**	97 189
Cash in hand and at banks	**195 116**	132 316
Liquid assets in cash flow statement	**201 003**	229 505

All figures in EUR '000s.

Parent Company Income Statement

	2024	2023
Net sales	**1 992 610**	2 001 598
Increase (+) / decrease (-) in stocks of finished goods and work in progress	**-9 482**	-4 215
Production for own use	**883**	796
Other operating income	**51 063**	52 511
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	**-1 238 252**	-1 302 866
Increase (-) / decrease (+) in stocks	**3 511**	-5 432
External services	**-41 150**	-38 218
	-1 275 891	-1 346 515
Staff expenses		
Wages and salaries	**-194 328**	-190 858
Social security expenses		
Pension expenses	**-22 489**	-27 890
Other social security expenses	**-6 420**	-7 666
	-223 237	-226 414
Depreciation and impairment		
Depreciation according to plan	**-78 205**	-79 429
Impairment from assets held as non-current assets	**-657**	-46
	-78 863	-79 475
Other operating expenses	**-376 303**	-379 994
Operating profit/loss	**80 780**	18 291
Financial income and expenses		
Income from other investments held as non-current assets		
From Group companies	**6 588**	-
From others	**1**	0
Other financial income and expenses		
From Group companies	**248**	89
From others	**6 825**	5 127
Interest expenses and other financial expenses		
To Group companies	**-2 013**	-1 698
To others	**-11 746**	-12 729
	-96	-9 211
Profit/loss before appropriations and taxes	**80 684**	9 080
Appropriations		
Increase (-) / decrease (+) in depreciation difference	**2 437**	10 699
Group contribution received (+) and given (-)	**3 040**	2 770
	5 477	13 469
Income taxes		
Deferred taxes	**-725**	877
Income tax for the financial year	**-15 770**	-6 037
Income tax for previous financial years	**762**	-
	-15 733	-5 160
Net profit/loss for the financial year	**70 427**	17 390

All figures in EUR '000s.

Parent Company Balance Sheet

ASSETS	31.12.2024	31.12.2023
Non-current assets		
Intangible assets		
Intangible rights	**5 793**	6 208
Goodwill	**62 413**	66 547
Other intangible assets	**30 563**	21 308
Prepayments	**-**	156
	98 769	94 219
Property, plant and equipment		
Land	**22 224**	21 978
Connection fees	**2 949**	2 930
Buildings and constructions	**229 751**	231 913
Machinery and equipment	**171 856**	168 443
Other tangible assets	**157**	157
Advance payments and construction in progress	**57 509**	41 930
	484 446	467 351
Investments		
Shares in Group companies	**154 041**	120 821
Shares in associated companies	**11 095**	1 595
Other shares and interests	**4 010**	3 515
	169 145	125 930
Current assets		
Stocks		
Raw materials and supplies	**40 389**	36 613
Work in progress	**8 317**	9 871
Finished goods	**117 374**	125 302
Other stocks	**1 483**	1 748
Prepayments	**105**	-
	167 669	173 535
Receivables		
Non-current receivables		
Non-current receivables from Group companies	**9 937**	8 097
Other non-current receivables	**63**	63
	10 000	8 160
Current receivables		
Trade receivables	**116 601**	114 187
Current receivables from Group companies	**37 887**	33 458
Deferred tax assets	**363**	1 089
Other current receivables	**23 691**	23 955
Accrued income and prepaid expenses	**19 732**	6 671
	198 275	179 360
Short-term investments in securities		
Other securities	**5 887**	97 189
Cash in hand and at banks	**151 406**	107 208
Total assets	**1 285 597**	1 252 952

All figures in EUR '000s.

Parent Company Balance Sheet

SHAREHOLDERS' EQUITY AND LIABILITIES	31.12.2024	31.12.2023
Shareholders' equity		
Share capital	**166 127**	166 127
Other reserves		
Legal reserve	**5 984**	5 984
Capital loan	**30 000**	30 000
Retained earnings/losses	**294 858**	283 713
Net profit/loss for the financial year	**70 427**	17 390
	567 396	503 214
Appropriations		
Accumulated depreciation difference	**142 216**	144 653
Provisions	**1 817**	5 443
Liabilities		
Non-current liabilities		
Capital loan	**77 300**	42 766
Loans from financial institutions	**103 400**	170 800
Non-current liabilities to Group companies	**955**	955
	181 655	214 521
Current liabilities		
Capital loan	**8 766**	4 861
Loans from financial institutions	**67 400**	38 844
Advances received	**39**	20
Trade payable	**170 439**	149 218
Current liabilities to Group companies	**68 064**	78 532
Current liabilities to participating interests	**226**	726
Other liabilities	**18 726**	57 086
Accrued expenses and deferred income	**58 853**	55 833
	392 512	385 121
Total shareholders' equity and liabilities	**1 285 597**	1 252 952

All figures in EUR '000s.

