ORIOLA

Financial review 2022

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Basis for preparation

The accounting principles are presented in the relevant parts of the notes to the financial statements in order to make the report more user-friendly. The basis for preparation part of the note is highlighted.

Use of estimates and judgement

If the accounting area presented in the note involves estimates and judgement, those estimates and judgements are described separately in the relevant note. The description of the use of estimate and judgement in the note is marked with italic font and highlighted.

Non-financial information

Oriola gives the non-financial information according to the Finnish Accounting Act and using the Nasdaq ESG Reporting Guide as appropriate in the Report of the Board of Directors. The non-financial information and related key performance indicators are presented in chapter 5. Non-financial information of the Report of the Board of Directors.

This Financial review in PDF-format is not an xHTML document compliant with the ESEF (European Single Electronic Format) regulation.

Report of the Board of Directors

1. Business review

Operating environment

Consumer confidence was weakened and inflation was high, which affected consumer behaviour. Energy and fuel prices as well as labour costs in Europe increased during 2022, driven by the geopolitical situation.

The increased economic uncertainty did not impact the pharmaceuticals market, which continued to grow steadily in the fourth quarter in Sweden and Finland. The growth slowed somewhat in Finland in the fourth quarter compared to the previous quarters of 2022. In the first quarter of 2022, consumers prepared for a crisis by hoarding pharmaceuticals especially in Sweden and societies enhanced their pharmaceutical reserves, as well. During the latter part of the year market demand returned to a more normal level.

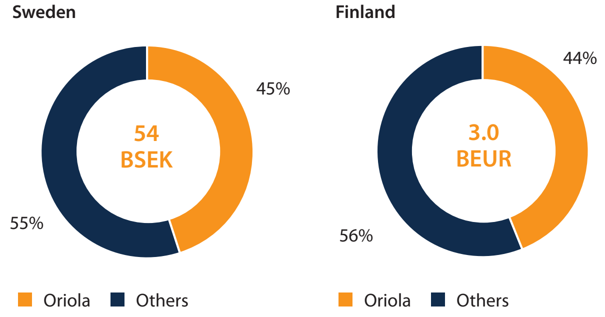
The availability of raw materials for medical products became tighter during the second half of the year due to the COVID-19 restrictions in China, and this has affected the availability of some medicines in Sweden and Finland.

Market environment

In Sweden, the value of the pharmaceutical distribution market at wholesale prices, measured in Swedish krona, grew by 8.0% (3.1%) in 2022 (source: IQVIA). In Finland, the market value grew by 3.9% (3.0%) (source: LTK).

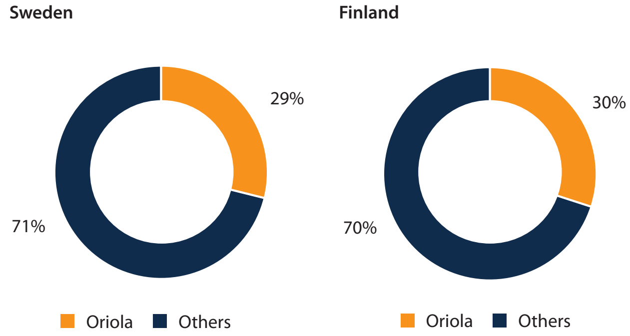
According to Oriola's estimate, Oriola's share of the pharmaceutical wholesale market in Sweden was approximately 45% (46%) and in Finland approximately 44% (43%) in 2022.

Pharmaceutical wholesale - market share



In the dose dispensing business, Oriola offers pharmaceuticals and dose dispensing for private and public healthcare sector operators. The total market size for dose dispensing is approximately 260,000 patients (250,000) in Sweden and 100,000 patients (90,000) in Finland. Oriola serves approximately 75,000 (103,000) patients in Sweden and approximately 30,000 (29,000) patients in Finland.

Dose dispensing - market share

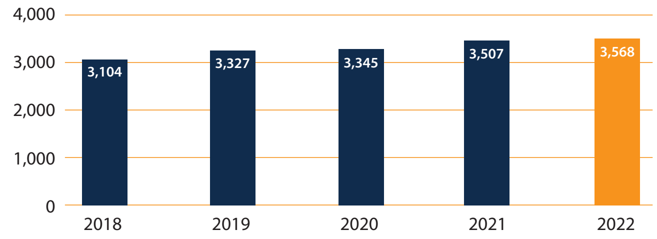


The Group's financial performance for 2022

Invoicing and net sales, continuing operations

Invoicing increased by 1.7% (increased 4.8%) to EUR 3,568.0 (3,506.9) million. On a constant currency basis invoicing increased by 4.9% (increased 2.6%).

Invoicing[1]
EUR million



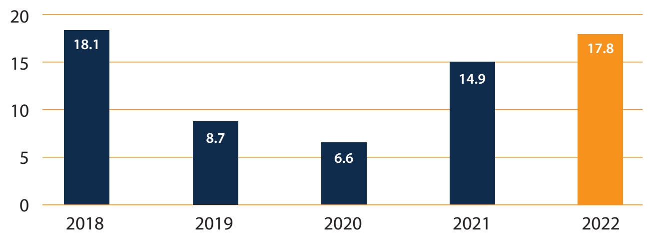
[1] Continuing operations.

Net sales increased by 4.4% (increased 3.8%) to EUR 1,515.5 (1,452.2) million. On a constant currency basis, net sales increased by 7.6% (increased 1.5%) mainly driven by the improving market demand and new customer agreements in the pharmaceutical distribution business. Invoicing and net sales include sales to discontinued operations amounted to EUR 272.6 (387.3) million. In October-December, sales to the joint venture were EUR 130.9 million.

Profitability

Adjusted EBIT increased by 19.1% (increased 126.1%) to EUR 17.8 (14.9) million, mainly driven by net sales growth and turnaround initiatives. EBIT was EUR 7.6 (10.7) million. The figure includes Oriola's share of the net profit EUR -2.0 million in a joint venture. Adjusting items totalled EUR -10.2 (-4.2) million and were related to an impairment of other tangible and intangible assets not yet available for use and which have been development in progress, the divestment of the staffing services business, costs related to Kronans Apotek combining with Apoteksgruppen and other restructuring costs. Adjusted EBIT on a constant currency basis was EUR 18.1 million.

Adjusted EBIT[1]
EUR million



[1] The figures in 2018 have been restated due to an error related to previous periods. The restatement had an impact on inventories, deferred tax assets and retained earnings in the consolidated statement of financial position and on material purchases and income taxes in the consolidated statement of comprehensive income. More information on correction of the error is presented in the notes to the Financial statements 2019.

Net financial expenses were EUR 0.7 (-0.3) million. Profit for the year was EUR 4.8 (8.6) million. Income taxes were EUR 2.1 (2.7) million, which corresponds to an effective tax rate of 30.8% (24.4%). Earnings per share were EUR 0.03 (0.05).

For more information on the Group's financial performance, please see the section Financial indicators 2018-2022.

Joint venture Swedish Pharmacy Holding AB

On 3 October 2022, Oriola and Euroapotheca finalised the combining of Kronans Apotek and Apoteksgruppen into a new jointly owned company. Accordingly, starting from the fourth quarter of 2022, Oriola reports the new company as a joint venture under the equity method and present the joint venture's result above the EBIT line in the consolidated financial statements.

In the fourth quarter of 2022, Swedish Pharmacy Holding AB reported net sales of EUR 292.7 (288.6) million. Adjusted EBIT was EUR -2.8 million, synergies during the reporting period totalled to EUR 1.0 million and one-off costs related to the integration of the two companies were EUR 1.9 million. EBITA (Earnings before interest, taxes and amortization) was EUR -1.3 million. At the end of December 2022, net interest-bearing debt was EUR 95.3 million.

In the fourth quarter, 2022, Oriola booked a loss of EUR 2.0 million from Swedish Pharmacy Holding AB. The loss was a result of lower sales, higher operating expenses, and integration related one-off costs.

Reporting segments

At the beginning of 2022, Oriola implemented a country-based organisation, where former Pharma and Retail business areas and the Operations function were transformed into a new organisational structure. Since then, Oriola's continuing operations have included one reportable segment, which includes business areas Oriola Finland and Oriola Sweden. Previous periods have been adjusted to reflect the changes in the management reporting.

Oriola offers advanced distribution, expert and advisory services for pharmaceutical companies and a wide range of health and wellbeing products for pharmacies, veterinarians, other healthcare operators and retail operators in the Finnish and Swedish markets. Additionally, Oriola offers dose dispensing services for pharmacies and healthcare operators.

Turnaround highlights

In 2022, Oriola completed a turnaround initiative to ensure the company's profitability and efficiency.

The short-term action plan for turnaround consisted of four key elements:

- Cost savings through simplified operating model, reduction of operating costs and rigorous cost management.
- Efficient net working capital management through optimised product portfolio, enhanced supplier management & supply chain planning.
- Excellent customer relationship management targeting superior customer experience with one touchpoint for customers.
- Commercial excellence through service portfolio crystallisation, pricing models and enhanced margin management.

By these measures, Oriola streamlined its processes to improve operational efficiency and reduced costs to increase profitability and cost-competitiveness. The impact of these actions became gradually visible during 2022, including the identified EUR 7 million in cost savings in both continuing and discontinued operations. Furthermore, the measures improved the cash flow and equity position of the company. In the beginning of October, the Group organisation and operating model were changed to support customer relationship management and commercial excellence. More information on the reorganisation can be found in the "New Operating model" section of this report.

Discontinued operations

On 3 October 2022, Oriola announced it had finalized the combination of its pharmacy business Kronans Apotek and Euroapotheca's Apoteksgruppen into a new jointly owned company in Sweden. The former Consumer business area comprising Kronans Apotek has been reported as discontinued operations until the completion of the divestment on 3 October 2022.

Loss for the period for discontinued operations in 2022 was EUR 7.2 million (profit of 2.7). The figure includes a loss of EUR 29.4 million from the divestment of discontinued operations.

When combining the two operations, the loss for the period from continuing and discontinuing operations in 2022 was EUR 2.4 million (profit of 11.3).

Balance sheet, cash flow and financing

Oriola's total assets at the end of December 2022 were EUR 960.9 (1,093.2) million. Equity attributable to the equity holders was EUR 225.6 (216.8) million. The equity was decreased by the dividend of EUR 7.3 million distributed to the shareholders in April 2022.

Cash and cash equivalents totalled EUR 160.6 (109.1) million. Net cash flow from operating activities in 2022 was EUR 77.9 (40.0) million, of which changes in working capital accounted for EUR 27.7 (-17.1) million. Strong fluctuation in working capital is typical to Oriola's industry. Net cash flow from investing activities was EUR 3.0 (9.6) million. Net cash flow from financing activities was EUR -29.3 (-108.5) million.

At the end of December 2022, interest-bearing debt was EUR 136.9 (209.9) million. The non-current interest-bearing liabilities amounted to EUR 69.9 (123.5) million and current interest-bearing liabilities amounted to EUR 67.0 (86.4) million. Non-current interest-bearing liabilities mainly consist of loans from financial institutions totalling EUR 59.1 (63.3) million and non-current lease liabilities totalling EUR 10.9 (60.2) million. Current interest-bearing liabilities mainly consist of commercial paper issues of EUR 49.8 (49.8) million, advance payments from Finnish pharmacies totalling EUR 11.8 (16.0) million, loans from financial institutions totalling EUR 2.0 (2.0) million and current lease liabilities totalling EUR 3.4 (18.6) million. Interest-bearing net debt was EUR -23.7 (100.8) million and gearing -10.5% (46.5%).

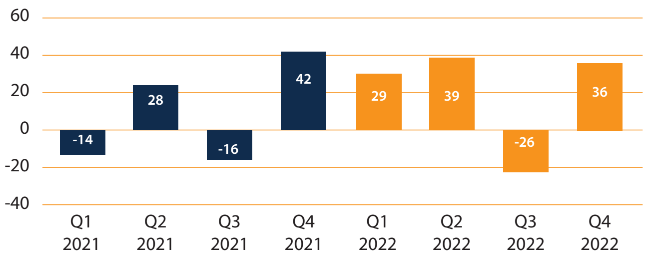
The non-recourse trade receivables sales programmes are in use in Sweden. At the end of December 2022, a total of EUR 100.8 (183.1) million in trade receivables had been sold. The average interest rate on the interest-bearing liabilities excluding lease liabilities was 2.59% (0.96%). Interest rate risk relating to the cash flow from selling of trade receivables has been hedged with interest rate swaps.

In June 2021, Oriola signed a new unsecured revolving credit facility agreement for a total of EUR 140 million. In February 2022, the maturity of the agreement was extended by one year, and the revolving credit facility will mature in June 2025. The facility is committed and includes an option to be extended further by one year. The margin of the revolving credit facility is linked to Oriola's financial covenants and the performance of sustainability targets. The committed long-term revolving credit facility of EUR 140.0 million and the credit limits totalling EUR 34.9 million were unused at the end of December 2022.

At the end of December 2022, Oriola's equity ratio was 23.8% (20.1%). Return on capital employed was 1.9% (4.6%) and return on equity -1.1% (5.9%).

For more information on the Group's balance sheet and cash flow and related key figures, see the section Financial indicators 2018–2022.

Net cash flow from operating activities
EUR million



Investments and depreciation

Gross investments in 2022 totalled EUR 3.4 (9.3) million and consisted mainly of investments in logistics and information systems.

Depreciation, amortisation and impairment amounted to EUR 25.2 (16.5) million. Oriola recognized an EUR 9.8 million impairment of other tangible and intangible assets not yet available for use and which have been development in progress. The impairment relates to several earlier years process automation development, outdated information technology and partially implemented projects that have been discontinued.

Changes in the Group structure

Oriola sold the entire share capital of its pharmacy staffing service company Farenta Oy to Eezy in April 2022 and resulted in a profit of EUR 1.5 million as an adjusted item.

Oriola and Euroapotheca finalised on 3 October 2022 the combining of respective pharmacy businesses in Sweden: Oriola's Consumer business area comprising Kronans Apotek and Euroapotheca's Apoteksgruppen into a new jointly owned company, Swedish Pharmacy Holding AB. The net sales of Consumer business area in 2021 were EUR 817.5 million, the adjusted EBIT was EUR 11.4 million and the number of personnel at the year-end was 1,598. The transaction had a EUR -29.4 million impact on the consolidated net profit of Oriola Group including translation differences and transaction related costs.

Personnel

At the end of December 2022, Oriola had 833 (1,046) employees, of which 402 (573) worked in Finland and 431 (473) in Sweden. The average number of personnel in January–December 2022 was 914 (1,077). The reported number of personnel consists of members of staff in active employment, calculated as full-time equivalents.

The total amount of wages, salaries and bonuses in 2022 was EUR 45.3 million (EUR 54.6 million in 2021 and EUR 52.3 million in 2020).

For more information about the employee benefits please refer to note 4.4. Employee benefits in the Consolidated Financial Statements.

Oriola Corporation shares

Oriola Corporation's market capitalisation on 31 December 2022 was EUR 321.4 (362.8) million.

	Jan–Dec 2022		Jan–Dec 2021	
Trading of shares	**class A**	**class B**	**class A**	**class B**
Trading volume, million	6.6	29.9	8.1	50.7
Trading volume, EUR million	13.2	59.2	16.1	98.9
Highest price, EUR	2.30	2.31	2.37	2.20
Lowest price, EUR	1.75	1.70	1.78	1.73
Closing quotation, end of period, EUR	1.85	1.74	1.99	2.01

In 2022, the traded volume of Oriola Corporation shares, excluding treasury shares, corresponded to 20.1% (32.5%) of the total number of shares.

At the end of 2022, the company had a total of 181,486,213 (181,486,213) shares, of which 53,748,313 (53,748,313) were class A shares and 127,737,900 (127,737,900) were class B shares. The company held a total of 109,564 (138,201) treasury shares, of which 63,650 (63,650) were class A shares and 45,914 (74,551) were class B shares. The treasury shares held by the company account for 0.06% (0.08%) of the company's shares and 0.11% (0.11%) of the votes.

Under Article 3 of the Articles of Association, a shareholder may demand conversion of class A-shares into class B shares. In 2022 and 2021, no class A shares were converted into class B shares.

More information on shares and shareholders is given in the section entitled Information on shares.

Outlook for 2023

Oriola expects the adjusted EBIT, excluding the contribution from the joint venture Swedish Pharmacy Holding AB, to remain on the same level compared to 2022.

The outlook takes into consideration the significant negative impact on Oriola's profitability from the loss of public tenders and consequently of patients in the dose dispensing business in Sweden. The dose dispensing business in Sweden will focus on new customer segments to develop the business. Furthermore, the recent overall inflationary environment and related cost pressures may have an impact on Oriola's profitability.

The adjusted EBIT in 2022 was EUR 19.7 million, excluding the contribution from the joint venture company Swedish Pharmacy Holding AB.

Profit distribution proposal

Oriola Group's parent company is Oriola Corporation, whose distributable funds according to the balance sheet as at 31 December 2022 were EUR 208.6 (265.3) million. Oriola Corporation's result for the financial year 2022 was EUR -49.4 (-54.8) million. Earnings per share of the Oriola Group were EUR -0.01 (0.06).

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.06 (0.04) per share would be paid for 2022. The Board of Directors further proposes that the remaining non-restricted equity, EUR 197,713,682.89 be retained and carried forward.

Annual General Meeting 2023

Oriola Corporation's Annual General Meeting will be held on 21 March 2023. The matters specified in article 10 of the Articles of Association and other proposals of the Board of Directors, if any, will be dealt with at the meeting. The notice to convene will be available on the company's website at www.oriola.com on 27 February 2023 at the latest.