Parent Company Cash Flow Statement

	2024	2023
Cash flow from operations		
Operating profit	**80 780**	18 291
Adjustments		
Depreciation	**78 205**	79 429
Other income and expenses, which do not involve payment	**-2 793**	1 358
Other adjustments	**-5**	1 786
Cash flow before change in working capital	**156 187**	100 864
Change in working capital		
Increase (-) / decrease (+) in current non-interest-bearing receivables	**-20 656**	25 258
Increase (-) / decrease (+) in stocks	**5 867**	9 733
Increase (+) / decrease (-) in current non-interest-bearing debts	**23 506**	-29 157
Cash flow from operations before financial items and taxes	**164 904**	106 698
Interests and expenses paid for other financing costs of operations	**-16 511**	-13 686
Dividends received	**6 589**	0
Interest and other financial income received	**7 307**	4 945
Direct taxes paid	**-19 114**	-11 961
Cash flow from operations	**143 175**	85 996
Cash flow from investments		
Capital expenditure in tangible and intangible assets	**-100 583**	-74 381
Investment subsidies received	**64**	634
Proceeds from sale of tangible and intangible assets	**17**	2 046
Investments in shares of subsidiaries and associated companies	**-42 720**	-
Capital expenditure in investments	**-495**	-1 000
Loans granted	**-**	-3
Repayment of loan receivables	**900**	-
Cash flow from investments	**-142 817**	-72 704
Cash flow from financing activities		
Increase (+) / decrease (-) in current financing	**-2 538**	17 248
Proceeds from non-current financing	**43 300**	18 800
Repayment of non-current financing	**-81 266**	-48 889
Dividends paid	**-5 532**	-5 532
Interest on equity loan	**-1 425**	-
Cash flow from financing activities	**-47 461**	-18 373
Change in liquid assets	**-47 103**	-5 081
Liquid assets at beginning of financial year	**204 397**	209 478
Liquid assets at end of financial year	**157 293**	204 397

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

	31.12.2024	31.12.2023
Short-term investments in securities	**5 887**	97 189
Cash in hand and at banks	**151 406**	107 208
Liquid assets in cash flow statement	**157 293**	204 397

All figures in EUR '000s.

Notes to the Consolidated and Parent Company Financial Statements

ACCOUNTING PRINCIPLES

Scope of consolidated financial statements
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 figures for Nurmon Bioenergia Oy have not been consolidated, because the consolidation is not considered to have a significant effect on Valio Group's financial statements. Nurmon Bioenergia Oy is a subsidiary of Valio Group joint venture Suomen Lantakaasu Oy.

Grounds for shared influence in joint ventures
The influence in Valio's joint ventures, Suomen Lantakaasu Oy and Pakastamo Oy, is based on shareholder agreements according to which neither party alone controls the company, that is, control is exercised together in accordance with the terms and conditions of the agreements. The average number of staff of Suomen Lantakaasu Oy is 2, and of Pakastamo Oy is 29.

Intra-group transactions
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.

Items denominated in foreign currency
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.

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

Depreciation and amortisation periods are:

Consolidation goodwill	10–25 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

During the financial year, the company amended the depreciation plan regarding those assets whose economic useful lifetime is ending due to operations ceasing in the locale. The amendment of the depreciation plan has been implemented so that those asset items will be depreciated in full by the end of their planned use. The effect of the amendment on the depreciation for the financial year was EUR 0.4 million.

Liquid assets
Liquid assets include cash in hand and cash at bank.

Derivatives
In accordance with its risk management policy, the company uses different derivatives to hedge against currency exchange and commodity price risks. The handling of derivatives in the accounting is in accordance with section 5, subsection 2 of the Finnish Accounting Act. Hedge accounting is not applied to foreign currency derivatives. 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. Hedge accounting and net treatment in accordance with the Accounting Board's statement 1912/2014 are applied to commodity derivatives. Commodity derivatives are reported as off-balance sheet items. The company documents and follows the efficiency of the hedging relationship at the beginning of the hedging and at least in conjunction with each financial statement.