2. Risk review

Strategic and financial risks

Oriola has specified the company's risk management model, principles, organisation and process in its Risk management policy. The Group's risk management seeks to identify, measure and manage risks that may have an adverse or beneficial impact on Oriola's operations and achievement of the set goals. The Group also has a Code of Conduct policy and a Treasury policy covering compliance and financial risks. The internal control and risk management systems related to Oriola's financial reporting are aimed at ensuring the reliability of the company's financial statements and financial reporting, as well as the company's compliance with legislation and generally approved operating principles.

Oriola operates in regulated pharmaceutical distribution and retail markets monitored by authorities in both operating countries. The main megatrends impacting Oriola's business environment are ageing of the population, increased spending on health and wellbeing, growth in speciality pharmaceuticals, the digitalisation of the retail trade and services, sustainability as well as possible pandemics.

Oriola has identified the following principal strategic and operational risks that may have an adverse impact on the results: Changes in the pharmaceutical market regulation and related licences, pricing, parallel import and public reimbursement, as well as increased competition through the growing number of companies and pharmacies in e-commerce, the decreasing share of single channel distribution in public healthcare, and the loss of several key pharmaceutical company agreements. In addition, the changes in the resources of public healthcare as well as restrictions set by the authorities on companies' businesses and citizens' mobility caused by the pandemic may have an adverse impact on Oriola's result.

The Dental and Pharmaceutical Benefits Agency (TLV) in Sweden has proposed a monthly list of generic pharmaceuticals to be introduced in Swedish dose distribution operations as well. The new legislation is expected to enter into force in 2024 at the earliest. The change would have a negative impact on Oriola's dose distribution margins and operating costs. In Oriola's view, it is possible to control the possible effects.

In Finland, the pandemic has accelerated the need to find savings from the area of the Ministry of Social Affairs and Health to be able to cover costs caused by the pandemic, on top of the earlier pressure for savings. The government has stated the total cost of pharmaceutical treatment to be as one of the targets. The saving measures are not expected to have a direct impact on Oriola's business.

The reform of social and healthcare (Sote), was approved 2021. In the beginning of 2022, 21 new county councils were elected and these new political bodies will decide on social, healthcare and rescue services in each wellbeing services county. New regions were affected from the beginning of 2023. The impact of these changes on Oriola´s activities in Finland are still somewhat unknown, but according to the company´s estimation, not material.

Oriola assesses ESG-related (Environment, Social and Governance) risks as part of the regular risk management process. A more detailed description of ESG risks can be found in section 5 of this report: Non-financial information.

The main financial risks for Oriola involve currency rate, liquidity, interest rate and credit risks. Changes in the value of the Swedish krona have an impact on Oriola's net sales, earnings and consolidated statement of financial position. Changes in cash flow forecasts may cause impairment of goodwill. More information about financial risk management can be found in note 8.3. in the notes to the Consolidated Financial Statements.

Near-term risks and uncertainty factors

Oriola's strategic development projects involve operational risks which may have an effect on the profitability when realised. Oriola has several significant IT system projects ongoing. The company has defined separate risk management plans for all IT projects and aims to ensure the seamless go-lives of the systems through thorough planning. The process optimisation and efficiency improvements will continue in the company's business operations.

Since the first quarter of 2020, the COVID-19 pandemic has impacted significantly Oriola's operating environment as the restrictions set by the authorities and consumer caution impacted the consumer behaviour. The measures caused by the pandemic have led to the decrease of healthcare services as well as affected the demand for pharmaceuticals and health and wellbeing products. This has inevitably also had an impact on Oriola's business and will affect in the future if the restriction measures caused by the pandemic have to be reintroduced. The impacts of the pandemic on the valuation of Oriola's assets are closely monitored. Based on the assessments, COVID-19 pandemic is currently not expected to have such long-term impacts on Oriola's financial performance, that would require adjustments to the carrying amounts of the assets.

Oriola has prepared its operations for the risks caused by the COVID-19 pandemic. In the contingency planning, the company has considered especially securing the health of its personnel, availability of workforce, safety in distribution centres and pharmacies as well as growing need for pharmaceutical stocking. In addition, Oriola is actively discussing with both customers and authorities about quickly changing needs and their management.

Oriola's operations and profitability are impacted by price volatility in key cost categories. Especially, changes in energy prices, labour and freight costs may have impact on Oriola's profitability.

Oriola is from time to time involved in legal actions, claims and other proceedings. It is Oriola's policy to provide for amounts related to the proceedings if liability is probable and such amounts can be estimated with reasonable accuracy. Taking into account all available information to date, the legal actions, claims and other proceedings are not expected to have material impact on the financial position of the Group.

3. Governance

Corporate governance statement 2022

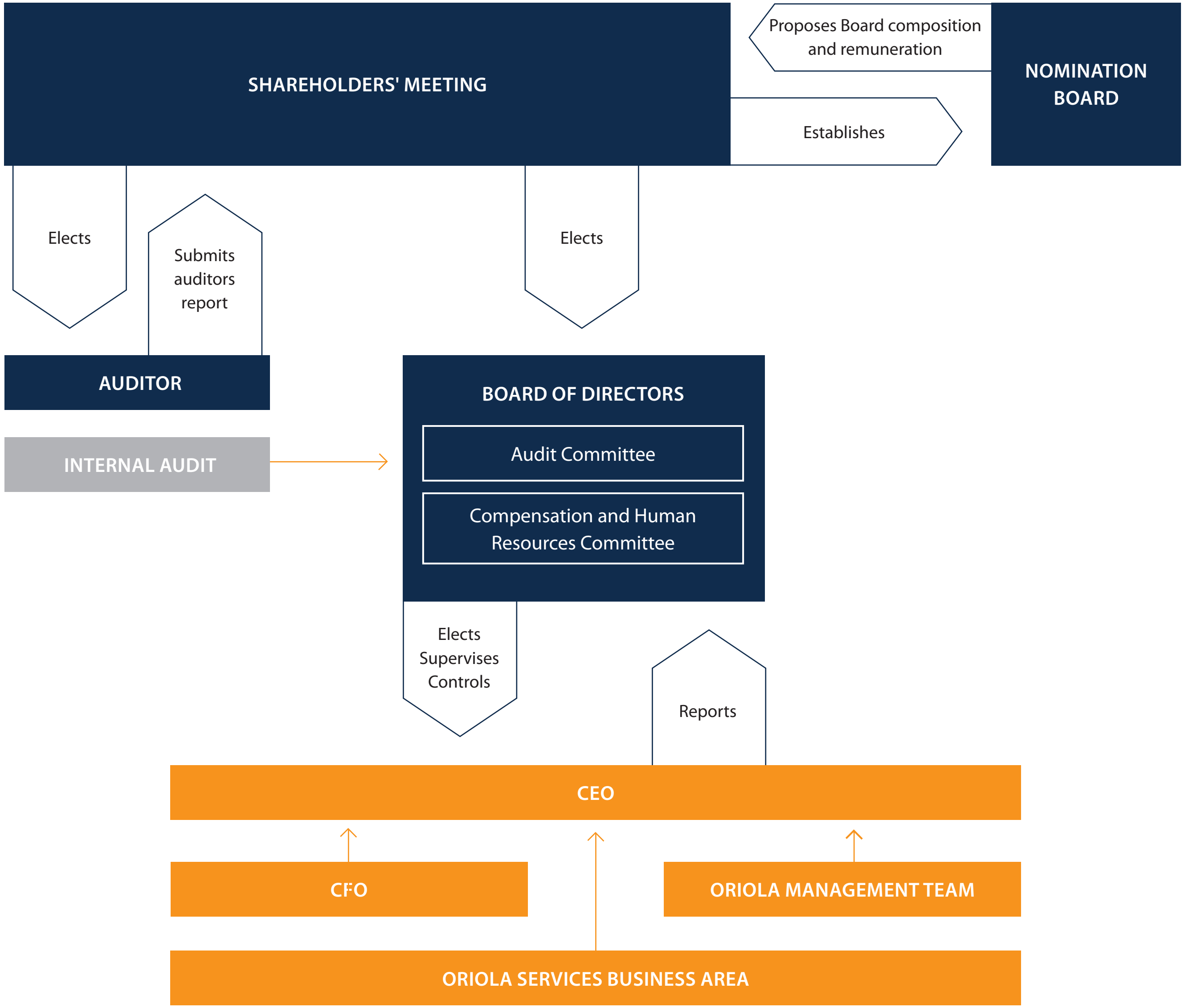
This Corporate governance statement has been prepared in accordance with the Finnish Corporate Governance Code 2020 (the "Corporate Governance Code") and chapter 7, section 7 of the Finnish Securities Markets Act.

Oriola Corporation (hereinafter "Oriola" or "the company") complies with the provisions of its Articles of Association, the Finnish Companies Act, the Finnish Securities Markets Act and other similar legislation. The company also complies with the rules and regulations applying to listed companies issued by Nasdaq Helsinki Ltd (Helsinki Exchange) and the Finnish Financial Supervisory Authority. The company's head office is located in Espoo, Finland.

Oriola applies the Corporate Governance Code in its entirety without any exceptions. The information required by the Corporate Governance Code is also available on the company's website www.oriola.com. An unofficial English translation of the Corporate Governance Code 2020 is in the public domain and available on the Securities Market Association's website at www.cgfinland.fi.

Oriola prepares its consolidated financial statements and interim reports in accordance with the EU-approved IFRS reporting stand-

Governing structures of Oriola



ards, the Securities Markets Act, applicable Financial Supervisory Authority standards and the rules issued by Nasdaq Helsinki Ltd. The Report of the Board of Directors and the parent company's financial statements have been prepared in accordance with the Finnish Accounting Act and the guidelines and statements of the Accounting Board. The auditor's report covers the Report of the Board of Directors, the consolidated financial statements and the parent company's financial statements.

General meeting of shareholders

The general meeting of shareholders decides on the matters that under the Companies Act and the Articles of Association of Oriola are within its purview. Each shareholder is entitled to attend general meetings. Each class A share carries 20 votes and each class B share 1 vote at General Meetings. According to the Articles of Association, no shareholder may vote using an amount of votes that exceeds 1/20 of the total number of votes carried by the shares of different share classes represented at the general meeting.

The Board of Directors convenes a general meeting of shareholders. The notice of general meeting is published on the company's website or in one daily newspaper in Finland's capital city no earlier than 2 months and no later than 21 days prior to the meeting. Oriola also publishes the notice of general meeting as a stock exchange release. The documents to be submitted to the general meeting and the draft resolutions to the general meeting are available on the company's website. The notice of the general meeting contains the proposed agenda for the meeting.

A shareholder has the right to have matters that under the Companies Act fall within the competence of the general meeting dealt with by the general meeting, if the shareholder so demands in writing to the Board of Directors well in advance of the meeting so that the matter can be included in the notice of general meeting. The demand shall be considered to have arrived in time, when the Board of Directors has been informed about the demand at the latest four weeks in advance of the publication of the notice of the general meeting.

The company's starting point is that the chairman of the Board of Directors, the members of the Board of Directors and its committees, the President and CEO, and the auditor attend the general meeting. A person proposed for the first time as member of the Board of Directors shall be present at the general meeting that decides on his or her election unless there are well-founded reasons for absence.

The shareholders shall according to law and the articles of association exercise their power of decision at the general meeting. The Annual General Meeting is held by the end of May each year. The duties of the Annual General Meeting include:

- adoption of the financial statements;
- use of the profit shown on the balance sheet;
- election of the members of the Board of Directors and the decision on their fees;
- discharging from liability for the members of the Board of Directors and the President and CEO;
- election of the auditor and the decision on compensation, and
- proposals made by the Board of Directors and shareholders to the Annual General Meeting (e.g. amendments to the Articles of Association, repurchase of the company's own shares, share issue, giving special authorisations).

Annual General Meeting 2022

The Annual General Meeting of Oriola, held on 15 March 2022, adopted the financial statements and discharged the members of the Board of Directors and the President and CEO from liability for the financial year ending 31 December 2021. According to the decision of the Annual General Meeting, a dividend of EUR 0.04 per share was paid on the basis of the balance sheet adopted for the financial year ending 31 December 2021.

Authorisations

The Annual General Meeting authorised the Board to decide on a share issue against payment in one or more issues, including the right to issue new shares or to assign treasury shares held by the company. The authorisation covers a combined maximum of 5,500,000 class A shares and 12,500,000 class B shares of the company and includes the right to derogate from the shareholders' pre-emptive subscription right. The authorisation is in force for eighteen (18) months following the decision of the Annual General Meeting. The Board was also authorised to decide on a share issue against payment of class B shares in one or more issues including the right to issue new class B shares or assign class B treasury shares held by the company. The authorisation covers a combined maximum of 18,000,000 class B shares of the company including the right to derogate from the shareholders' pre-emptive subscription right. The authorisation is in force for a maximum of eighteen (18) months following the decision of the Annual General Meeting.

The Annual General Meeting authorised the Board to decide on a share issue of class B shares without payment to the Company and on a directed share issue of class B shares in order to execute the share-based incentive plan for Oriola Group's executives and the share savings plan for Oriola Group's key personnel. The maximum number of new class B shares to be issued under this authorisation is 250,000, which represents of 0.14% of all shares in the Company. The authorisation is in force for eighteen (18) months from the decision of the Annual General Meeting.

The Annual General Meeting authorised the Board to decide on repurchasing up to 18,000,000 of the company's own class B shares. Shares may be repurchased also in a proportion other than in which shares are owned by the shareholders. The authorisation is in force for a maximum of eighteen (18) months following the decision of the Annual General Meeting.

All decisions of the Annual General Meeting 2022 are available on the company's website www.oriola.com.

Shareholders' Nomination Board

The Shareholders' Nomination Board consists of five members appointed by the shareholders. In addition, the Chairman of the Board of Directors acts as an expert member of the Nomination Board.

The Chairman of the Board of Directors annually arranges a meeting to which the Chairman invites the company's 20 largest shareholders, by votes, registered as shareholders in the company's shareholders' register maintained by Euroclear Finland Ltd by 31 August preceding the Annual General Meeting. The meeting of the 20 largest shareholders, by votes, elects the members of the Shareholders' Nomination Board. One of the members is elected to serve as the Chairman of the Shareholders' Nomination Board.

The term of office of the members of the Shareholders' Nomination Board expires the year following the appointment upon the appointment of the new members of the Shareholders' Nomination Board pursuant to the rules of procedure of the Shareholders' Nomination Board.

The Shareholders' Nomination Board is established to exist and serve until the Annual General Meeting decides otherwise.

The Nomination Board shall prepare a proposal concerning the composition of the Board of Directors for the company's Annual General Meeting. The Nomination Board must submit its proposals to the Board of Directors no later than on the first day of February preceding the Annual General Meeting. The proposals are published as a stock exchange release and included in the invitation to the Annual General Meeting. The Nomination Board shall also present and provide grounds for its proposals to the Annual General Meeting.

The rules of procedure of the Shareholders' Nomination Board are available on the Company's website www.oriola.com.

The largest shareholders of Oriola Corporation elected on 22 September 2022 the following persons as members of the Nomination Board:

Annika Ekman
Peter Immonen
Timo Maasilta
Pekka Pajamo
Into Ylppö

Pekka Pajamo was elected Chairman of the Nomination Board. Panu Routila, Chairman of the Board of Directors of Oriola, serves as an expert member of the Nomination Board.

On 12 January 2023, the Shareholders' Nomination Board submitted its proposal to the 2023 Annual General Meeting concerning the composition of the Board of Directors as follows: The number of members of the Board of Directors would be six. The present members of the Board of Directors Eva Nilsson Bågenholm, Nina Mähönen and Harri Pärssinen would be re-elected. Ellinor Persdotter Nilsson, Yrjö Närhinen and Heikki Westerlund would be elected new members of the Board of Directors. Heikki Westerlund would be elected as Chairman of the Board of Directors. Juko-Juho Hakala, Lena Ridström and Panu Routila, have informed the Nomination Board that they are not available for re-election to the Board of Directors.

The biographical details of the proposed Board members are presented on the company's website.

Board of Directors

The Board of Directors is responsible for the administration of the company and the appropriate organisation of its operations.

The Board of Directors is responsible for managing and supervising the company's operations in accordance with the law, governmental regulations and the articles of association. The Board also ensures that good corporate governance is complied with throughout the Oriola Group.

The members of the Board of Directors are elected by the general meeting of shareholders. The Board of Directors uses the highest decision-making power in the Oriola Group between the general meetings of Shareholders. Pursuant to the articles of association, the Board of Directors consists of no fewer than five and no more than eight members. The term of the members of the Board of Directors expires at the end of the next Annual General Meeting following their election. The chairman of the Board of Directors is elected by the general meeting of shareholders. The vice chairman of the Board is elected by the Board of Directors from among its members.

The Board of Directors convenes in accordance with a timetable agreed in advance and also convenes as required. In addition to making decisions, the Board of Directors also receives during its meetings current information about the operations, finances and risks of the Group. Board meetings are also attended by the President and CEO, the CFO and the General Counsel (who acts as secretary to the Board). Members of the Oriola Management Team attend Board meetings at the invitation of the Board. Minutes are kept of all meetings.

Main tasks of the Board of Directors

The main tasks to be dealt with by the Board of Directors are listed in the Board's rules of procedure. Accordingly, these are among others:

- approving the company's strategy;
- approving financial targets, budgets, major investments and risk management principles;
- appointment and dismissal of the company's President and CEO;
- consideration and decision of all significant matters concerning the operations of the Group and the business segments; and
- approving the charters of the Audit Committee and the Compensation and Human Resources Committee.

Diversity on the Board

The ultimate goal in electing members to the Board of Directors is to ensure that the Board of Directors as a collegium has a competence profile which supports Oriola's existing and future business. Diversity supports the overall goal that the Board of Directors has an optimal competence profile to support the company's business and is viewed as an integral part and a success factor enabling the achievement of Oriola's strategic goals. Important factors for the diversity of Oriola's Board of Directors are the mutually complementary expertise of the members, their education and experience in different professional areas and industrial sectors, businesses in various stages of development, leadership experience, as well as their personal capacities. The diversity of the Board of Directors is supported by experience in operating environments and industries relevant to the company as well as different cultures and by consideration of the age and gender breakdown of the members.