Capital loans
The company has a capital loan, in accordance with Section 12 of the Limited Liability Companies Act, totalling 116 066 000 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 86 066 000 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.

Stocks
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 taxes
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.

Emission rights
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.

Amendment of comparison data
The company has amended the classification concerning the minority share in a share issue in such a way that the minority share has been transferred from the cash flow from investments to the cash flow from financing activities. To maintain comparability, the classification of the comparison period has also been amended to match the current classification. This amendment does not affect the financial performance for the comparison period.

All figures in EUR '000s.

Notes to the Income Statement

	CONSOLIDATED		PARENT COMPANY	
	2024	2023	**2024**	2023
1. DISTRIBUTION OF NET SALES				
1.1. NET SALES BY DIVISION				
Fresh dairy products	**903 299**	895 553	**783 858**	778 785
Butter and spreads	**458 874**	343 387	**348 359**	330 186
Cheese	**404 836**	503 467	**390 929**	397 620
Powdered ingredients	**233 334**	254 965	**218 704**	223 572
Others	**278 123**	280 223	**250 760**	271 435
	2 278 466	2 277 595	**1 992 610**	2 001 598
1.2. NET SALES BY GEOGRAPHICAL AREA				
Domestic	**1 484 612**	1 499 150	**1 479 237**	1 494 553
Foreign	**793 854**	778 445	**513 373**	507 045
	2 278 466	2 277 595	**1 992 610**	2 001 598
2. OTHER OPERATING INCOME				
Logistics income	**21 398**	20 647	**25 752**	24 394
Rent income	**2 105**	3 114	**7 519**	8 371
Sales income from laboratory services	**3 060**	3 131	**3 060**	3 131
Sales gains from non-current assets	**9**	1 561	**6**	4 753
Other income	**11 905**	11 033	**14 726**	11 862
	38 477	39 486	**51 063**	52 511
3. PURCHASES DURING THE FINANCIAL YEAR				
Purchases of raw milk from procurement cooperatives	**835 170**	893 236	**835 170**	893 236
Other purchases	**582 147**	579 425	**403 082**	409 630
	1 417 317	1 472 661	**1 238 252**	1 302 866
4. CHANGE IN PROVISIONS INCREASE (-) / DECREASE (+)				
Deductible payment	**-87**	-42	**-87**	-42
Legal proceedings	**900**	-1 078	**900**	-1 078
Other provisions	**2 770**	-3 223	**2 813**	-3 263
	3 583	-4 343	**3 626**	-4 383

Notes to the Income Statement

	CONSOLIDATED		PARENT COMPANY	
	2024	2023	**2024**	2023
5. OTHER OPERATING EXPENSES				
Production	**121 143**	121 883	**112 043**	112 418
Transportation	**136 366**	134 873	**124 354**	122 461
Rents	**22 787**	20 807	**19 968**	18 523
Marketing	**57 625**	54 770	**36 593**	35 827
Administration	**66 707**	66 167	**55 706**	54 194
Other expenses	**29 765**	33 420	**27 639**	36 571
	434 393	431 920	**376 303**	379 994
6. NUMBER OF PERSONNEL, AVERAGE				
	4 297	4 360	**3 451**	3 542
7. STAFF EXPENSES				
Wages and salaries	**228 650**	221 925	**194 328**	190 858
Social security expenses				
Pension expenses	**25 188**	30 702	**22 489**	27 890
Other social security expenses	**12 996**	13 702	**6 420**	7 668
	266 834	266 329	**223 237**	226 416
8. SALARIES AND BONUSES OF DIRECTORS				
Supervisory Board	**113**	217	**113**	217
Board of Directors	**299**	242	**299**	242
Valio Executive Board, CEO, Managing Directors	**4 498**	5 236	**2 854**	3 682
	4 910	5 695	**3 266**	4 141
9. AUDITOR'S FEES				
To PricewaterhouseCoopers companies				
Audit	**573**	514	**325**	292
Auditor's statements	**31**	20	**28**	16
Tax services	**245**	293	**54**	143
Other services	**558**	132	**398**	132
	1 407	959	**805**	583

Notes to the Balance Sheet

	CONSOLIDATED		PARENT COMPANY	
	2024	2023	**2024**	2023
10. INTANGIBLE ASSETS				
Intangible rights				
Acquisition cost 1 Jan.	**23 345**	21 188	**19 206**	18 696
Additions 1 Jan.-31 Dec.	**2 275**	3 721	**579**	2 031
Disposals 1 Jan.-31 Dec.	**-190**	-1 564	**-77**	-1 521
Acquisition cost 31 Dec.	**25 430**	23 345	**19 708**	19 206
Accumulated depreciation 1 Jan.	**-15 138**	-14 051	**-12 999**	-12 014
Accumulated depreciation on disposals	**174**	46	**61**	3
Depreciation for the year	**-1 305**	-1 133	**-977**	-988
Accumulated depreciation 31 Dec.	**-16 269**	-15 138	**-13 915**	-12 999
Book value 31 Dec.	**9 161**	8 207	**5 793**	6 207
Goodwill				
Acquisition cost 1 Jan.	**30 738**	30 738	**74 551**	74 551
Additions 1 Jan.-31 Dec.	**-**	-	**-**	-
Disposals 1 Jan.-31 Dec.	**-**	-	**-**	-
Acquisition cost 31 Dec.	**30 738**	30 738	**74 551**	74 551
Accumulated depreciation 1 Jan.	**-24 740**	-23 229	**-8 004**	-3 870
Accumulated depreciation on disposals	**-**	-	**-**	-
Depreciation for the year	**-1 511**	-1 511	**-4 134**	-4 134
Accumulated depreciation 31 Dec.	**-26 251**	-24 740	**-12 138**	-8 004
Book value 31 Dec.	**4 487**	5 998	**62 413**	66 547
Consolidation goodwill				
Acquisition cost 1 Jan.	**72 995**	72 995	**-**	-
Additions 1 Jan.-31 Dec.	**39 997**	-	**-**	-
Disposals 1 Jan.-31 Dec.	**-**	-	**-**	-
Acquisition cost 31 Dec.	**112 992**	72 995	**-**	-
Accumulated amortization 1 Jan.	**-7 290**	-4 374	**-**	-
Accumulated amortization on disposals	**-**	-	**-**	-
Amortization for the year	**-3 668**	-2 916	**-**	-
Accumulated amortization 31 Dec.	**-10 958**	-7 290	**-**	-
Book value 31 Dec.	**102 034**	65 705	**-**	-
Other intangible assets				
Acquisition cost 1 Jan.	**88 079**	77 155	**86 853**	76 513
Additions 1 Jan.-31 Dec.	**14 196**	10 946	**13 373**	10 340
Disposals 1 Jan.-31 Dec.	**-6 607**	-28	**-6 429**	-
Acquisition cost 31 Dec.	**95 668**	88 073	**93 797**	86 853
Accumulated depreciation 1 Jan.	**-65 832**	-61 614	**-65 389**	-61 287
Accumulated depreciation on disposals	**6 427**	-	**6 331**	-
Depreciation for the year	**-4 442**	-4 212	**-4 176**	-4 102
Accumulated depreciation 31 Dec.	**-63 847**	-65 826	**-63 234**	-65 389
Book value 31 Dec.	**31 821**	22 247	**30 563**	21 464
Total intangible assets	**147 503**	102 157	**98 769**	94 219