Oriola's Board of Directors has approved the diversity policy of the Board of Directors in December 2016. According to the diversity policy of the Board of Directors Oriola's objective is to maintain an appropriate balance of representation of both genders on the Board of Directors.

The company has upheld the requirements set for diversity in the composition of the Board of Directors. Oriola's Board of Directors 2022 represents diversity related of nationalities, professional competencies and genders.

Board of Directors 2022–2023

The Annual General Meeting of Oriola held on 15 March 2022 confirmed that the Board of Directors of Oriola shall have six members and elected the following persons as chairman and members of the Board of Directors:

Name	Year of birth	Education and independence	Attendance at Board Meetings	Attendance at Committee Meetings
Panu Routila (Chairman)	1964	M.Sc. (Economics), independent member of the Board	26/26	Compensation and HR Committee 13/13 and Audit Committee 7/7
Juko-Juho Hakala	1970	M.Sc. (Economics), independent member of the Board	26/26	Compensation and HR Committee 11/13
Nina Mähönen	1975	M.Sc. (Technology), independent member of the Board	15/16	Audit Committee 4/5
Eva Nilsson Bågenholm (Vice Chairman)	1960	Physician, independent member of the Board	26/26	Compensation and HR Committee 13/13
Lena Ridström	1965	M.Sc. (Economics), independent member of the Board	26/26	Audit Committee 7/7
Harri Pärssinen	1963	M.Sc. (Economics), independent member of the Board	26/26	Audit Committee 7/7

In its constitutive meeting held later the same day, the Board of Directors elected Eva Nilsson Bågenholm as its Vice Chairman.

Members of Oriola's Board of Directors 1 January–15 March 2022:

Name	Year of birth	Education and independence	Attendance at Board Meetings	Attendance at Committee Meetings
Anja Korhonen	1953	M.Sc. (Economics), independent member of the Board	10/10	Audit Committee 2/2

The Board of Directors has evaluated the independence of its members and determined that all members are independent of the company and its major shareholders. The Board has also conducted an assessment of its activities and working practices.

In 2022, the Board of Directors of Oriola convened 26 times, of which three were per capsulam meetings.

Board committees

The Board of Directors has an Audit Committee and a Compensation and Human Resources Committee. The committees' charters are confirmed by the Board. The committees are preparatory bodies that submit proposals to the Board on matters within their purview. Minutes are kept of the committees' meetings. The committees report to the Board at regular intervals. The committees do not have independent decision-making powers. Their task is to submit recommendations to the Board on matters under consideration.

In its constitutive meeting, held after the Annual General Meeting, the Board of Directors appoints, from among its members, the members and chairman of the Audit Committee and the Compensation and Human Resources Committee.

In addition to the Audit Committee and Compensation and Human Resources Committee, the Board of Directors may appoint ad hoc committees for preparing specific matters. Such committees do not have Board-approved charters and the Board does not release information on their term, composition, the number of meetings or the members' attendance rates.

Audit Committee

The task of the Audit Committee is to enhance the control of the company's operations and financial reporting. According to the charter, the following in particular shall be addressed and prepared by the Audit Committee:

- reviewing the consolidated financial statements and interim reports, together with the auditor;
- reviewing together with the auditor any deficiencies in the supervision systems observed in control inspections and any other deficiencies reported by auditors;
- reviewing any deficiencies in the control system observed in internal audit and other observations and recommendations made;
- reviewing the plans of action for the control inspection and internal audit and giving recommendations to company management on focus areas for internal audits; and
- evaluating the appropriateness of the supervision of company administration and risk management and reviewing changes in the principles of company accounting and external reporting prior to their introduction.

In addition, the Audit Committee's duties include preparatory work on the decision of electing the auditor, evaluation of the independence of the auditor, taking into account particularly the effect of the provision of related services on the independence, and carrying out any other tasks assigned to it by the Board. The Audit Committee has at least three members.

As of 15 March 2022, the Chairman of the Audit Committee is Harri Pärssinen and the other members are Nina Mähönen, Lena Ridström and Panu Routila. The members of the Audit Committee are independent of the company and its major shareholders.

Compensation and Human Resources Committee

According to the charter, the Compensation and Human Resources Committee reviews management and personnel remuneration policies and issues related to management appointments and makes proposals on such matters to the Board of Directors. The Committee's responsibilities include:

- Developing and monitoring effective compensation principles that promote achievement of the goals of the company
- Making proposals to the Board on compensation and incentive schemes for management and other key personnel
- Evaluating performance management, succession planning and talent development processes and programmes
- Considering and preparing appointments of top management to be decided by the Board. Supporting and advising the President and CEO in the appointments of the Oriola Management Team
- Monitoring and evaluating the performance of the President and CEO
- Monitoring and evaluating the performance of the members of the Oriola Management Team based on the CEO´s proposal.

The Compensation and Human Resources Committee has three members. In its constitutive meeting on 15 March the Board appointed from among its members the following members to the Compensation and Human Resources Committee: Eva Nilsson Bågenholm (Chairman), Juko Hakala and Panu Routila. The members of the Compensation and Human Resources Committee are independent of the company and its major shareholders.

President and CEO and deputy to CEO

The Board of Directors appoints and dismisses the President and CEO of Oriola and decides on the terms of his/her employment. At the end of 2022 the President and CEO of the company is Katarina Gabrielson, M.Sc., born in 1969.

Elisa Markula, M.Sc, born in 1966 left her position as the President and CEO on 15 March 2022 at which time Katarina Gabrielson was appointed interim President & CEO. Katarina Gabrielson was appointed new permanent President and CEO of Oriola on 9 May 2022.

In accordance with the Companies Act, the President and CEO is responsible for the day-to-day executive management of the company in accordance with the instructions and orders given by the Board of Directors. In addition, the President and CEO also ensures that accounts of the company comply with Finnish law and that its financial affairs have been arranged in a reliable manner. The terms and conditions of the President and CEO’s employment are specified in a written service contract approved by the Board.

The Board of Directors also appoints, as necessary, a deputy to the President and CEO. At the end of the year 2022 the Company does not have an appointed deputy to the President and CEO.

Oriola Management Team

At the end of the year 2022, the Oriola Management Team consisted of six members, including the President and CEO, to whom the other Oriola Management Team members report. The Oriola Management Team is responsible for the operative management and development of Oriola. It meets regularly and assists CEO for preparing Oriola’s strategy, annual planning, monitoring the performance against set targets, financial reporting, risk management and preparing investments and other decisions. Key duties are also developing a strong culture and aligned internal ways of working in Oriola.

The following persons were members of Oriola Management Team on 31 December 2022:

- Katarina Gabrielson, President and CEO
- Petri Boman, Chief Supply Chain Officer
- Hannes Hasselrot, Chief Commercial Officer
- Timo Leinonen, Chief Financial Officer
- Elina Niemelä, Chief People Officer
- Petter Sandström, General Counsel

Descriptions of internal control procedures and the main features of risk management systems

The risk management systems and internal control procedures related to Oriola’s financial reporting aim to ensure a reasonable certainty of the reliability of the company's financial statements and financial reporting, as well as the company's compliance to legislation and generally approved accounting principles.

Financial reporting

The Board of Directors and the President and CEO have the overall responsibility for organising the internal control and risk management systems pertaining to financial reporting. The President and CEO, the members of the Oriola Management Team and the heads of the business units are responsible for the accounting and administration of the areas within their spheres of responsibility complying with legislation, the Group's operating principles, and the guidelines and instructions issued by Oriola's Board of Directors. The organising and leading of the financial reporting in the Group has been centralised under the subordination of the CFO.

Oriola Group follows the International Financial Reporting Standards (IFRS) approved for application within the European Union. Instructions and accountancy principles for financial reporting are collected in an accounting manual that is updated as soon as standards change, as well as in the financial department's instructions that are followed in all Group companies. Group accounting is responsible for following and keeping up to date with financial statement standards, upholding the principles concerning financial reporting and distributing information about these to the business units.

Measurement and follow-up

The performance of the Group is monitored in the Oriola Management Team with monthly reports as well as in the monthly operational reviews of the business segment. The financial situation of the Group is also monitored in the meetings of the Board of Directors. The Audit Committee and the Board of Directors examine the interim reports and financial statements before their publication. Monitoring of the monthly reports also ensures the effectiveness of internal supervision. Each business segment must ensure effective supervision of its own operations as part of Group-level internal supervision. The business segments and the Group Finance organisation are responsible for the evaluation of the processes covering financial reporting. The evaluations must contain balances and analyses, which are compared with budgets, assessments and various economic indicators.

Internal control

Internal control forms an essential part of the company's governance and management systems. It covers all of the Group's functions and organisational levels. The purpose of internal control is to ensure a sufficient certainty that the company will be able to carry out its strategy. Internal control is not a separate process but a procedural measure covering all Group-wide operating principles, guidelines and systems.

The purpose of Oriola's internal supervision system is to support the implementation of the Group strategy and to ensure that rules and regulations are observed. The company's internal supervision is based on a Group structure, in which the Group's operations are organised into Business Areas and Group functions. Group functions issue Group-level guidelines laying down the operational framework and the persons responsible for the process. The guidelines cover such areas as accounting, reporting, financing, investments and business principles.

The guidelines aim to ensure that all risks connected to the achievement of the company's objectives can be identified and managed. The control measures cover all Group levels and functions. All new instructions and guidelines are published on the company's internal website and staff members can provide feedback to the management and anonymously report any questionable activities through the company internet.

Risk management
The Board of Directors of Oriola approves the company's risk management policy in which the risk management operating model, principles, responsibilities and reporting are specified. The Board assesses the Company's long-term strategic risks and oversees the effectiveness of the risk management. The Board-appointed Audit Committee regularly reviews and monitors the implementation of the risk management policy in the Group and the risk management process.

Oriola has specified the company's risk management model, principles, organisation and process in the Group Risk Management Policy. The Group Risk Management Policy defines the enterprise risk management system, objectives, roles and responsibilities within Oriola in order to identify and manage risks related to execution of the Company's strategy and operations. The Group Risk Management Policy is the main risk management document within Oriola and must be followed by all Oriola business units, subsidiaries and entities. Additionally, the Group has a Code of Conduct policy, a Treasury policy and an Approval policy covering compliance and financial risks. Oriola's risks are classified as strategic, operational, financial and hazard risks. Risk assessment and management are key elements in the strategic planning, operations and daily decision making in the company.

Risk management and the most significant risks are described on the company's website at www.oriola.com.

Other information to be provided in the CG statement

Internal audit
Oriola uses an outsourced internal audit function for the purpose of fulfilling its internal audit requirements. The outsourced internal audit function is an independent and objective assurance activity reporting directly to the Audit Committee of the Board of Directors. The internal audit assignments are carried out on the basis of an Internal Audit Charter approved by the Board of Directors as well as an Internal Audit Plan annually reviewed and approved by the Audit Committee.

Insider management
Oriola complies with the insider holding guidelines issued by Nasdaq Helsinki Ltd (January 1, 2021) and the Market Abuse Regulation (596/2014, "MAR"). Oriola has issued its insider guidelines ("Guidelines") which are based on applicable EU and Finnish legislation (especially MAR and the Securities Markets Act 746/2012), the insider guidelines of Nasdaq Helsinki Ltd, and the regulations and guidelines of the European Securities Markets Authority and the Finnish Financial Supervisory Authority.

Members of the company's Board of Directors, the President and CEO, as well as the CFO, CCO, CSCO and CDO are considered the management of the company ("Management"). Management and their related parties shall notify all transactions with the company's securities or financial instruments made on his or her own account to the company and the Finnish Financial Supervisory Authority without delay and three working days from the execution of the transaction at the latest. The guidelines set trade restrictions prohibiting Management and the persons who participate in the preparation of interim and annual financial statements of Oriola from making transactions with the company's securities or financial instruments related to them during a closed period of no less than 30 days before a financial report of Oriola is made public (closed period).

Oriola is obliged to draw up the insider lists and keep them up to date. For the time being, Oriola has determined not to include any persons as permanent insiders. Consequently, all persons with inside information will be included in the event-based insider list for relevant insider projects. Oriola instructs the persons entered in the event-based insider list on their obligations and any possible consequences. In addition, Oriola monitors and supervises the proper management of insider issues.

Related party transactions
Oriola abides by applicable legislation concerning related party transactions. Oriola's related parties are the related parties of a listed company in accordance with the Companies Act and IAS 24. The related parties include Management, their close family members as well as companies in which the individuals mentioned, alone or jointly with others, exercise control. Oriola maintains a list of parties that are related to the company.

Oriola assesses and monitors transactions to be made with related parties to ensure compliance with applicable laws and regulations, including the Corporate Governance Code, e.g. to safeguard that potential conflicts of interest are adequately taken into account in the company's decision making.

Management of the company has confirmed for 2022 that neither they nor their related parties have engaged in business transactions with Oriola during the year in question.

External audit
The company has one auditor, which must be a firm of authorised public accountants. The auditor is elected annually by the Annual General Meeting for a term that expires at the end of the next Annual General Meeting following the election. The task of the auditor is to audit the consolidated financial statements, the financial statements of the parent company, the accounting of the Group and the parent company and the administration of the parent company. The company's auditor

submits the auditor's report to the shareholders in connection with the annual financial statements, as required by law, and submits regular reports on its observations to the Board's Audit Committee.

The Board of Directors and the Audit Committee are responsible for monitoring the independence of the auditor. For this reason, the company has implemented a policy covering the provision of non-audit services by the elected auditors.

The Annual General Meeting of Oriola held on 15 March 2022 re-elected KPMG Oy Ab, a firm of authorised public accountants, as the company's auditor, with Kirsi Jantunen, Authorised Public Accountant, KHT, as the principal auditor. The fees for the statutory audit paid to the member firms of KPMG network in 2022 totalled EUR 277 thousand. In addition, EUR 28 thousand was paid for other audit related services provided to Group companies.

4. Remuneration

Remuneration and other benefits of the members of the Board of Directors

The Annual General Meeting decides annually on the remuneration payable to members of the Board of Directors for their term of office. The Shareholders' Nomination Board prepares a proposal concerning the composition of the Board of Directors for the company's Annual General Meeting.

On 15 March 2022, the Annual General Meeting confirmed that the fee for the term of office of the Chairman of the Board of Directors is EUR 60,000, the fee for the term of office of the Vice Chairman of the Board of Directors and for the Chairman of the Board's Audit Committee is EUR 36,000 and the fee for the term of office of other members of the Board of Directors is EUR 30,000. The Chairman of the Board of Directors receives an attendance fee of EUR 1,000 per meeting and the other members EUR 500 per meeting. Attendance fees are correspondingly also paid to the chairpersons and members of Board and company committees. Travel expenses are compensated in accordance with the travel policy of the company.

In accordance with the decision of the Annual General Meeting, 60% of the annual remuneration was paid in cash and 40% in class B shares. Oriola Corporation class B shares were acquired on the market for the Board members as follows: Panu Routila 11,665 shares, Nina Mähönen 5,832, shares, Juko-Juho Hakala 5,832 shares, Eva Nilsson Bågenholm 6,999 shares, Lena Ridström 5,832 shares and Harri Pärssinen 6,999 shares.

Restriction periods are not included in the remuneration paid in Oriola Corporation class B shares. The members of the Board of Directors have not received any share-based rights as remuneration. They are not included in the company's share incentive scheme. The company has not granted any loans to Board members nor given guarantees on their behalf.

The total fees and other benefits of the Board members for 2022 and shareholdings in the company on 31 December 2022 are available in notes 4.4. and 8.4. to the Consolidated Financial Statements and Remuneration report (http://www.oriola.com/investors/corporate-governance/remuneration-statement).

Main principles and decision-making process on the remuneration of the President and CEO and other executives

The salary of the President and CEO and other members of the Oriola Management Team consists of a fixed base salary, fringe benefits, a short-term performance bonus and a long-term share incentive plan. The remuneration commits management to develop the company and its financial success in the long-term. The development stage and strategy of the company are considered when determining the principles for remuneration.

In accordance with its charter approved by the Board of Directors, the Compensation and Human Resources Committee monitors the effectiveness of the incentive schemes to ensure that the schemes promote the achievement of the company's short-term and long-term goals. According to the charter, the Compensation and Human Resources Committee reviews management and personnel remuneration policies and issues related to management appointments and makes proposals on such matters to the Board of Directors. More information about the Compensation and Human Resources Committee can be found in the Corporate Governance statement.

The Board of Directors reviews and decides annually on the remuneration and benefits of the President and CEO and other members of the Oriola Management Team, and the underlying criteria thereof.

The Board of Directors decides annually on the earnings criteria and the determination of the performance bonuses based on the proposal of the Compensation and Human Resources Committee.

The company has not granted any loans to the President and CEO or to the members of the Oriola Management Team, nor given guarantees on their behalf. The company has no share option scheme in place. The President and CEO and Chief Commercial Officer have a defined contribution pension benefit typically applied in Sweden.

Short-term performance bonuses

The performance bonus is based on the achievement of the company's financial targets and personal targets. The maximum performance bonus in 2022 for the President and CEO and for the Oriola Management Team was 60% of the annual salary. The Board of Directors decides annually on the earnings criteria and the determination of the performance bonuses based on the proposal of the Compensation and Human Resources Committee.

Share-based incentive programmes

The members of Oriola's Oriola Management Team are part of the company's long-term share incentive scheme. The scheme unites the objectives of shareholders and key personnel to increase the value of the company, commits the key personnel to the company, and offers key personnel a competitive remuneration system based on ownership of shares in the company.

The Board of Directors of Oriola Corporation decided on 2 June 2022 on the establishment of a new share-based long-term incentive plan for the company's key employees, including the CEO and the Oriola Management Team. At the same time, the Board decided to terminate the previous long-term incentive plan for the years 2019-2023.