Notes to the Balance Sheet

	CONSOLIDATED		PARENT COMPANY	
	2024	2023	**2024**	2023
11. PROPERTY, PLANT AND EQUIPMENT				
Land				
Acquisition cost 1 Jan.	**25 016**	24 801	**24 909**	24 693
Additions 1 Jan.-31 Dec.	**271**	346	**270**	347
Disposals 1 Jan.-31 Dec.	**-6**	-131	**-6**	-131
Acquisition cost 31 Dec.	**25 281**	25 016	**25 173**	24 909
Book value 31 Dec.	**25 281**	25 016	**25 173**	24 909
Buildings and constructions				
Acquisition cost 1 Jan.	**826 957**	816 824	**803 182**	793 403
Additions 1 Jan.-31 Dec.	**27 759**	16 748	**26 115**	16 394
Disposals 1 Jan.-31 Dec.	**-6 456**	-6 615	**-6 435**	-6 615
Acquisition cost 31 Dec.	**848 260**	826 957	**822 862**	803 182
Accumulated depreciation 1 Jan.	**-584 539**	-561 468	**-571 269**	-548 993
Accumulated depreciation on disposals	**6 348**	6 266	**6 328**	6 266
Depreciation for the year	**-28 829**	-29 337	**-28 019**	-28 542
Impairment	**-151**	-	**-151**	-
Accumulated depreciation 31 Dec.	**-607 171**	-584 539	**-593 111**	-571 269
Book value 31 Dec.	**241 089**	242 418	**229 751**	231 913
Machinery and equipment and other tangible assets				
Acquisition cost 1 Jan.	**971 492**	942 075	**902 498**	877 263
Additions 1 Jan.-31 Dec.	**47 667**	30 462	**44 603**	26 110
Disposals 1 Jan.-31 Dec.	**-42 857**	-1 442	**-42 419**	-874
Acquisition cost 31 Dec.	**976 302**	971 095	**904 682**	902 498
Accumulated depreciation 1 Jan.	**-782 261**	-738 036	**-733 899**	-693 066
Accumulated depreciation on disposals	**42 571**	1 401	**42 128**	832
Depreciation for the year	**-44 543**	-45 529	**-40 898**	-41 664
Accumulated depreciation 31 Dec.	**-784 233**	-782 164	**-732 669**	-733 899
Book value 31 Dec.	**192 069**	188 931	**172 013**	168 599
Prepayments and construction in progress				
Acquisition cost 1 Jan.	**45 555**	29 440	**41 930**	26 743
Additions 1 Jan.-31 Dec.	**52 619**	35 998	**46 878**	32 316
Disposals 1 Jan.-31 Dec.	**-9**	-	**-**	-
Transfer between items	**-34 803**	-16 545	**-31 299**	-13 791
Recorded as expense	**-**	-3 338	**-**	-3 338
Acquisition cost 31 Dec.	**63 362**	45 555	**57 509**	41 930
Book value 31 Dec.	**63 362**	45 555	**57 509**	41 930
Total property, plant and equipment	**521 799**	501 920	**484 446**	467 351
Depreciation according to plan for the year, total	**-84 298**	-84 638	**-78 204**	-79 430
Book value of production machinery and equipment 31 Dec.	**174 829**	172 807	**156 288**	154 121

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
Meijeri USA LLC	100	0
Tuonti USA LLC	100	0
Voi 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 Oy, Finland	74	74
Oddlygood USA, Inc., USA	74	0
Oddlygood Sweden AB, Sweden	74	0
Oddlygood Estonia Oü, Estonia	74	0
Oddlygood Netherlands B.V., The Netherlands	74	0
Oddlygood UK Ltd, Great Britain	74	0
Rude Health Foods Ltd, Great Britain	74	0
Rude Health Foods B.V, The Netherlands	74	0
Valionova tukku- ja logistiikkapalvelut Oy, Finland	100	100
Valio NewCo Oy *	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
Majakka Voima Oy, Finland **	52.9	52.9
Pakastamo Oy, Finland	50.0	50.0
Suomen Lantakaasu Oy, Finland	50.0	50.0
Nurmon Bioenergia Oy, Finland	45.6	0.0

** Share of ownership, %

Notes to the Balance Sheet

13. PARENT COMPANY INVESTMENTS

	Shares in Group companies	Shares in participating interests	Other shares
Acquisition cost 1 Jan. 2024	125 927	11 650	3 515
Additions	33 220	9 500	495
Disposals	-	-	-
Acquisition cost 31 Dec. 2024	159 147	21 150	4 010
Accumulated depreciation and impairment 1 Jan. 2024	-9 983	-10 055	-
Accumulated depreciation and impairment 31 Dec. 2024	-9 983	-10 055	-
Reversal of impairment 1 Jan. 2024	4 877	-	-
Reversal of impairment 31 Dec. 2024	4 877	-	-
Book value 31 Dec. 2024	154 041	11 095	4 010

14. GROUP INVESTMENTS

	Shares in Group companies	Shares in participating interests	Other shares
Acquisition cost 1 Jan. 2024	-	12 840	3 515
Additions	-	9 795	495
Disposals	-	-	-
Acquisition cost 31 Dec. 2024	-	22 635	4 010
Accumulated depreciation and impairment 1 Jan. 2024	-	-10 435	-
Accumulated depreciation and impairment 31 Dec. 2024	-	-10 435	-
Book value 31 Dec. 2024	-	12 200	4 010