The new incentive plan comprises a Performance Share Plan (also “PSP”) and a share-based bridge plan to cover the transition phase to the new LTI structure (the “Bridge Plan”). In addition, the long-term incentive scheme comprises a Restricted Share Plan (also “RSP”) as a complementary long-term share-based retention plan for individually selected key employees in specific situations.

The Performance Share Plan
The Performance Share Plan for the years 2022-2025 consists of annually commencing individual performance share plans, each of which is subject to separate decision of the Board of Directors. Each plan comprises a performance period followed by the payment of the potential share rewards in listed class B shares of Oriola. The length of the performance period of the first plan, PSP 2022, is four calendar years. The possible subsequent plans will include a three-year performance period as separately decided by the Board of Directors. Eligible for participation in the first PSP 2022 are approximately 20 individuals, including the members of the Oriola Management Team. The performance measures based on which the potential share rewards under PSP 2022 will be paid are earnings per share (EPS) and an environment-related target (CO_2). The first plan, PSP 2022, commences effective as of the beginning of 2022. It comprises a performance period covering the calendar years 2022–2025, and the share rewards potentially payable thereunder will be paid during the first half of 2026. The payment of the rewards is conditional on the achievement of the performance targets which the Board of Directors has set for the plan and the individual participant’s continued employment or service relationship with Oriola. If all the performance targets for the PSP 2022 are fully achieved, the aggregate maximum number of shares to be paid based on this plan is approximately 2,254,000 class B shares (referring to gross earning, from which the applicable payroll tax is withheld).

The Bridge Plan
The Bridge Plan for the years 2022-2023 covers specific incentive and retention needs during the transition phase to the new LTI structure. Eligible for participation in the Bridge Plan are the same individuals as for PSP 2022. The Bridge Plan is a one-off plan commencing effective for the years 2022–2023. The potential share rewards payable based on the Bridge Plan will be paid in listed class B shares during the first half of 2024. The performance measures based on which the potential share rewards under the Bridge Plan will be paid are the development of share price of Oriola’s class B share (excluding dividends and other distribution to shareholders), earnings per share (EPS) and an environment-related target (CO_2). If all the performance targets set for the Bridge Plan are fully achieved, the aggregate maximum number of shares to be paid based on this plan is approximately 1,127,000 class B shares (referring to gross earning, from which the applicable payroll tax is withheld).

The Restricted Share Plan
The Restricted Share Plan for the years 2022-2024 consists of annually commencing individual restricted share plans which are subject to a separate decision of the Board of Directors. Each plan comprises a restriction period with an overall length of three years, extending to first half of the fourth year of the individual plan. During the plan period, the company may grant fixed share rewards to individually selected key employees. The granted share rewards are paid to the selected participants in one or several tranches latest by the end of the restriction period. The share rewards are paid in listed class B shares. The first plan, RSP 2022, commences effective as of the beginning of 2022. The aggregate maximum number of shares payable as a reward is approximately 225,400 class B shares (referring to gross earning, from which the applicable payroll tax is withheld).

For all three programs, if the individual’s employment with Oriola Corporation terminates before the payment of the reward, the individual is, as a main rule, not entitled to any reward. The value of the reward payable to each individual participant based on the plans is limited by a maximum cap linked to a multiplier of the individual’s annual salary. Oriola applies a share ownership requirement to the CEO and the members of Oriola Management Team. They are expected to retain ownership at least half of the shares received under the incentive plans until the value of his/her ownership in the company, in the case of the CEO, corresponds to at least his/her annual gross base salary, and in the case of the other the members of the Oriola Management Team, to at least half of his/her annual gross base salary.

Share savings plan
Oriola Corporation has had since 2013 a key personnel share savings plan which has been terminated in 2022 and no new savings have been made to the program in 2022. Approximately 60 key employees participated in the share savings plan for the savings period 1 January – 31 December 2021. The holding period will end on the publication date of the Oriola’s Financial Statements Release 1 January – 31 December 2022. A total of 50,425 matching shares will be transferred to eligible participants in 2023. The matching shares are paid partly in Oriola’s class B shares and partly in cash. The cash proportion is intended to cover taxes and tax-related costs arising from the reward to a key person.

Financial benefits of the President and CEO in 2022
The salary and other remuneration, including fringe benefits, paid to the President and CEO Katarina Gabrielson as of 15 March until 31 December 2022, amounted to a total of EUR 471,208 as follows:

Fixed base salary of EUR 444,586;
Fringe benefits of EUR 3,760; and
Share-based payments of EUR 22,862

The salary and other remuneration, including fringe benefits, paid to Elisa Markula as of 1 January until 15 March 2022 amounted to a total of EUR 103,545 as follows:

Fixed base salary of EUR 100,885; and
Fringe benefits of EUR 2,660.

Financial benefits of other Oriola Management Team members 2022
The salaries and other remuneration, including fringe benefits, paid in 2022 to the members of the Oriola Management Team totalled EUR 1,236,280 as follows:
Fixed base salaries totalling EUR 1,069,536;
Fringe benefits totalling EUR 71,971;
Performance bonuses totalling EUR 39,512; and
Share-based payments totalling EUR 55,261.

The members of the Oriola Management Team are included in the company's share-based incentive scheme. Shareholdings of the members of the Oriola Management Team in the company are available in note 8.4. to the Consolidated Financial Statements and in the Remuneration report on the company web site.

5. Non-financial information

Oriola regularly discloses its short and long-term objectives on a periodical basis. The scope of the reporting concentrates on the areas in which Oriola has the biggest impact and opportunities and which are defined material for the company through materiality assessment. The assessment of the economic, social and environmental impacts of Oriola's operations, as well as the impacts on stakeholders' decision-making, takes into account the strong connection between sustainability, strategy and business and its impact on Oriola's ability to create value for its value chain. The topics most material for Oriola are responsible business conduct, safe and secure delivery of medicines, personnel responsibility, decarbonisation of own operations and value chain, minimising waste and increasing recycling, and sustainable supply chain management.

The sustainability information for 2022 is reported in two parts. Oriola reports the disclosed information in accordance with the Accounting Act amendment 1376/2016, which is based on the EU Directive 2014/95/EU on the disclosure of non-financial and diversity information. More information about the key sustainability topics, data and time series is reported in reference to the GRI (Global Reporting Initiative) in the Annual Review 2022. The environmental data published in this statement of non-financial information and in the Annual Review has been assured by a third party (limited assurance).

Oriola is committed to UN's Sustainable Development Goals as well as Global Compact's principles for responsible business. Oriola reports on risk management and management practices related to climate change in CDP's climate change programme. In 2022, Oriola received recognition for its environmental work by achieving CDP's second highest score A-.

Business model and value creation

Oriola operates in the health and wellbeing market in Finland and Sweden. Oriola's Kronans Apotek pharmacy operations in Sweden were combined with Apoteksgruppen into a new jointly owned company as of 3 October 2022. Oriola announced in September that it was renewing its operating model to seek synergies and to ensure seamless work across markets by establishing cross-market responsibilities for the members of the management team. The company employed approximately 930 people in Finland and Sweden at the end of 2022.

Oriola serves the health and wellbeing market with a modern and customer-focused assortment and services, and connects all actors within the field, from pharmaceutical companies to pharmacies. Oriola promotes wellbeing by ensuring that pharmaceuticals as well as health and wellbeing products are delivered in a safe and customer-friendly manner. Oriola's wide range of services help pharmaceutical companies and other operators in the healthcare sector to succeed and promote a healthier life for people. Oriola does not have product manufacturing of its own.

Oriola creates value for different stakeholders, from societal operators to patients, suppliers, consumers and its shareholders. As Oriola provides logistics services to the pharmaceutical companies and pharmacies, dose-dispensing services as well as expert services for pharmaceutical companies and pharmacies, the company's supply network consists of pharmaceutical suppliers and retail suppliers and covers both Finland and Sweden. More detailed value creation framework with inputs, outputs and impacts is described in Oriola's value creation model available on the company's website. Being a preferred partner and building the supply and partner network on trust and accountability is a prerequisite for Oriola's whole value chain. Sustainable business practices and systematic risk management are essentials for creating longer-term shareholder value and financial stability. Quality management and compliance with national and international pharmaceutical sector laws and regulations are the foundation for the company's operations.

In 2022, health and wellbeing continued as a global topic. Oriola's key task is to secure pharmaceutical warehousing and distribution in the company's operating countries. During the COVID-19 pandemic, Oriola responded to changing needs of societies and healthcare by introducing new services or adapting to new demand, for example distributed the COVID-19 vaccines in Finland. In general, the vaccine distribution requires high-quality cold chain expertise. Oriola has invested in cold chain development during the recent years in both its operating markets and increased its freezer capacity.

ESG risk management

Oriola assesses ESG risks (environment, social and governance) as part of the group risk management process. The most significant sustainability risks are identified and assessed as a part of the annual risk management process facilitated by Oriola's risk management team. The risk management team monitors the level of risks and ensures that the risks are mitigated appropriately by Oriola's businesses and shared functions.

Transition risks related to climate change, such as changes in fossil fuel pricing or stricter environmental regulation causing increased operational expenses, are identified in the process. Risks are closely monitored and mitigated by open discussion with customers and partners as well as with decision makers. Risks related to anti-bribery and corruption as well as information security are recognised in the process. People related risks such as human rights violations in own operations and/or supply chain as well as health and safety risks are highlighted, and mitigation activities assessed along with the Code of Conduct process. Other sustainability risks include information security risks related to cyber-attack, which Oriola mitigates through security trainings and implementation of data protection tools.

Oriola responds to these challenges and sees business opportunities in systematic development of environmental work in collaboration with customers, partners and decision makers. Oriola follows the development of environmental legislation. Commitment to reduce CO_2 emissions is one of the selection criteria for Oriola's transport partners. Oriola evaluates product sustainability in its assortment decisions to meet the increasing demands of consumers.

Environmental matters
Oriola's environmental work is based on the ISO 14 001 framework for environmental management, which, as part of Oriola's common management system, creates consistent way of working for the entire company. In 2022, all major units of Oriola had the ISO 14 001 certification. Environmental management based on the standard aims at continual improvement of company's environmental performance and enhances sustainable growth. Local environmental risks, such as environmental incidents and climate-related risks are assessed according to the requirements of the ISO 14001 environmental management system. Through systematic environmental management, Oriola assesses the environmental impacts of the business, addresses the relevant environmental risks, sets ambitious environmental targets, and plans and carries out actions, monitors the performance and seeks improvement opportunities. Oriola's Environmental Policy outlines the commitment to reduce the environmental impacts of the company's operations and steers decision-making.

Climate change is the single biggest health threat facing humanity, impacting both health and healthcare systems. As a health and wellbeing company, Oriola has a unique responsibility to take action, in accordance with its vision, for a healthier tomorrow. Reducing environmental impacts – using resources more efficiently and minimising emissions and waste – is a high priority for Oriola.

Oriola has worked for years to reduce its carbon footprint with systematic targets and plans. Compared to the company's base year 2019 level, the initiatives have reduced Oriola's carbon footprint. In 2022, Oriola's CO_2 emissions from the own operations (Scope 1 & 2) decreased by 70% compared to the 2019 level. This has been driven by increasing the share of renewable electricity and switching to renewable district heating at our distribution centre in Finland. As much as 91% of Oriola's total energy consumption now comes from renewable or carbon-neutral sources.

Climate change
Oriola is committed to achieving carbon-neutrality in own operations by 2025. The target means reducing to zero carbon emissions from sources owned by the company and purchased energy. To reach the target Oriola continues its consistent work to change to renewable and carbon neutral energy sources and to find low-emissions options for refrigerants used in the cold storage. The target is part of the Oriola's long-term sustainability goal to become a carbon-neutral company by 2030. Oriola's carbon footprint has been calculated in accordance with the Greenhouse Gas Protocol accounting principles and covers the entire company.

Transport is Oriola's largest source of indirect emissions, as suppliers are responsible for the entire transport network. Close cooperation with transport partners makes it possible to reduce emissions by optimising routes, using capacity efficiently and expanding the use of alternative fuels, among other things. The emissions can also be impacted at distribution centres, for example, by improving the filling rate of transport boxes, which reduces the number of boxes delivered to customers. The company monitors transport emissions by requiring transport partners to report the emissions on regular basis.

Managing climate change risk
Environmental risks to Oriola's business, value chain, communities and the planet include transition risks related to climate change, such as changes in fossil fuel pricing or stricter environmental regulation causing increased operational expenses and changing consumer behaviour.

Oriola manages climate risks by focusing most relevant low carbon technologies when acquiring new or modernising existing equipment as well as managing physical climate risks by adopting clear risk management practices.

ESG risks, including climate-related risks, are assessed as part of the regular risk management process. The risk management team monitors the level of risks and ensures that the risks are mitigated appropriately by Oriola's businesses and shared functions. Monitoring and mitigating risks through open discussion with customers and partners as well as with decision-makers is an important part of the process. Since 2019, Oriola has used the Task Force on Climate-related Financial Disclosures (TCFD) guidance to analyse and understand its key climate-related risks and opportunities, by reviewing both aspects of climate change as guided by TCFD – how does climate change affect Oriola and how does Oriola contribute to climate change.

With growing customer interest and gradually changing behaviour, the company sees increasing opportunities in pharmaceutical companies' search for sustainable service providers. Oriola can respond to this by setting high requirements for its own climate work. Secondly, with systematic management of climate-related matters Oriola can respond to its customers' increasing expectations regarding ambitious sustainability work.

Managing energy supply risk
In addition to societally responsible actions, Russia's invasion of Ukraine increases the need for energy transition. Increasing energy self-sufficiency in Europe and using fossil-free energy requires new thinking in terms of energy production, and especially energy consumption. Energy transition requires users to actively choose fossil-free energy and makes Oriola's carbon neutrality target even more important.

During the winter season of 2022-23, situations may arise where the production and import of electricity are not enough to cover the demand and electricity consumption may have to be restricted. Managing energy supply risk is crucial for Oriola because it could impact on Oriola's ability to ensure that pharmaceuticals, essential for the health and wellbeing, have the right conditions during storage and transport. Oriola's general business continuity plan covers the preparedness for potential power outages in daily operating environment. The continuity plan includes and defines the critical functions to be maintained or run down in a controlled manner during a possible power outage.

Recycling and waste prevention and management
In addition to cutting CO_2 emissions, one of Oriola's main environmental goals is to decrease waste, use materials effectively and increase recycling. Oriola delivers products from its distribution centres to recipients mainly in reusable transport boxes. This way, the company contributes to minimising the amount of packaging waste in the logistics chain of the products it distributes.
Most of the waste generated in Oriola's operations comes from the packaging materials of the goods arriving at its warehouses and distribution centres. Oriola's capability to sort waste has been systematically increased in recent years, and currently there are over 10 different sorting categories available in the company's biggest warehouses in Finland and Sweden, with cardboard, plastic and waste to energy being

the largest categories. During 2022, Oriola introduced two new sorting categories at its Swedish distribution centre. In addition, new waste compactors to mitigate waste management were introduced.

As a result of efficient work, Oriola's Group level recycling rate increased to 83% (79) in 2022. Moreover, the company achieved the annual recycling target set for the distribution centre in Espoo (recycling rate 85%). Oriola's goal is to expand the recycling of non-pharmaceutical waste to 87% at Group level by 2023.

Social and human resources related matters

Oriola employs professionals in numerous positions in distribution and warehouse centres, dose units and various expert roles. Employees are the company's most important asset: their expertise and know-how are a prerequisite for an excellent customer experience, responsible business and for meeting the strict quality requirements of the pharmaceutical industry. Investing in personnel development and wellbeing also builds Oriola's competitiveness in a rapidly changing market. Oriola wants to offer its employees diverse career paths and an equal and fair workplace.

In 2022, the COVID-19 pandemic continued to affect Oriola's personnel in many ways during the first half of the year. Office personnel have largely been working remotely, while the production staff has continued their work protected by comprehensive health and safety guidelines, to meet customer needs. Depending on the pandemic situation, Oriola has introduced protective equipment as well as practices that minimise staff encounters. Oriola's precautionary measures and work have always been guided by the company's objective to ensure patient safety without compromising the health and safety of its personnel.

Oriola's long-term sustainability goal is a sustainable people journey. The company has set a target for employee Net Promoter Score (eNPS) improvement of at least 21%-points in 2023. The eNPS was -22 in 2022. The eNPS replaced the employee engagement index to measure employee engagement. The main risk related to low employee engagement is the loss of talent and competencies. At Oriola this risk is mitigated through fair and competitive compensation, culture and leadership development programs, talent management, various programs to support professional growth and wellbeing as well as diversity and inclusion.

Leading change is one of the key areas for leadership development, as Oriola's business environment, company structure, culture and ways of working are undergoing a transformation. Leadership was a focus area in organisational development during 2022 and new appointments were made to key management positions.

To ensure continuous development, Oriola annually measures the quality of leadership. In 2022, leadership index improved slightly to 78 from 77 (2021).

All Oriola's employees are subject to annual performance and development discussions, which set personal goals to guide the work and on the other hand, map out each person's own development goals and measures.

Diversity and inclusion

As an employer, promoting equality is a priority for Oriola. Oriola provides a fair and equal workplace that supports diversity and inclusion. For example, the recruitment of new employees is based on their expertise and skills, regardless of cultural background, age, gender or religion. The company's Code of Conduct outlines the principles with which all employees and businesses are expected to comply with. During 2022, the company conducted an annual salary review to ensure that there are no unexplained pay gaps.

The current gender balance for all Oriola employees is 57 percent female and 43 percent male. At the end of 2022, 33 percent of the members of the Oriola Management Team were women (70 percent in 2021).
Oriola does not approve discrimination in any form and has an anonymous reporting channel for reporting misconduct or conduct that does not accord with company values. In 2022, the channel received 8 reports related to, among other things, HR matters. All reports were investigated, and necessary actions were taken accordingly.