Notes to the Balance Sheet

	CONSOLIDATED		PARENT COMPANY	
	2024	2023	**2024**	2023
15. LONG-TERM RECEIVABLES FROM GROUP COMPANIES				
Trade receivables	**-**	-	**2 600**	3 800
Other receivables	**-**	-	**7 337**	4 297
	-	-	**9 937**	8 097
16. SHORT-TERM RECEIVABLES FROM GROUP COMPANIES				
Loan receivables	**-**	-	**1 200**	900
Trade receivables	**-**	-	**33 335**	28 374
Other receivables	**-**	-	**3 352**	4 184
	-	-	**37 887**	33 458
17. ACCRUED INCOME AND PREPAID EXPENSES				
Personnel items	**13 403**	1 337	**12 753**	1 190
Discounts granted	**997**	1 510	**997**	1 510
Interest	**128**	361	**128**	361
IT administration prepayments and accrued income	**-**	-	**1 385**	1 253
Other prepayments and accrued income	**6 758**	5 358	**4 469**	2 357
	21 286	8 566	**19 732**	6 671
18. SHORT-TERM INVESTMENTS IN SECURITIES				
Other securities	**5 887**	97 189	**5 887**	97 189
	5 887	97 189	**5 887**	97 189

Notes to the Balance Sheet

	CONSOLIDATED		PARENT COMPANY	
	2024	2023	**2024**	2023
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.	**-28 928**	-27 867	**-**	-
Translation difference for equity of foreign subsidiaries 31 Dec.	**-27 988**	-28 928	**-**	-
Retained earnings (losses), 1 Jan.	**498 695**	482 792	**301 102**	289 244
Adjustments to previous financial year 1 Jan.	**2 768**	-	**-713**	-
Translation difference for internal distribution of dividend	**140**	-	**-**	-
Dividends	**-5 532**	-5 532	**-5 532**	-5 532
Retained earnings (losses), 31 Dec.	**496 071**	477 260	**294 857**	283 712
Net profit (loss) for the financial year	**66 557**	21 435	**70 427**	17 390
Shareholders' equity 31 Dec.	**736 752**	671 879	**567 396**	503 214

The share of accumulated depreciation difference recorded in the consolidated shareholders' equity for financial year 2024 was 114 058 thousand euros (115 948 thousand euros).

PARENT COMPANY'S UNRESTRICTED EQUITY		
Retained earnings/losses, 31 Dec.	**294 857**	283 712
Profit/loss for the financial year	**70 427**	17 390
Unrestricted shareholders' equity, 31 Dec.	**365 284**	301 102

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

20. PROVISIONS				
Deductible payment	**342**	255	**342**	255
Legal proceedings	**178**	1 078	**178**	1 078
Other provisions	**1 421**	4 191	**1 297**	4 110
	1 941	5 524	**1 817**	5 443

Notes to the Balance Sheet

	CONSOLIDATED		PARENT COMPANY	
	2024	2023	**2024**	2023
21. DEFERRED TAX LIABILITIES AND ASSETS				
Deferred tax assets				
From timing differences	**1 174**	1 089	**363**	1 089
From other temporary differences in accounting and taxation	**541**	865	**-**	-
Taxable loss	**25**	463	**-**	-
	1 740	2 417	**363**	1 089
Deferred tax liabilities				
From appropriations	**28 868**	29 111	**-**	-
	28 868	29 111	**-**	-
22. ACCRUED EXPENSES AND DEFERRED INCOME				
Interest	**68**	3 533	**68**	3 533
Staff costs	**48 135**	44 360	**42 948**	40 032
Discounts granted	**11 074**	6 346	**6 847**	1 644
Taxes	**3 409**	7 902	**949**	4 208
Other accrued expenses and deferred income	**12 234**	11 015	**8 041**	6 416
	74 920	73 156	**58 853**	55 833
23. LONG-TERM LIABILITIES TO GROUP COMPANIES				
Other liabilities	**-**	-	**955**	955
	-	-	**955**	955
24. SHORT-TERM LIABILITIES TO GROUP COMPANIES				
Trade payable	**-**	-	**59**	29
Other liabilities	**-**	-	**68 005**	78 503
	-	-	**68 064**	78 532
25. SHORT-TERM LIABILITIES TO PARTICIPATING INTERESTS				
Trade payable	**226**	726	**226**	726
Other liabilities	**-**	-	**-**	-
	226	726	**226**	726