Respect for human rights

Respect for human rights and compliance with relevant laws are fundamental principles for Oriola. Being committed to the Ten Principles of the UN Global Compact related to the fundamental responsibilities in human rights, labour, environment, and anti-corruption guides the approach on human rights.

Oriola supports and respect the protection of internationally proclaimed human rights and ensures that the company is not complicit in human rights abuse, considering the due diligence obligation in its activities. The company's human rights focus is on the due diligence efforts on which its operations can have the most severe impact. Together with its suppliers and other stakeholders, Oriola is working to identify both realised and potential harms to the environment and people throughout the value chain, including human rights. As part of the company's management and operations, Oriola prevents and mitigates harm, monitoring the effectiveness of due diligence activities. Oriola also has an anonymous reporting channel for reporting misconduct or conduct that does not accord with company values.

Additionally, human rights are addressed in the company's People policy. To ensure that human rights are also respected in Oriola's supply chain, business partners are expected to commit to the same principles as specified in the company's Business Partner Code of Conduct. The company regularly conducts scheduled risk-based re-evaluations to ensure continued compliance of direct non-pharmaceutical suppliers and promotes close cooperation with the transport partners to strengthen their commitment to responsible business conduct.

Oriola regularly reviews its approach to human rights and is committed to develop the approach with respect to internationally recognized human rights as defined in the United Nation's Universal Declaration of Human Rights, the International Bill of Human Rights and outlined in the core conventions of the International Labour Organization.

Society related matters

Ensuring pharmaceutical safety and the delivery of pharmaceuticals is the highest priority in Oriola's operations and the most significant task societally for Oriola. Pharmaceuticals must be delivered safely and on-time irrespective of external conditions. Oriola's operations are designed to ensure that pharmaceuticals with marketing authorisation are handled in a manner compliant with the pharmaceutical sector's regulatory requirements.

Oriola's long-term sustainability goal is to improve people's health. To achieve this goal, the company has set the intermediate targets of ensuring high-quality pharmaceutical deliveries in its operating countries and promoting of the safe and correct usage of medicines.

The seamless availability of pharmaceuticals and their high-quality transport is a central matter to the society. Oriola delivers pharmaceuticals within 24 hours of ordering to all pharmacies and hospital pharmacies, as well as other healthcare units in Sweden and Finland. The COVID-19 pandemic did not affect pharmaceutical deliveries. Oriola has developed an indicator to follow pharmaceutical delivery quality and accuracy measuring the ability to deliver ordered pharmaceuticals to pharmacies, hospitals and veterinarians. In 2022, the indicator, which only includes operations in Finland, was 99.6% (99.8).

Quality management

Oriola operates on a regulated market. The company's quality management is based on laws and regulatory requirements applicable in the pharmaceutical sector, as well as Oriola's common management system, which provides a framework for common operating and governance practices. Pharmaceutical distribution and wholesale are regulated by Good Distribution Practice (GDP) of the European Medicines Agency (EMA). In Finland, compliance with the GDP is monitored by the Finnish Medicines Agency FIMEA and in Sweden by the Medical Product Agency (MPA). GDP defines the common rules for handling pharmaceuticals. Where applicable, Oriola's operations are also guided by Good Manufacturing Practices (GMP) and other regulation concerning products that come under regulatory control, such as food and cosmetics regulation.

Tax footprint

Oriola supports a transparent company culture and publishes its tax footprint, which consists of income taxes and other taxes, as well as corresponding charges related to business operations. Oriola pays taxes to Finland and to Sweden in accordance with local legislation. Oriola does not have subsidiaries in countries seen as tax havens. Oriola's tax footprint is described on the company's website www.oriola.com.

Supply chain management

The company's procurement policy defines responsible procurement principles, that are ethical, meet quality criteria and respect supplier cooperation. Procurement principles, as well as supplier selection and approval processes are important to Oriola, and they assess the business partners' way of operating to meet the requirements set by Oriola, in particular to ensure patient safety. Oriola evaluates suppliers' sustainability performance in environmental and social issues as part of company's regular supplier assessment process.

Supplier climate strategy is an integral part of the supplier selection process and Oriola requires transport companies to disclose their CO_2 strategy with targets for the short- (1-3 years) and long-term (5+ years) period. Along with that, the requirement for emissions reporting is added to the transport agreements and as part of the supplier selection. In 2022, Oriola renewed the supplier evaluation process with a significant focus on risk assessment, e.g. reducing environmental impacts and production in risk countries of the Amfori classification. In addition, the evaluation criteria have been changed based on risk. The frequency of re-evaluation is determined by e.g. based on the supplier's product category and previous evaluation result.

To help mitigate risks and drive ethical practices in supply chains, Oriola promotes adherence with ethical principles among its business partners and suppliers by requiring suppliers and other business partners to commit to Oriola Business Partner Code of Conduct. The code covers principles related to anti-bribery, anti-corruption and discrimination, respecting labour and human rights, and promotion of occupational safety and health.

In 2022, Oriola continued implementing its improved sustainable procurement process and developing the risk-based approach for managing the supply network. To increase the focus on sustainability topics within our supplier network, Oriola is currently building a new base to further improve our supply chain.

The main part of Oriola's direct non-pharmaceutical product purchases come from Europe. In Sweden, 101 supplier evaluations were performed in 2022 and 7 of them were new suppliers. In Finland, re-evaluations were postponed until 2023 as the criteria for was changed during 2022.

Responsible business conduct

Oriola's purpose "Health for life" steers the company's activities and provides it with a meaning. According to its vision, Oriola promotes the healthier tomorrow. Oriola's values – "we are open", "we take responsibility", "we work together" and "we take initiative" – guide the company's way of operating.

Oriola is committed to promoting ethical and sustainable business practices. Oriola's Code of Conduct guides management and personnel and presents Oriola's way of working, which is based on law and good corporate governance, openness, fairness and confidentiality. The code contains the company's commitment to anti-bribery and anti-corruption, compliance with all competition laws, and engagement in collaboration and dialogue with stakeholders. Oriola promotes equality. For example, the recruitment of new employees is based on their expertise and skills, regardless of cultural background, age, gender or religion.

The company also requires all employees to commit to confidentiality obligations and avoiding conflicts of interest. Employees and other stakeholders are encouraged to report suspected cases of misconduct or unethical behaviour. Oriola has a confidential whistleblowing channel for reporting actions that are suspected to be in violation of the Code of Conduct. The company's Board of Directors monitors compliance with the Code of Conduct and is responsible for approving the Code of Conduct. Anti-Corruption matters and Oriola's zero-tolerance approach are also addressed in training, which is part of onboarding process for all employees. The training is renewable in every three years.

EU Taxonomy

As a non-financial undertaking, Oriola is required to present the share of its group revenue, capital expenditure (Capex) and operating expenditure (Opex) for the reporting period 2022 that is associated with EU Taxonomy-eligible and -aligned economic activities under the first two environmental objectives (climate change mitigation and climate change adaptation) in accordance with Art. 8 of the Taxonomy Regulation and Art. 10 (2) of the Art. 8 Delegated Act.

To determine taxonomy-eligibility and -alignment of Oriola's economic activities, the company has assessed its operations against EU Taxonomy Regulation's technical annexes on climate change mitigation and climate change adaptation. Based on this assessment, available data, and the company's best interpretation of the EU Taxonomy Regulation and the delegated acts, as well as currently available guidelines, Oriola doesn't have taxonomy-eligible economic activities to report. Hence the proportion of taxonomy eligible economic activities in the company turnover, capital expenditures and operational expenditures is EUR 0 and 0%. Accordingly, the proportion of non-eligible economic activities in company turnover, capital expenditures and operational expenditures is 100 %. Oriola notes that the EU Taxonomy Regulation will keep evolving and will continue to consider its impact as well as future reporting obligations.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2022

				Substantial contribution criteria						DNSH criteria										
	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year N (18)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Category (enabling activity or) (20)	Category (transitional activity)' 21
Economic activities (1)		**€**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A.1 + A.2)		**0**	**0%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Revenue of Taxonomy-non-eligible activities (B)		1,515.5	100 %																	
Total (A + B)		**1,515.5**	**100 %**																	

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2022

				Substantial contribution criteria						DNSH criteria										
	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year N (18)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Category (enabling activity or) (20)	Category (transitional activity)' 21
Economic activities (1)		**€**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	**0%**	**0%**	0%	-	-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A.1 + A.2)		**0**	**0%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		3.4	100 %																	
Total (A + B)		**3.4**	**100 %**																	

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2022

				Substantial contribution criteria						DNSH criteria										
	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year N (18)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Category (enabling activity or) (20)	Category (transitional activity)' 21
Economic activities (1)		**€**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A.1 + A.2)		**0**	**0%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		1,438.7	100 %																	
Total (A + B)		**1,438.7**	**100 %**																	

Espoo, 15 February 2023
Oriola Corporation

Board of Directors

Information on shares

Shares and shareholders

Shareholders by type of owner, 31 December 2022

	Shareholders			% of shareholders			% of shares		
	A shares	B shares	Total	A shares	B shares	Total	A shares	B shares	Total
Individuals	12,364	25,014	33,025	97.2	95.9	96.3	44.8	37.9	39.9
Corporations and partnerships	221	676	830	1.7	2.6	2.4	29.1	27.1	27.7
Banks and insurance companies	13	44	46	0.1	0.2	0.1	1.6	6.2	4.9
Public entities	7	16	20	0.1	0.1	0.1	14.8	7.1	9.4
Non-profit institutions	55	184	216	0.4	0.7	0.6	8.3	2.7	4.3
Foreign shareholders	63	136	172	0.5	0.5	0.5	0.3	0.3	0.3
Total	**12,723**	**26,070**	**34,309**	**100.0**	**100.0**	**100.0**	**98.9**	**81.3**	**86.5**
Nominee registrations							1.1	18.7	13.5

Shareholders by number of shares held, 31 December 2022

	Shareholders			% of shareholders		
Number of shares	A shares	B shares	Total	A shares	B shares	Total
1–100	2,921	3,697	5,666	23.0	14.2	16.5
101–1,000	6,214	13,651	17,383	48.8	52.4	50.7
1,001–10,000	3,214	7,905	10,021	25.3	30.3	29.2
10,001–100,000	335	751	1,136	2.6	2.9	3.3
over 100,001	39	66	103	0.3	0.3	0.3
Total	**12,723**	**26,070**	**34,309**	**100.0**	**100.0**	**100.0**
Of which nominee registered	9	10	10			

	Shares			% of shares		
Number of shares	A shares	B shares	Total	A shares	B shares	Total
1-100	134,192	193,446	327,638	0.2	0.2	0.2
101-1,000	2,681,720	6,180,076	8,861,796	5.0	4.8	4.9
1,001-10,000	9,113,380	22,785,715	31,899,095	17.0	17.8	17.6
10,001-100,000	8,854,803	18,040,348	26,895,151	16.5	14.1	14.8
over 100,001	32,964,218	80,538,315	113,502,533	61.3	63.0	62.5
Total	**53,748,313**	**127,737,900**	**181,486,213**	**100.0**	**100.0**	**100.0**
Of which nominee registered	594,064	23,940,248	24,534,312	1.1	18.7	13.5
Total number of shares	**53,748,313**	**127,737,900**	**181,486,213**	**100.0**	**100.0**	**100.0**

Share-related key figures

			2022	2021	2020	2019	2018
Earnings per share[2]		EUR	-0.01	0.06	0.06	0.04	0.06
Earnings per share, continuing operations[2]		EUR	0.03	0.05	0.02	0.06	0.01
Equity per share[2]		EUR	1.24	1.20	0.94	0.87	0.98
Total dividends		EUR million	10.9[1]	7.3	5.4	16.3	16.3
Dividend per share		EUR	0.06[1]	0.04	0.03	0.09	0.09
Payout ratio[2]		%	-453.7[1]	63.9	48.2	203.5	151.7
Dividend yield	A	%	3.25[1]	2.02	1.51	4.46	4.57
Dividend yield	B	%	3.45[1]	2.00	1.58	4.44	4.55
P/E ratio, continuing operations[2]	A		70.34	41.67	112.61	36.35	143.20
P/E ratio, continuing operations[2]	B		66.33	42.09	107.63	36.44	143.93
Share price on 31 Dec	A	EUR	1.85	1.99	1.99	2.02	1.97
Share price on 31 Dec	B	EUR	1.74	2.01	1.90	2.03	1.98
Average share price	A	EUR	1.96	2.04	2.01	2.10	2.82
Average share price	B	EUR	1.93	1.94	1.93	2.11	2.72
Lowest share price	A	EUR	1.75	1.78	1.62	1.86	1.92
Lowest share price	B	EUR	1.70	1.73	1.52	1.86	1.94
Highest share price	A	EUR	2.30	2.37	2.25	2.56	3.38
Highest share price	B	EUR	2.31	2.20	2.27	2.53	3.17
Market capitalisation		EUR million	321.4	362.8	349.9	367.2	358.8
Trading volume							
A shares		pc	6,636,366	8,115,284	3,320 057	3,758,001	3,067,789
% of average number of A shares		%	12.3	15.1	6.1	6.8	5.5
B shares		pc	29,890,534	50,733,906	48,554,934	24,054,806	40,993,419
% of average number of B shares		%	23.4	39.7	38.2	19.1	32.5
% of average number of all shares		%	20.1	32.4	28.6	15.3	24.3
Number of shares 31 Dec	A	pcs	53,748,313	53,748,313	53,748,313	55,434,273	55,434,273
Number of shares 31 Dec	B	pcs	127,737,900	127,737,900	127,737,900	126,051,940	126,051,940
Total number of shares 31 Dec		**pcs**	**181,486,213**	**181,486,213**	**181,486,213**	**181,486,213**	**181,486,213**
Total number of A shares, annual average		pcs	53,748,313	53,748,313	54,390,973	55,434,273	55,434,273
Total number of B shares, annual average		pcs	127,737,900	127,737,900	127,095,240	126,051,940	126,051,940
Total number of shares, annual average		**pcs**	**181,486,213**	**181,486,213**	**181,486,213**	**181,486,213**	**181,486,213**

[1] Proposal by the Board of Directors.

[2] The figures in 2018 have been restated due to an error related to previous periods. The restatement had an impact on inventories, deferred tax assets and retained earnings in the consolidated statement of financial position and on material purchases and income taxes in the consolidated statement of comprehensive income. More information on correction of the error is presented in the notes to the Financial statements 2019.

Calculation of share related key figures

$$\text{Earnings per share (EPS), EUR} = \frac{\text{Profit attributable to shareholders of the parent company}}{\text{Average number of shares during the period excluding treasury shares}}$$

$$\text{Equity per share, EUR} = \frac{\text{Equity attributable to shareholders of the parent company}}{\text{Number of shares at the end of the period excluding treasury shares}}$$

$$\text{Dividend per share, EUR} = \frac{\text{Dividends paid for the financial period}}{\text{Number of shares at the end of the period excluding treasury shares}}$$

$$\text{Payout ratio, \%} = \frac{\text{Dividend per share}}{\text{Earnings per share}} \text{ x 100}$$

$$\text{Effective dividend yield, \%} = \frac{\text{Dividend per share}}{\text{Closing price on the last trading day of the financial period}} \text{ x 100}$$

$$\text{Price/Earnings ratio (P/E)} = \frac{\text{Closing price on the last trading day of the financial period}}{\text{Earnings per share}}$$

$$\text{Average price of share, EUR} = \frac{\text{Trading volume, EUR}}{\text{Average number of shares traded during the financial period}}$$

Market capitalisation, EUR = Number of shares at the end of the financial period x closing price on the last trading day of the financial period

Largest shareholders, 31 December 2022

By number of shares held	A shares	B shares	Total shares	% of total shares	Votes	% of total votes
1. Mariatorp Oy	7,100,000	19,000 000	26,100,000	**14.38**	161,000,000	**13.39**
2. Wipunen Varainhallinta Oy	2,600,000	6,400 000	9,000,000	**4.96**	58,400,000	**4.86**
3. Keskinäinen Työeläkevakuutusyhtiö Varma	4,320,600	3,273 000	7,593,600	**4.18**	89,685,000	**7.46**
4. Keskinäinen Eläkevakuutusyhtiö Ilmarinen	3,606,414	2,299 018	5,905,432	**3.25**	74,427,298	**6.19**
5. Vakuutusosakeyhtiö Henki-Fennia	555,000	3,663 008	4,218,008	**2.32**	14,763,008	**1.23**
6. Maa- ja Vesitekniikan Tuki ry	4,025,358	0	4,025,358	**2.22**	80,507,160	**6.69**
7. Greenzap Oy	2,365,037	35,189	2,400,226	**1.32**	47,335,929	**3.94**
8. Kansaneläkelaitos	0	1,991,481	1,991,481	**1.10**	1,991,481	**0.17**
9. Ylppö Jukka Arvo	1,496,562	286,992	1,783,554	**0.98**	30,218,232	**2.51**
10. S-Bank Fenno Equity Fund	0	1,636,048	1,636,048	**0.90**	1,636,048	**0.14**
11. Ehnrooth Helene Margareta	0	1,304,333	1,304,333	**0.72**	1,304,333	**0.11**
12. Medical Investment Trust Oy	181,000	852,540	1,033,540	**0.57**	4,472,540	**0.37**
13. Drumbo Oy	0	1,000,000	1,000,000	**0.55**	1,000,000	**0.08**
14. Herlin Olli	200,000	800,000	1,000,000	**0.55**	4,800,000	**0.40**
15. Paloniemi Jari	0	1,000,000	1,000,000	**0.55**	1,000,000	**0.08**
16. Sijoitusrahasto Seligson & Co Phoebus	220,000	780,000	1,000,000	**0.55**	5,180,000	**0.43**
17. Säästöpankki Kotimaa-sijoitusrahasto	619,649	376,939	996,588	**0.55**	12,769,919	**1.06**
18. Ylppö Into	693,522	240,200	933,722	**0.51**	14,110,640	**1.17**
19. Laakkonen Mikko	196,320	689,080	885,400	**0.49**	4,615,480	**0.38**
20. Sto-Rahoitus Oy	350,000	400,000	750,000	**0.41**	7,400,000	**0.62**
Total	28,529,462	46,027,828	74,557,290	**41.08**	616,617,068	**51.27**
Nominee registred	594,064	23,940,248	24,534,312	**13.52**	35,821,528	**2.98**
Oriola Corporation	63,650	45,914	109,564	**0.06**	1,318,914	**0.11**
Other	24,561,137	57,723,910	82,285,047	**45.34**	548,946,650	**45.64**
All shareholders total	**53,748,313**	**127,737,900**	**181,486,213**	**100.00**	**1,202,704,160**	**100.00**