Notes to the Balance Sheet

	CONSOLIDATED		PARENT COMPANY	
	2024	2023	**2024**	2023
26. CONTINGENT LIABILITIES				
For own commitments				
Mortgages given	**217 139**	217 139	**217 139**	217 139
Mortgages	**8**	8	**8**	8
Guarantees	**3 227**	3 220	**3 227**	3 220
Leasing commitments	**49 366**	56 342	**42 656**	48 709
Total for own commitments	**269 740**	276 709	**263 030**	269 076
For Group companies	**10 000**	-	**10 000**	-
For others	**25 490**	1 982	**25 490**	1 982
	305 230	278 691	**298 520**	271 058
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	**120 000**	110 000	**110 000**	110 000
In use	**5 000**	-	**-**	-

	CONSOLIDATED		PARENT COMPANY	
	2024	2023	**2024**	2023
27. EMISSION RIGHTS				
Gratuitously acquired emission rights, tCO2	**27 903**	28 340	**27 903**	28 340
Other increases/decreases, tCO2	**-14 000**	-5 000	**-14 000**	-5 000
Annual emission volumes, tCO2	**10 024**	16 771	**10 024**	16 771
Emission rights in possession, tCO2	**24 840**	27 709	**24 840**	27 709
The company has emission rights assets off-balance sheet	**1 067**	820	**1 067**	820

Notes to the Balance Sheet

	CONSOLIDATED		PARENT COMPANY	
	2024	2023	**2024**	2023
28. DERIVATIVES				
Derivatives, for which hedge accounting is being applied				
Commodity derivatives				
Nominal value of derivatives	**3 393**	-	**3 393**	-
Fair value of derivatives	**-149**	-	**-149**	-

The purpose of hedging is to protect against the commodity price risk of butter in accordance with the principles of the Group's commodity hedging policy. The hedging calculation model is a cash flow hedge for anticipated business transactions. The hedging effectiveness has been determined reliably and the hedging has been effective throughout its duration. The maturity date of the derivatives is in July–December 2025.

	CONSOLIDATED		PARENT COMPANY	
	2024	2023	**2024**	2023
Other derivatives contracts				
Currency derivatives				
Nominal value of derivatives	**-124**	-	**-**	-
Fair value of derivatives	**-124**	-	**-**	-

The currency derivatives hedge cash flows in GBP and EUR.

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 34.19 million euros on 31 December 2024.

Notes to the Balance Sheet

30. SIGNIFICANT EVENTS AFTER THE CLOSE OF THE FINANCIAL YEAR

The investigation of the cyber attack, which occurred in December, continues on the part of both Valio and the authorities. The police are investigating the security breach offence, and the Office of the Data Protection Ombudsman is looking into the processing of personal data at Valio. Valio is not able to provide more precise information on the case while the investigation is in progress.

In March 2025, Valio signed lease financing agreements relating to manufacturing plant investments. As a result, the off-balance sheet lease liability is expected to increase by ca. EUR 40 million in 2025 and by ca. 25 million in 2026.

Proposal by the Board of Directors to the Annual General Meeting

Distributable earnings in the financial statements amount to EUR 365,284,916.15. 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	294 857 698.91 €
Net profit for the financial year	70 427 217.24 €
Total	365 284 916.15 €

The Board of Directors proposes to the Annual General Meeting that the dividend be distributed as follows:

as basic dividend 4.00% of the nominal value of the share, or EUR 136.00 per share; and	6 645 096.00 €
as extra dividend a total of	182 740.14 €

The payment of the extra dividend is divided as follows:

the share of this part of the dividend for those Valio shareholders that have a milk procurement agreement with Valio in force at the time of the decision on the distribution of dividend shall be the proportion of the total amount equalling the combined share of ownership in Valio of those shareholders (98.627%), or EUR 180 230.60, which will be distributed among those shareholders in accordance with section 7, paragraph 2, second sentence of Valio’s Articles of Association, in proportion to the milk volumes supplied by them to Valio in 2024; and

the share of this part of the dividend for other Valio shareholders shall be the proportion of the total amount equalling the combined share of ownership in Valio of those shareholders (1.373%), or EUR 2 509.54, which will be paid to them in proportion to their share of ownership in Valio.

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	358 457 080.01 €
Capital loan	30 000 000.00 €
Total shareholders' equity	560 568 581.54 €

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

25 March 2025

Vesa Kaunisto Chairman of the Board	Pentti Suokannas Board member	Annikka Hurme CEO
Matti Leikkanen Board member	Jarno Kämäräinen Board member	Satu Pulkka Board member

THE AUDITOR'S NOTE

Our auditor's report has been issued today.

25 March 2025

PricewaterhouseCoopers Oy
Authorised Public Accountants

Mikko Nieminen
KHT

Auditor's Report

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 Oy (business identity code 0116297-6) for the financial year ended 31 December 2024. 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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 compliance 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 compliance 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 2025

PricewaterhouseCoopers Oy
Authorised Public Accountants

Mikko Nieminen
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 2024, 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 2025

On behalf of the Valio Supervisory Board,

Mikko Heikkinen
Chairman

Valio Ltd owners 31 Dec. 2024

Valio Ltd is owned by dairy farmer communities that collect or process milk.
Production is primarily based on milk delivered by cooperatives 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. 2024	13
Total share capital	166 127 400 €

* No business relationship with Valio

Supervisory Board 31 Dec. 2024

	Term began	Term ends
Mikko Heikkinen, Chairman Dairy farmer, Lapinlahti Osuuskunta Maitosuomi	2017	2027
Jari Hekkala, Vice Chairman, from 12 Dec. 2024 Dairy farmer, Kalajoki Osuuskunta Pohjolan Maito	2012	2025
Satu Pulkka, Vice Chairman, to 12 Dec. 2024 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	2027
Petri Hovi Dairy farmer, Lappeenranta Osuuskunta Tuottajain Maito	2024	2026
Mikko Huuskonen[1)] Expert, Suonenjoki	2017	2025
Hanna Kaihoniemi Dairy farmer, Kitee Osuuskunta Maitosuomi	2024	2027
Ari Kantonen Dairy farmer, Taipalsaari Osuuskunta Tuottajain Maito	2022	2025
Matti Kivelä Dairy farmer, Sysmä Osuuskunta Tuottajain Maito	2023	2027
Otto Kokkila Dairy farmer, Petäjävesi Osuuskunta Maitosuomi	2022	2027
Ritva Kokkonen[1)] Food industry employee, Suonenjoki	2023	2025

Hanna Laitinen[1) 2)] Development Manager, Helsinki	2024	2025
Katariina Lampela Dairy farmer, Tervola Osuuskunta Pohjolan Maito	2012	2025
Matti Leikkanen Dairy farmer, Sastamala Osuuskunta Länsi-Maito	2016	2025
Lassi Mäkinen Dairy farmer, Lieto Osuuskunta Länsi-Maito	2015	2027
Petri Natunen Dairy farmer, Joroinen Osuuskunta Maitosuomi	2019	2026
Markus Ojanperä[1)] Product manufacturer, Seinäjoki	2020	2025
Jari Pitkämäki Dairy farmer, Kauhava Osuuskunta Maitosuomi	2024	2025
Ismo Puurunen[1) 2)] Quality expert, Lapinlahti	2023	2025
Jukka Rahja Dairy farmer, Kalajoki Osuuskunta Pohjolan Maito	2021	2027
Antti Saari Dairy farmer, Lapua Osuuskunta Maitosuomi	2020	2026
Vesa Seppä Dairy farmer, Sastamala Osuuskunta Länsi-Maito	2023	2025
Mika Tervo Dairy farmer, Pukkila Osuuskunta Tuottajain Maito	2024	2025
Juha Törmä Dairy farmer, Tyrnävä Osuuskunta Pohjolan Maito	2017	2026
Päivi Ylä-Outinen Dairy farmer, Lappeenranta Osuuskunta Tuottajain Maito	2008	2027

[1)] Personnel representative
[2)] Hanna Laitinen started as the personnel representative on 12 November 2024 in place of Ismo Puurunen.

Board of Directors 31 Dec. 2024

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	2027
Sauli Lähteenmäki Dairy farmer, Rusko Osuuskunta Länsi-Maito	2007	2024

Auditor

PricewaterhouseCoopers Oy
Authorised Public Accountants, Helsinki

Mikko Nieminen, Authorised Public Accountant

Executive Board 31 Dec. 2024

	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 Strategy and Innovation	2021	2019

Head of the People function, SVP Katja Lindholm reports directly to the CEO.
The role is not included in the Valio Group Executive Board.

Together we make
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