Financial indicators and performance measures

Financial indicators 2018-2022

Consolidated income statement[1]		2022	2021	2020	2019[5]	2018 restated[4]
Net sales	EUR million	1,515.5	1,452.2	1,398.6	1,333.4	1,155.2
Adjusted EBIT	EUR million	17.8	14.9	6.6	8.7	18.1
% of net sales	%	1.2	1.0	0.5	0.7	1.6
EBIT	EUR million	7.6	10.7	5.1	10.0	4.3
% of net sales	%	0.5	0.7	0.4	0.8	0.4
Financial income and expenses	EUR million	-0.7	0.3	-0.5	3.6	1.3
% of net sales	%	-0.0	0.0	-0.0	0.3	0.1
Profit before taxes	EUR million	6.9	11.0	4.6	13.7	5.6
% of net sales	%	0.5	0.8	0.3	1.0	0.5
Profit for the period	EUR million	4.8	8.6	3.2	10.1	2.5
% of net sales	%	0.3	0.6	0.2	0.8	0.2

Consolidated balance sheet	EUR million	2022	2021	2020	2019[5]	2018 restated[4]
Non-current assets		419.1	539.3	537.3	509.9	440.0
Goodwill		61.1	273.5	278.7	270.5	274.3
Current assets		541.8	553.9	628.3	520.7	484.2
Inventories		148.5	229.2	250.1	234.2	209.6
Equity attributable to the parent company shareholders		225.6	216.8	169.6	157.2	177.9
Liabilities total		735.4	876.4	996.0	873.4	746.2
Interest-bearing liabilities		136.9	209.9	295.3	190.3	129.4
Non-interest-bearing liabilities		598.4	666.5	700.8	683.1	616.8
Total assets		960.9	1,093.2	1,165.6	1,030.6	924.2

Key figures		2022	2021	2020	2019[5]	2018 restated[4]
Equity ratio[2]	%	23.8	20.1	14.8	15.5	19.5
Equity per share[2]	EUR	1.24	1.20	0.94	0.87	0.98
Return on capital employed (ROCE)[2]	%	1.9	4.6	5.0	4.1	6.2
Return on equity[2]	%	-1.1	5.9	6.9	4.9	5.8
Net interest-bearing debt[2]	EUR million	-23.7	100.8	127.1	119.6	63.6
Gearing[2]	%	-10.5	46.5	75.0	76.1	35.8
Earnings per share from continuing operations	EUR	0.03	0.05	0.02	0.06	0.01
Earnings per share incl. discontinued operations	EUR	-0.01	0.06	0.06	0.04	0.06
Average number of shares[3]	pcs	181,371,235	181,341,203	181,388,782	181,394,589	181,360,503
Average number of personnel from continuing operations, full time equivalents	pers.	914	1,077	1,091	1,126	1,108
Gross capital expenditure incl. discontinued operations	EUR million	8.4	22.8	32.8	21.8	39.6

[1] Continuing operations.

[2] The comparative figures include discontinued operations.

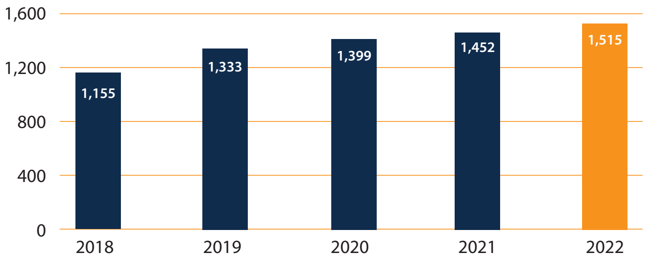
[3] Company-owned treasury shares are not included.

[4] The figures in 2018 have been restated due to an error related to previous periods. The restatement had an impact on inventories, deferred tax assets and retained earnings in the consolidated statement of financial position and on material purchases and income taxes in the consolidated statement of comprehensive income. More information on correction of the error is presented in the notes to the Financial statements 2019.

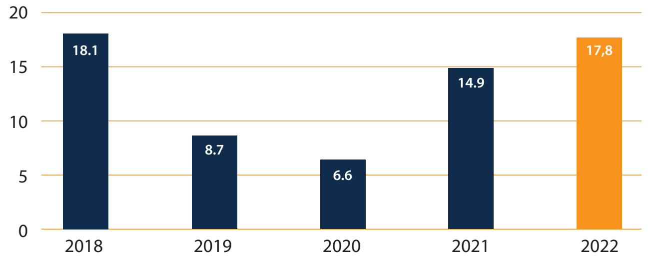
[5] The Group applied IFRS 16 Leases with the date of initial application of 1 January 2019. The standard has a significant impact on the Group's non-current assets, interest-bearing liabilities and key figures.

Refer to section Alternative performance measures, for definitions of key figures.

Net sales
EUR million



Adjusted EBIT[1]
EUR million



[1] The figures in 2018 have been restated due to an error related to previous periods. The restatement had an impact on inventories, deferred tax assets and retained earnings in the consolidated statement of financial position and on material purchases and income taxes in the consolidated statement of comprehensive income. More information on correction of the error is presented in the notes to the Financial statements 2019.

Alternative performance measures

In order to reflect the underlying business performance and to enhance comparability between financial periods Oriola discloses certain performance measures of historical performance, financial position and cash flows, as permitted in "Alternative performance measures" guidance issued by the European Securities and Markets Authority (ESMA). These measures should not be considered as a substitute for measures of performance in accordance with the IFRS. These alternative performance measures are described in the following tables:

Reconciliation of alternative performance measures to IFRS

Invoicing

EUR million	2022	2021
Net sales	1,515.5	1,452.2
+ Acquisition cost of consignment stock	2,052.5	2,054.9
+ Cash discounts	0.1	0.0
+ Exchange rate differences on sales	0.0	-0.2
Invoicing	**3,568.0**	**3,506.9**

Adjusted EBIT

EUR million	2022	2021
EBIT	7.6	10.7
- Adjusting items included in EBIT	10.2	4.2
Adjusted EBIT	**17.8**	**14.9**

Alternative performance measures on a constant currency basis

EUR million	2022	2021
Invoicing	3,568.0	3,506.9
Translation difference	110.7	-76.2
Invoicing calculated on a constant currency basis	3,678.7	3,430.7
Net sales	1,515.5	1,452.2
Translation difference	47.5	-32.7
Net sales calculated on a constant currency basis	1,563.0	1,419.5
Adjusted EBIT	17.8	14.9
Translation difference	0.3	-0.3
Adjusted EBIT calculated on a constant currency basis	18.1	14.6

Calculation of alternative performance measures

Alternative performance measure		Definitions		Reason for use of the alternative performance measure
Invoicing	=	Net sales + acquisition cost of consignment stock + cash discounts + exchange rate differences on sales		Invoicing describes the volume of the business.
EBIT	=	Net sales less material purchases and exchange differences on sales and purchases, less employee benefit expenses and other operating expenses, less depreciation, amortisation and impairment plus other operating income plus share of results in joint venture		EBIT shows result generated by the business.
Adjusted EBIT	=	EBIT excluding adjusting items		Oriola discloses adjusted EBIT in order to reflect the underlying business performance and to enhance comparability between financial periods.
Adjusting items		Adjusting items include gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations, and impairment losses of goodwill and other non-current assets, or other income or expenses arising from rare events, and changes in estimates regarding the realisation of contingent consideration arising from business acquisitions. Adjusting items are specified in note 4.1. Segment reporting.		
Invoicing calculated on a constant currency basis		Invoicing calculated with the average exchange rate of the corresponding period of the comparative year.		Invoicing, net sales, and adjusted EBIT on a constant currency basis describe the development of the business without changes due to fluctuating foreign exchange rates and thus enhance the comparability between financial periods.
Net sales calculated on a constant currency basis		Net sales calculated with the average exchange rate of the corresponding period of the comparative year.		
Adjusted EBIT calculated on a constant currency basis		Adjusted EBIT calculated with the average exchange rate of the corresponding period of the comparative year.		
Net debt	=	Interest-bearing liabilities – cash and cash equivalents		Net debt is an indicator to measure the total external debt financing of the company.
Investments	=	Capitalised investments in property, plant and equipment and in intangible assets including goodwill arising from business combinations, as well as investments in associates and joint ventures.		Investments provide additional information of the cash flow need of the business operations. Investments by business area are presented in note 4.1. Segment reporting.
Return on capital employed (ROCE), %	=	EBIT / Total assets – Non-interest-bearing liabilities (average between the beginning and the end of the year)	x 100	Return on capital employed measures how efficiently the Group generates profits from its capital employed.
Return on equity (ROE), %	=	Profit for the period / Equity total (average between the beginning and the end of the year)	x 100	Return on equity measures the Group's profitability by showing how much profit is generated with the funds invested to the Group by the shareholders.
Gearing, %	=	Net debt / Equity total	x 100	Gearing provides information of the Group's financial risk level and the level on the Group's indebtedness.
Equity ratio, %	=	Equity total / Total assets – Advances received	x 100	Equity ratio provides information on the Group's financial risk level and the level of the Group's capital used in operations.

Financial Statements 2022

Consolidated statement of comprehensive income (IFRS)

EUR million	Note	2022	2021[1]
Continuing operations			
Net sales	**4.2.**	**1,515.5**	**1,452.2**
Other operating income	4.2.	5.8	4.5
Materials and supplies	4.3.	-1,329.6	-1,264.9
Employee benefit expenses	4.4.	-61.1	-71.9
Other operating expenses	4.3.	-95.9	-92.6
Depreciation, amortisation and impairments	6.1./6.2.	-25.2	-16.5
Profit from associated company	6.3.	-2.0	-
EBIT		**7.6**	**10.7**
Financial income and expenses	8.1.	-0.7	0.3
Profit before taxes		**6.9**	**11.0**
Income taxes	9.1.	-2.1	-2.3
Profit for the period from continuing operations		**4.8**	**8.6**
Profit for the period from discontinued operations	10.3.	-7.2	2.7
Profit for the period		**-2.4**	**11.3**
Other comprehensive income			
Items which may be reclassified subsequently to profit or loss:			
Translation differences recognised in comprehensive income during the reporting period		40.8	-5.4
Translation differences reclassified to profit and loss during the reporting period		-29.0	-
Cash flow hedge	8.3.	2.8	0.9
Income tax relating to other comprehensive income	9.1.	-0.6	-0.2
		13.9	**-4.6**
Items which will not be reclassified to profit or loss:			
Financial assets recognised at fair value through other comprehensive income	8.2.	-	44.8
Actuarial gains/losses on defined benefit plans	4.4.	5.2	1.3
Income tax relating to other comprehensive income	9.1.	-1.1	-0.3
		4.2	**45.9**
Total comprehensive income for the period		**15.7**	**52.6**

EUR million	Note	2022	2021[1]
Profit attributable to			
Parent company shareholders		-2.4	11.3
Total comprehensive income attributable to			
Parent company shareholders		15.7	52.6
Earnings per share attributable to parent company shareholders:			
Basic earnings per share, EUR			
From continuing operations	8.5.	0.03	0.05
From discontinued operations	8.5.	-0.04	0.01
From profit for the period	8.5.	-0.01	0.06
Diluted earnings per share, EUR			
From continuing operations	8.5.	0.03	0.05
From discontinued operations	8.5.	-0.04	0.01
From profit for the period	8.5.	-0.01	0.06

[1] Comparative information has been restated due to a discontinued operation.

Consolidated statement of financial position (IFRS)

EUR million	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Property. plant and equipment	6.1.	57.7	155.9
Goodwill	6.2.	61.1	273.5
Other intangible assets	6.2.	20.6	71.0
Investments in joint ventures	6.3.	240.4	-
Other non-current assets	6.3.	38.3	34.9
Deferred tax assets	9.2.	1.2	3.9
Non-current assets total		**419.1**	**539.3**
Current assets			
Inventories	5.2.	148.5	229.2
Trade receivables	5.1.	226.8	194.7
Income tax receivables	5.1.	1.1	2.7
Other receivables	5.1.	4.7	18.2
Cash and cash equivalents	8.2.	160.6	109.1
Current assets total		**541.8**	**553.9**
ASSETS TOTAL		**960.9**	**1,093.2**

EUR million	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
Share capital		36.2	36.2
Fair value reserve		28.7	26.5
Contingency fund		19.4	19.4
Invested unrestricted equity reserve		74.8	74.8
Other reserves		0.1	0.1
Translation differences		-16.7	-28.5
Retained earnings		83.2	88.3
Equity attributable to the parent company shareholders	8.4.	**225.6**	**216.8**
Non-current liabilities			
Deferred tax liabilities	9.2.	4.9	11.8
Pension obligations	4.4.	11.8	18.0
Interest-bearing liabilities	8.2.	69.9	123.5
Other non-current liabilities	5.3.	0.7	0.5
Non-current liabilities total		**87.3**	**153.8**
Current liabilities			
Trade payables	5.3.	557.3	591.7
Interest-bearing liabilities	8.2.	67.0	86.4
Income tax payables	5.3.	1.0	1.4
Other current liabilities	5.3.	22.8	43.1
Current liabilities total		**648.0**	**722.6**
EQUITY AND LIABILITIES TOTAL		**960.9**	**1,093.2**

Consolidated statement of cash flows (IFRS)

EUR million	Note	2022	2021
Net cash flow from operating activities			
Profit for the period		-2.4	11.3
Adjustments			
Depreciation and amortisation	6.1./6.2.	18.3	43.1
Impairment	6.1./6.2.	9.8	1.8
Share of results in joint venture	6.3.	2.0	-
Financial income and expenses	8.1.	5.5	5.8
Loss on sale of discontinued operations	10.3.	29.4	-
Income taxes	9.1.	7.9	3.4
Change in pension asset and pension obligation		0.4	0.8
Other adjustments		-1.3	-0.7
		69.6	65.4
Change in working capital			
Change in current receivables increase (-)/ decrease (+)		-12.0	-10.7
Change in inventories increase (-)/ decrease (+)		10.8	17.3
Change in non-interest-bearing current liabilities increase (+)/ decrease (-)		28.8	-23.7
		27.7	-17.1
Interest paid and other financial expenses		-16.6	-5.3
Interest received and other financial income		1.2	0.2
Income taxes paid		-4.0	-3.3
Net cash flow from operating activities		**77.9**	**40.0**
Net cash flow from investing activities			
Investments in property, plant and equipment and intangible assets	6.1./6.2.	-8.5	-23.4
Proceeds from sales of property, plant and equipment and intangible assets	6.1./6.2.	0.4	0.2
Investments in joint ventures	6.3.	24.3	-
Investments in other shares and shareholdings	6.3.	-0.0	-0.0
Proceeds from other shares and shareholdings	6.3.	-	32.8
Sales of business operations, net of cash disposed		3.2	-
Sales of discontinued operations, net of cash disposed	10.3.	-16.3	-
Net cash flow from investing activities		**3.0**	**9.6**

EUR million	Note	2022	2021
Net cash flow from financing activities			
Repayments of long-term loans		-2.0	-2.0
Repayments of short-term loans		-	-50.0
Change in other current financing [1]		-4.2	-29.8
Amortisations of lease liabilities		-15.7	-21.2
Purchasing of own shares		-0.1	-0.1
Dividends paid		-7.3	-5.4
Net cash flow from financing activities		**-29.3**	**-108.5**
Net change in cash and cash equivalents		51.6	-59.0
Cash and cash equivalents at the beginning of the period		109.1	168.2
Translation differences		-0.1	-0.0
Net change in cash and cash equivalents		51.6	-59.0
Cash and cash equivalents at the end of the period	8.2.	**160.6**	**109.1**

[1] Includes cash flows from commercial papers.

Includes continuing and discontinued operations.

Consolidated statement of changes in equity (IFRS)

EUR million	Note	Share capital	Funds	Translation differences	Retained earnings	Equity total
Equity 1 January 2021		**36.2**	**102.0**	**-23.1**	**54.5**	**169.6**
Comprehensive income for the period						
Net profit for the period		-	-	-	11.3	11.3
Other comprehensive income:						
Financial assets recognised at fair value through other comprehensive income:						
Change in fair value		-	23.1	-	-	23.1
Profit from sales of assets		-	-	-	21.7	21.7
Accumulative change in fair value of disposed assets		-	-5.1	-	5.1	-
Financial assets recognised at fair value through other comprehensive income total	8.2.	-	18.0	-	26.8	44.8
Cash flow hedge	8.3.	-	0.9	-	-	0.9
Actuarial gains and losses	4.4.	-	-	-	1.3	1.3
Income tax relating to other comprehensive income	9.1.	-	-0.2	-	-0.3	-0.5
Translation difference		-	-	-5.4	-	-5.4
Comprehensive income for the period, total		**-**	**18.8**	**-5.4**	**39.2**	**52.6**
Transactions with owners						
Dividend distribution	8.5.	-	-	-	-5.4	-5.4
Share-based incentive	4.4.	-	-	-	0.1	0.1
Purchase of own shares		-	-	-	-0.1	-0.1
Transactions with owners, total		**-**	**-**	**-**	**-5.4**	**-5.4**
Equity 31 December 2021		**36.2**	**120.7**	**-28.5**	**88.3**	**216.8**
Comprehensive income for the period						
Net profit for the period		-	-	-	-2.4	-2.4
Other comprehensive income:						
Financial assets recognised at fair value through other comprehensive income:						
Cash flow hedge	8.3.	-	2.8	-	-	2.8
Actuarial gains and losses	4.4.	-	-	-	5.2	5.2
Income tax relating to other comprehensive income	9.1.	-	-0.6	-	-1.1	-1.6
Translation difference		-	-	40.8	-	40.8
Translation difference reclassified to profit and loss		-	-	-29.0	-	-29.0
Comprehensive income for the period, total		**-**	**2.2**	**11.7**	**1.8**	**15.7**
Transactions with owners						
Dividend distribution	8.5.	-	-	-	-7.3	-7.3
Share-based incentive	4.4.	-	-	-	0.5	0.5
Purchase of own shares		-	-	-	-0.1	-0.1
Transactions with owners, total		**-**	**-**	**-**	**-6.9**	**-6.9**
Equity 31 December 2022		**36.2**	**122.9**	**-16.7**	**83.2**	**225.6**

Notes to the consolidated financial statements

1. Basic information on the company

Oriola Corporation is a Finnish public limited company, domiciled in Espoo, Finland. Oriola and its subsidiaries together form the consolidated Oriola Group. The consolidated financial statements were approved for publication by the Board of Directors of Oriola Corporation on 15 February 2023. In accordance with Finland's Limited Liability Companies Act, the shareholders have the right to approve or reject the financial statements at the General Meeting held after their publication. The General Meeting may also decide to make amendments to the financial statements. The company's business ID is 1999215-0. Copies of the consolidated financial statements of the Oriola Group are available from the head office of Oriola Corporation at the following address: Orionintie 5, FI-02200 Espoo, Finland (investor.relations@oriola.com).

2. Basis of presentation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) including the IAS and IFRS standards as well as the SIC and IFRIC interpretations valid as of 31 December 2022. The International Financial Reporting Standards refer to standards and interpretations that have been approved for application in the EU in the Finnish Accounting Act and the provisions issued pursuant to it according to the procedures provided for in EU regulation (EC) No. 1606/2002.

The consolidated financial statements are presented for the 12-month period 1 January – 31 December 2022. The financial statements are presented in EUR million and they have been prepared under the historical cost convention, except for financial assets recognised at fair value through profit or loss, financial assets recognised at fair value through other comprehensive income, derivatives and share-based payments. The Group has applied the standards and interpretations published by the International Accounting Standards Board (IASB) that are mandatory as of 1 January 2022. These standards did not have a significant impact on the Group in the current reporting period and they are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Russia's military offensive against Ukraine has impacted the global markets. This has accelerated inflation especially in energy and fuel prices. Labour costs are also expected to increase due to the potential salary inflation and overheated labour market.

Since 2020, the COVID-19 pandemic has significantly impacted Oriola's operating environment, as the restrictions set by the authorities and consumer caution have impacted the consumer behaviour. As the pandemic continues and the instability caused by Russia's military offensive against Ukraine prevails, Oriola's business environment remains volatile, which can still have significant impact on Oriola's net sales and profitability.

Severity and duration of the war in Ukraine and of the related inflation or the pandemic are unclear in Oriola's operating environment. The potential impacts of these events on the valuation of Oriola's assets have been reviewed. Oriola has no operations nor export or import with Russia. Based on the assessments, Russia's military offensive against Ukraine or the COVID-19 pandemic are currently not expected to have such long-term impacts on Oriola's financial performance that would require adjustments to the carrying amounts of the assets.

In February 2022, Oriola signed a framework merger agreement with the Euroapotheca group for combining the respective pharmacy businesses in Sweden: Oriola's Consumer business area comprising of Kronans Apotek and Euroapotheca's Apoteksgruppen into a new company. Consumer business area is reported as discontinued operations until the completion of the divestment on 3 October 2022. The discontinued operations are stated separately from continuing operations in the consolidated statement of comprehensive income and the comparison period has been adjusted accordingly. The elimination of transactions between the continuing operations and the discontinued operations is attributed in a way that reflects the continuance of these transactions after the arrangement was completed. The consolidated statement of financial position for comparative periods includes the assets and liabilities of discontinued operations.

3. Use of estimates and judgement

The preparation of consolidated financial statements in accordance with IFRS requires the application of judgement by management in making estimates and assumptions. Such estimates and assumptions have an impact on the assets and liabilities reported as at the end of the reporting period, and on the presentation of contingent assets and liabilities in the notes to the consolidated financial statements as well as on the income and expenses reported for the financial year. The estimates are based on the management's best knowledge about the facts and as such actual results may differ from the estimates and assumptions used. Management judgements and estimates have been used in determining principles for revenue recognition, assumptions used in impairment testing, determination of pension assets and pension obligations related to defined benefit pension plans, economic lives of tangible and intangible assets, lease liabilities, provisions and income taxes. The application of accounting principles also requires judgement.

Key estimates and judgement which are material to the reported results and financial position are presented in the following notes:

Item	Uncertainty	Note
Revenue recognition	Agent/principal	4.2.
Defined benefits	Discount factor	4.4.
Impairment testing	Projection parameters / Estimate	6.2.
Lease liabilities	Lease term / Estimate	7.1.
Deferred tax assets	Recognition / Estimate	9.2.

4. Operating result

4.1. Segment reporting

Oriola's operating and reporting segments are reported in accordance with internal reporting provided to the Chief Executive Officer, the chief operating decision maker responsible for allocating resources and assessing performance of the business areas.

Oriola has two business areas, Oriola Finland and Oriola Sweden. Both markets are served with similar type of products and services. Main ways to distribute the pharmaceutical, health and wellbeing products are similar between the countries. The pharmacy market regulation is different in Finland and Sweden, but that does not substantially impact Oriola's operating segments. Additionally, difference in regulation does not impact how Oriola's principals operate or how pharmaceuticals are delivered to the pharmacies. Thus, the operations and profitability of Oriola are reported as one reportable segment.

At the beginning of 2022, Oriola implemented a country-based organisation, where earlier Pharma and Retail business areas and the Operations function were transformed into a new organisational structure. Oriola reports these operations as one reportable segment. The comparison year figures have been restated accordingly.

Oriola offers advanced distribution, expert and advisory services for pharmaceutical companies and wide range of health and wellbeing products for pharmacies, veterinarians, other healthcare operators and retail operators in the Finnish and Swedish markets. Additionally, Oriola offers dose dispensing services for pharmacies and healthcare operators.

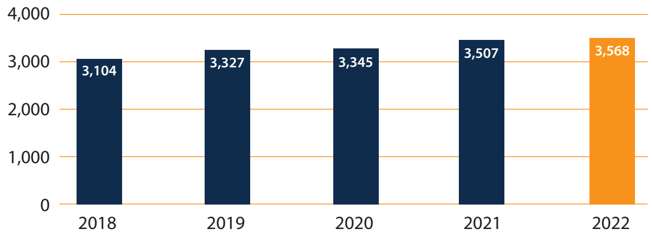
The geographical areas of Oriola are Finland (the country of domicile), Sweden and other countries. Net sales are divided by the countries in which the customers are located. Assets and investments are divided according to the country in which they are located.

In order to reflect the underlying business performance and to enhance comparability between financial periods Oriola discloses Adjusted EBIT as permitted in ESMA (European Securities and Markets Authority) guidelines on Alternative Performance Measures. These measures should not be considered as a substitute for measures of performance in accordance with the IFRS. Adjusted EBIT is reported excluding adjusting items. In addition, Oriola uses "Invoicing" as the measure to describe the business volume.

Adjusted EBIT excludes gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations, and impairment losses of goodwill and other non-current assets, or other income or expenses arising from rare events and changes in estimates regarding the realisation of contingent consideration arising from business acquisitions.

Oriola's agreements with pharmaceutical companies are either wholesale agreements where Oriola buys the products into own stock and acts as a principal or agreements where Oriola delivers the products from consignment stock and acts as an agent. Oriola reports invoicing of both type of agreements as it describes the volume of the business.

Invoicing[1]
EUR million



[1] Continuing operations.

Adjusting items

Adjusting items included in EBIT

EUR million	2022	2021
Restructuring costs	-0.5	-2.3
Impairments and write-downs	-9.8	-1.2
Other	0.1	-0.8
Total	**-10.2**	**-4.2**

Adjusting items in 2022 relate to impairment of other tangible and intangible assets not yet available for use, organisational restructuring costs and divestment of the staffing services business.

Adjusting items in 2021 consist mainly of organisational restructuring costs, impairment of goodwill related to closing of the service centre in Sweden and write-down of inventories related to the discontinued product category.

Geographical information

EUR million 2022	Sweden	Finland	Other countries	Total
Sales to external customers	893.7	508.4	113.4	**1 515.5**
Non-current assets[1]	81.5	332.5	-	**414.0**
Investments	1.4	2.0	-	**3.4**
Average number of personnel, full time equivalents	466	448	-	**914**
2021				
Sales to external customers	901.2	431.1	119.9	**1,452.2**
Non-current assets[1]	431.1	103.7	-	**534.8**
Investments	5.8	3.5	-	**9.3**
Average number of personnel, full time equivalents	501	576	-	**1,077**

[1] Non-current assets exclude financial instruments and deferred tax assets. Comparative information Includes discontinued operations.

4.2. Net sales and other operating income

The Group's net sales include income from the sale of goods, distribution fees and the sale of services adjusted with indirect taxes, discounts and currency translation differences resulting from sales in foreign currencies. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

Oriola's agreements with pharmaceutical companies are either wholesale agreements where Oriola buys the products into own stock and acts as a principal or agreements where Oriola delivers the products from consignment stock and acts as an agent. For agreements in which Oriola acts as a principal the revenue is recognized on gross basis. For consignment agreements where Oriola acts as an agent, only the distribution fee is recognized as revenue. Oriola reports invoicing of both type of agreements as it describes the volume of the business. The definition of invoicing is described in section Alternative performance measures.

The Group's revenues derive from the following revenue streams: Wholesale, sale of logistics services, dose dispensing, and sale of other services. In the following section the principal activities of the different revenue streams are described as well as the nature of performance obligations.

Wholesale: The Group sells pharmaceutical products and traded goods to pharmacies, veterinarians, hospitals and other retailers. The performance obligation is sale of goods, which is based on sales order. The transaction price is the price of goods. Revenue is recognised when the Group transfers control of goods to customer at the amount which the Group expects to be entitled, i.e. the price of goods sold less any possible discounts.

Services: The Group offers a variety of services to the customers. These services can be divided to the following revenue streams: Sale of logistics services, dose dispensing and sale of other services.

- **Sales of logistics services:** The Group has contracts based on consignment inventory with pharmaceutical companies. In such contracts the Group acts as an agent between the pharmaceutical company and the end-customer and the performance obligation is sale of logistics and transportation services to pharmaceutical companies. The revenue is recognised at the time when actual services have been performed on a net basis as a fee or commission.

- **Dose dispensing:** The Group offers dose dispensing services to pharmacies in Sweden and Finland and county councils in Sweden. The performance obligation is sale of dose dispensed goods. The transaction price includes the price of goods sold and the price of dose dispensing. The revenue is recognised when the control of the dose dispensed goods is transferred to the customer.

- **Sale of other services:** The Group sells logistics, web and other value-added services to pharmaceutical companies, retailers and hospitals. The performance obligation is sales of services, which is based on a contract for delivering services to the customer. The revenue is recognised over the period during which the service is performed at the amount totalling the price of service performed less any possible discounts.

***Use of estimates:** Analysis of the agreements and the related revenue recognition method requires management judgement, considering various contractual terms.*

Net sales by currency

	2022		2021	
Million	**SEK**	**EUR**	**SEK**	**EUR**
Sweden	10,595.7	996.8	10,275.8	1,012.7
Finland		518.7		439.4
Total		**1,515.5**		**1,452.2**

Disaggregation of revenue

In the following table, the Group's external revenue is disaggregated by the Group's major revenue streams.

EUR million	2022	2021
Wholesale	1,287.9	1,233.8
Other[1]	227.6	218.4
Total	**1,515.5**	**1,452.2**

[1] Other includes sales of logistics services, dose dispensing, staffing and other services. Sale of staffing services has been included in other sales until March 2022.

Contract balances

The Group has recognised the following liabilities related to contracts with customers:

EUR million	31 Dec 2022	31 Dec 2021
Advances received from pharmacies	11.8	16.0
Other contract liabilities (included in other current liabilities)		
- Customer loyalty programme	-	1.7
- Advances received related to other services	0.2	0.0
Total	**12.0**	**17.8**

Advances received from pharmacies are presented as current interest-bearing liabilities in the statement of financial position. Additional information on the interest-bearing liabilities can be found in note 8.2. Financial assets and liabilities. The amount of EUR 1.7 million recognised in contract liabilities at the beginning of the period has been recognised as revenue for the financial year 2022. Contract liability from customer loyalty programme relates to the discontinued operations.

Other operating income

EUR million	2022	2021
Gains on sales of tangible and intangible assets	0.0	0.1
Rental income	0.5	0.4
Service charges	0.6	-0.0
Other operating income	4.7	4.1
Total	**5.8**	**4.5**

Other operating income consists mainly of business support services provided to discontinued operations.

4.3. Operating expenses

Operating expenses include material purchases, employee benefit expenses and other operating expenses as presented on the face of the statement of comprehensive income. Employee benefit expenses are specified in note 4.4. Employee benefits.

Materials and supplies

Materials and supplies include materials, procurement and other costs related to manufacturing and procurement.

Materials and supplies

EUR million	2022	2021
Purchases during the period	1,322.4	1,255.3
Change in inventories	7.3	9.9
Products for own use	0.0	-0.1
Foreign exchange differences	-0.1	-0.1
Total	**1,329.6**	**1,264.9**

Materials and supplies by currency

	2022	
Million	**SEK**	**EUR**
Sweden	9,378.4	882.3
Finland		447.3
Total		**1,329.6**

	2021	
Million	**SEK**	**EUR**
Sweden	9,126.8	899.5
Finland		365.4
Total		**1,264.9**

Other operating expenses

EUR million	2022	2021
Freights and other variable costs	38.0	35.1
Marketing	0.4	0.8
Information management	10.5	11.7
Premises	5.1	5.0
External services	30.1	29.0
Other operating expenses	11.9	11.1
Total	**95.9**	**92.6**

Audit fees

EUR million	2022	2021
To member firms of KPMG network		
Audit related services	0.3	0.3
Tax and other non-audit services	-	-
Total	**0.3**	**0.3**

4.4. Employee benefits

The Group's employee benefits include wages, salaries and bonuses paid to employees, pension benefits, other long-term employee benefits and share-based payments.

Pension benefits: The Group's pension arrangements are in compliance with each country's local regulations and practices. The pension arrangements of the Group companies comprise both defined contribution plans and defined benefit plans. The payments to the defined contribution plans are recognised as expenses in the statement of comprehensive income in the period in which they incur. Under a defined benefit pension plan, the Group's obligation is not limited to the payments made under the plan but also includes the actuarial and investment risks related to the pension plan in question.

The pension expenses related to defined benefits have been calculated using the projected unit credit method. Pension expenses are recognised as expenses by distributing them over the estimated period of service of the personnel concerned. The amount of the pension obligation is the present value of the estimated future pensions payable.

Other long-term employee benefits consist of a long-service benefit scheme operated by the Group. The long-service benefit scheme is presented as other non-current liabilities in the statement of financial position.

Share-based payments: Share incentive plans are measured at fair value at the grant date, and are recognised as expenses over the vesting period. The fair value of the share is the share price on the date at which the target group has agreed to the conditions of the plan reduced by the estimated dividends.

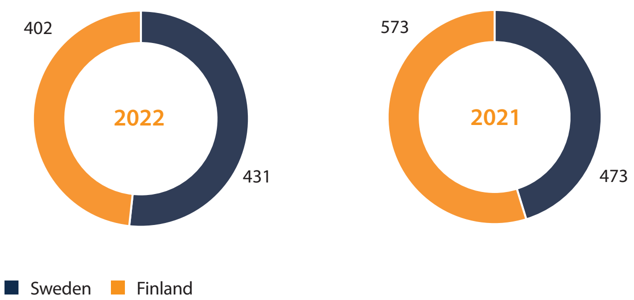
Government grants received to compensate costs are recognised in the statement of comprehensive income as reduction of expenses in the reporting period, for which the compensation is received.

Employee benefit expenses

EUR million	2022	2021
Wages, salaries and bonuses	45.3	54.6
Share-based payments	0.6	0.2
Pension costs		
Defined contribution plans	5.9	7.5
Defined benefit plans	0.4	0.8
Other personnel expenses	8.8	8.8
Total	**61.1**	**71.9**

In 2022 and 2021, government compensations were not received.

Employees by country[1]



[1] At year-end, full time equivalents

Post-employment benefits

The Oriola Group has defined benefit pension plans in Finland and Sweden.

In Finland, the defined benefits plans consist of a voluntary insurance plan, which is a final average pay pension plan concerning additional pensions. The benefits are insured with OP Life Assurance.

In Sweden, some of the office employees are covered by the defined benefit plan ITP 2 and others by the defined contribution plan ITP 1. The employees have a defined contribution plan according to local legislation. In ITP 2, the company can recognise the old age pension liabilities in its statement of financial position or, alternatively, pay the pension expenses to the pension insurance company Alecta. Oriola Sweden AB has recognised its ITP 2 old age pension liabilities in full in its statement of financial position. Oriola Sweden AB's old age pension benefits other than ITP 2 are insured with Alecta.

Employer contributions to post-employment benefit plans are expected to be EUR 0.4 million during 2023 financial year. The weighted average duration of the defined benefit obligation is 20.6 years.

All plan assets of the Group relate to the Finnish voluntary insurance plan and are held by the insurance company. They are part of the insurance company's investment assets and are considered to be unquoted.

Net defined benefit liability in the statement of financial position is defined as follows:

EUR million	2022	2021
Present value of funded obligations	13.2	20.0
Fair value of plan assets	-1.4	-2.0
Deficit/surplus	11.8	18.0
Net liability (+) / assets (-) in the statement of financial position	11.8	18.0

Change in defined benefit obligation and plan assets:

EUR million	Present value of funded obligation	Fair value of plan assets	Total
1 Jan 2021	**21.3**	**-2.3**	**18.9**
Current service cost	0.9	-	**0.9**
Interest cost or income	0.2	-0.0	**0.2**
	22.3	-.2.3	**20.0**
Remeasurements			
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	-0.4	0.2	**-0.2**
Experience profits (-) or losses (+)	-1.1	-	**-1.1**
	20.8	-2.1	**18.7**
Differences in foreign exchange rates	-0.4	-	**-0.4**
Contributions			
Plan participants	-	-0.0	**-0.0**
Expenses arising from the plans			
Benefits paid	-0.4	0.2	**-0.3**
31 Dec 2021	**20.0**	**-2.0**	**18.0**
Current service cost	0.8	-	**0.8**
Interest cost or income	0.3	-0.0	**0.3**
	21.0	-2.0	**19.0**
Remeasurements			
Actuarial gains (-) and losses (+) arising from changes in demo-graphical assumptions	0.5	-	**0.5**
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	-7.3	0.4	**-6.9**
Experience profits (-) or losses (+)	1.2	-	**1.2**
	15.4	-1.6	**13.8**
Differences in foreign exchange rates	-1.4	-	**-1.4**
Contributions			
Plan participants	-	-0.0	**-0.0**
Expenses arising from the plans			
Benefits paid	-0.7	0.2	**-0.6**
31 Dec 2022	**13.2**	**-1.4**	**11.8**

Significant actuarial assumptions 31 Dec:	2022	2021
Discount rate (%)	3.60-3.70	0.70-1.60
Salary increases (%)	2.90-3.60	2.30-3.75

Mortality assumptions are made on the basis of actuarial guidelines and they are founded on statistics published in each region and on experience.

Sensitivity of the defined benefit obligation to changes in the most significant assumptions:

Assumption	Change in assumption as percentage point	Effect of change in assumption %
Decrease in discount rate	-0.5	increase by 10.4
Increase in discount rate	+0.5	reduce by 9.2
Increase in salaries	+0.5	increase by 2.8
Increase in benefits	+0.5	increase by 10.4

The table presents a sensitivity analysis for the most significant actuarial assumptions, showing the effect of any change in actuarial assumptions on the defined benefit pension obligation.

The effects of the above sensitivity analysis have been calculated so that when the effect of the change in the assumption is calculated all other assumptions are expected to remain unchanged. This is unlikely to happen and in some assumptions changes may correlate with each other. The sensitivity of the defined benefit obligation has been calculated using the same method as in the calculation of the pension obligation to be entered in the statement of financial position (the current value of the defined benefit obligation at the end of the reporting period using the projected unit credit method).

The most significant risks arising from defined benefit pension plans:

Life expectancy: Most of the plan obligations are connected with generating life-long benefits for employees and for this reason a higher life expectancy will mean more obligations under the plan.

Inflation risk: Some of the Group's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities.

Changes in bond yields: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets.

Use of estimates: *The discounted value of the pension obligation is based on several actuarial assumptions. Changes in the assumptions have an impact on the carrying amount of the pension obligation. Discount rate used is one of the assumptions used. The interest rate used is determined at the date of measurement by reference to the maturity of corporate bonds issued by financially sound companies that is similar to that of the pension obligation. Other key assumptions impacting pension liabilities are based on the circumstances valid at the time.*

Share-based payments

The Board of Directors of Oriola Corporation decided on 2 June 2022 on the establishment of a new share-based long-term incentive plan for the company's key employees, including the CEO and the Oriola Management Team. At the same time, the Board decided to terminate the previous long-term incentive plan for the years 2019-2023.

The new incentive plan comprises a Performance Share Plan (also "PSP") and a share-based bridge plan to cover the transition phase to the new LTI structure (the "Bridge Plan"). In addition, the long-term incentive scheme comprises a Restricted Share Plan (also "RSP") as a complementary long-term share-based retention plan for individually selected key employees in specific situations.

The Performance Share Plan (equity-settled)

The Performance Share Plan for the years 2022-2025 consists of annually commencing individual performance share plans, each of which is subject to separate decision of the Board of Directors. Each plan comprises a performance period followed by the payment of the potential share rewards in listed class B shares of Oriola. The length of the performance period of the first plan, PSP 2022, is four calendar years. The possible subsequent plans will include a three-year performance period as separately decided by the Board of Directors. Eligible for participation in the first PSP 2022 are approximately 20 individuals, including the members of the Oriola Management Team. The performance measures based on which the potential share rewards under PSP 2022 will be paid are earnings per share (EPS) and an environment-related target (CO_2). The first plan, PSP 2022, commences effective as of the beginning of 2022. It comprises a performance period covering the calendar years 2022–2025, and the share rewards potentially payable thereunder will be paid during the first half of 2026. The payment of the rewards is conditional on the achievement of the performance targets which the Board of Directors has set for the plan and the individual participant's continued employment or service relationship with Oriola. If all the performance targets for the PSP 2022 are fully achieved, the aggregate maximum number of shares to be paid based on this plan is approximately 2,254,000 class B shares (referring to gross earning, from which the applicable payroll tax is withheld).

The expenses recognised for the Performance Share Plan were EUR 0.2 million in 2022.

The Bridge Plan (equity-settled)
The Bridge Plan for the years 2022-2023 covers specific incentive and retention needs during the transition phase to the new LTI structure. Eligible for participation in the Bridge Plan are the same individuals as for PSP 2022. The Bridge Plan is a one-off plan commencing effective for the years 2022–2023. The potential share rewards payable based on the Bridge Plan will be paid in listed class B shares during the first half of 2024. The performance measures based on which the potential share rewards under the Bridge Plan will be paid are the development of share price of Oriola's class B share (excluding dividends and other distribution to shareholders), earnings per share (EPS) and an environment-related target (CO_2). If all the performance targets set for the Bridge Plan are fully achieved, the aggregate maximum number of shares to be paid based on this plan is approximately 1,127,000 class B shares (referring to gross earning, from which the applicable payroll tax is withheld).

The expenses recognised for the Bridge Plan were EUR 0.1 million in 2022.

The Restricted Share Plan (equity-settled)
The Restricted Share Plan for the years 2022-2024 consists of annually commencing individual restricted share plans which are subject to a separate decision of the Board of Directors. Each plan comprises a restriction period with an overall length of three years, extending to first half of the fourth year of the individual plan. During the plan period, the company may grant fixed share rewards to individually selected key employees. The granted share rewards are paid to the selected participants in one or several tranches latest by the end of the restriction period. The share rewards are paid in listed class B shares. The first plan, RSP 2022, commences effective as of the beginning of 2022. The aggregate maximum number of shares payable as a reward is approximately 225,400 class B shares (referring to gross earning, from which the applicable payroll tax is withheld).

For all three programs, if the individual's employment with Oriola Corporation terminates before the payment of the reward, the individual is, as a main rule, not entitled to any reward. The value of the reward payable to each individual participant based on the plans is limited by a maximum cap linked to a multiplier of the individual's annual salary. Oriola applies a share ownership requirement to the CEO and the members of Oriola Management Team. They are expected to retain ownership at least half of the shares received under the incentive plans until the value of his/her ownership in the company, in the case of the CEO, corresponds to at least his/her annual gross base salary, and in the case of the other the members of the Oriola Management Team, to at least half of his/her annual gross base salary.'

Share savings plan
Oriola Corporation has had since 2013 a key personnel share savings plan which has been terminated in 2022 and no new savings have been made to the program in 2022. Approximately 60 key employees participated in the share savings plan for the savings period 1 January – 31 December 2021. The holding period will end on the publication date of the Oriola's Financial Statements Release 1 January – 31 December 2022. A total of 50,425 matching shares will be transferred to eligible participants in 2023. The matching shares are paid partly in Oriola's class B shares and partly in cash. The cash proportion is intended to cover taxes and tax-related costs arising from the reward to a key person.

The expenses recognised for the share savings plans were EUR 0.1 (0.1) million in 2022.

Key management benefits

Employee benefits to President and CEO

EUR thousand	2022	2021
Katarina Gabrielson 15 Mar - 9 May 2022 interim CEO, from 10 May 2022 CEO		
Basic salary	448.3	-
Share-based payments	22.9	-
Pension expenses (statutory)	35.9	-
Pension expenses (voluntary)	36.6	-
Total	**543.8**	**-**
Elisa Markula 9 Aug 2021 - 15 Mar 2022		
Basic salary	103.5	208.6
Termination expenses[1]	275.4	-
Pension expenses (statutory)	19.5	34.8
Total	**398.5**	**243.4**
Juko Hakala 1 Feb 2021 - 8 Aug 2021 (interim CEO)		
Basic salary	-	246.1
Pension expenses (statutory)	-	41.1
Total	**-**	**287.2**
Robert Andersson until 1 February 2021		
Basic salary	-	495.1
Termination expenses[2]	-	618.0
Pension expenses (statutory)	-	82.7
Total	**-**	**1,195.8**
Employee benefits to President and CEO total	**942.3**	**1,726.5**

[1] Termination expenses include the salary for the notice period.

[2] Termination expenses include the salary for the notice period and the severance pay equal to 12 months' salary based on the service agreement.

Employee benefits to other members of the Oriola Management Team

EUR thousand	2022	2021
Basic salary	1,141.5	1,679.3
Bonuses	39.5	103.4
Share-based payments	55.3	45.4
Termination expenses [1]	132.6	44.6
Pension expenses (statutory)	180.0	176.9
Pension expenses (voluntary)	20.4	49.4
Total	**1,569.2**	**2,099.0**

[1] Termination expenses include the severance pay equal to 6 months' salary.

The total benefits of the President and CEO of the Group and the Oriola Management Team include a supplementary health insurance. The President and CEO of the Group and the Oriola Management Team participate in statutory pension schemes. Two Oriola Management Team members participate in a voluntary defined contribution plan.

Salaries and benefits of the members of the Board of Directors

EUR thousand	2022	2021
Panu Routila, Chairman	93.0	86.0
Eva Nilsson Bågenholm, Vice Chairman	60.5	57.5
Juko-Juho Hakala	54.0	38.5
Nina Mähönen[1]	38.0	-
Harri Pärssinen	53.5	40.5
Lena Ridström	45.0	41.5
Anja Korhonen[2]	7.0	49.5
Mariette Kristenson[3]	-	3.0
Total	**351.0**	**316.5**

[1] from 15 March 2022
[2] until 15 March 2022
[3] until 16 March 2021

Of the Board of Directors' annual fee, 60% is paid in cash and 40% in the Company's class B shares. For the apportionment paid in shares, an expense of EUR 0.1 (0.1) million was recognised in 2022.

5. Working capital

5.1 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are initially recognised when they are originated and subsequently carried at amortised cost. The Group applies the simplified approach to providing for expected credit losses, which permits the use of the lifetime expected loss provision for all trade receivables. Impairments are recognised as an expense in the consolidated statement of comprehensive income. The part of the trade receivables, which is held for sale, is classified to measurement category fair value through profit and loss. Sold non-recourse trade receivables' credit risk and contractual rights are transferred from the Group on the selling date and related expenses are recognised as financial expenses. Additional information on sales arrangement for trade receivables can be found in note 8.3 Financial risk management.

EUR million	2022	2021
Trade receivables	226.8	194.7
Income tax receivables	1.1	2.7
Prepaid expenses and accrued income	2.1	2.7
VAT receivables	1.7	11.9
Rental prepayments	0.1	-0.1
Prepayments	0.0	1.6
Other receivables	0.8	2.1
Total	**232.7**	**215.6**

As a part of managing liquidity risk Oriola has open-ended frame agreements in Sweden that allows the company to sell trade receivables relating to Swedish wholesale businesses to the financial institutions on non-recourse basis. Sold and from the statement of financial position derecognised non-recourse trade receivables were EUR 100.8 (183.1) million on the balance sheet date. No significant changes are anticipated in the scope of the agreements to sell trade receivables in 2023.

The credit risk in Finland is reduced by interest-bearing advance payments from pharmacies. These interest-bearing advance payments are presented as current interest-bearing liabilities in the statement of financial position. On the balance sheet date, the amount of prepayments was EUR 11.8 (16.0) million. Additional information on the interest-bearing advance payments can be found in note 8.2. Financial assets and liabilities.

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in note 8.3. Financial risk management.

Ageing and impairment of trade receivables at the closing date

	2022		2021	
EUR million	Gross	Impairment	Gross	Impairment
Not past due	220.2	-0.0	185.6	-0.0
Past due 1 - 30 days	5.4	-0.0	7.6	-0.0
Past due 31 - 180 days	1.4	-0.0	1.6	-0.1
Past due more than 180 days	-0.1	0.0	0.0	-0.1
Total	**226.9**	**-0.0**	**194.9**	**-0.2**

The book value of trade receivables corresponds to the maximum amount of credit risk relating to them at the balance sheet date.

5.2. Inventories

Inventories are presented in the consolidated statement of financial position at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated necessary direct costs of sale. The cost of inventories is determined on the basis of FIFO principle. If the net realisable value is lower than cost, a valuation allowance is recognised for inventory obsolescence.

EUR million	2022	2021
Raw materials and consumables	0.1	0.1
Work in progress	0.6	0.6
Finished goods	147.8	228.5
Total	**148.5**	**229.2**

The inventories as of 31 December 2022 included pharmaceuticals and health related products. In 2021, a write-off from inventories totalling EUR 0.3 million was recognised related to the discontinued product category. The write-offs are included in adjusting items.

Use of estimates: *The Group assesses the value of inventories regularly for any indication of obsolescence. A corresponding write-off from inventories is recognised when needed. This assessment requires the management to use judgement when estimating the sales prices of products and inventory turnover. Changes in these estimates may cause impairment of inventories in future reporting periods.*

5.3. Trade payables and other liabilities

EUR million	2022	2021
Trade payables	557.3	591.7
Income tax payables	1.0	1.4
Accrued liabilities	15.0	32.1
Derivatives designated as hedges	-	0.1
Derivatives measured at fair value through profit and loss	0.0	0.2
VAT liabilities	5.9	4.2
Other current liabilities	1.8	6.6
Total	**581.0**	**636.2**

Material items included in accrued liabilities

EUR million	2022	2021
Accrued wages, salaries and social security payments	10.7	20.9
Other accrued liabilities	4.3	11.2
Total	**15.0**	**32.1**

Other non-current liabilities

EUR million	2022	2021
Derivatives	0.5	-
Other non-current liabilities[1]	0.3	0.5
Total	**0.7**	**0.5**

[1] Other non-current liabilities include long-service benefit liability.

5.4. Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a present legal or contractual obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A restructuring provision is recognised when the Group has a detailed, formal restructuring plan, has started the implementation of the plan or has informed those affected by the plan. No provision related to costs for continuing operations is recognised.

At the end of 2022 and 2021 the Group did not have any provisions in the consolidated statement of financial position.

6. Tangible and intangible assets and other non-current assets

6.1. Property, plant and equipment

Tangible assets are initially recognised at historical cost and they are subsequently measured at historical cost less depreciation and impairment losses. The assets are depreciated over their estimated useful life using the straight-line method. The useful life of assets is reviewed at least annually, and it is adjusted if necessary. The estimated useful lives are as follows:

- Buildings 20–50 years
- Machinery and equipment 5–10 years
- Other tangible assets 3–10 years

Land areas are not subject to depreciation. Repair and maintenance costs are recognised as expenses for the period. Improvement investments are capitalised providing they are expected to generate future economic benefits. Gains and losses resulting from the disposal of tangible assets are recognised as other operating income or expense in the statement of comprehensive income.

Property. plant and equipment

EUR million 2022	**Land and water**	**Buildings and constructions**	**Machinery and equipment**	**Right-of-use assets[1]**	**Other tangible assets[2]**	**Advance payments and construction in progress[3]**	**Total**
Historical cost 1 Jan 2022	1.9	60.1	102.4	241.3	43.0	9.8	**458.5**
Increases	-	0.0	1.5	5.5	0.4	1.3	**8.7**
Disposal of operations (note 10.3.)	-	0.0	-42.3	-199.2	-41.3	-2.2	**-285.0**
Decreases	-	-	-0.5	-8.0	-	-0.0	**-8.6**
Reclassifications	-	1.2	3.8	-	0.0	-4.7	**0.4**
Foreign exchange rate differences	-0.0	-1.6	-6.6	-18.2	-3.3	-0.8	**-30.6**
Historical cost 31 Dec 2022	**1.8**	**59.7**	**58.4**	**21.4**	**-1.3**	**3.4**	**143.4**
Accumulated depreciation 1 Jan 2022	-	-41.3	-71.2	-162.0	-28.1	-	**-302.5**
Accumulated depreciation related to disposal of operations	-	-	37.2	139.9	27.7	-	**204.8**
Accumulated depreciation related to decreases and reclassifications	-	-	0.5	7.4	-	-	**7.9**
Depreciation for the financial year, continuing operations	-	-1.9	-4.6	-4.0	-0.0	-	**-10.6**
Depreciation for the financial year, discontinued operations (note 10.3.)	-	-	-0.2	-1.7	-0.3	-	**-2.2**
Impairments, continuing operations	-	-	-	-	-	-3.4	**-3.4**
Impairments, discontinued operations (note 10.3.)	-	-0.1	-0.2	-	-	-	**-0.3**
Foreign exchange rate differences	-	0.8	4.7	12.7	2.3	0.2	**20.6**
Accumulated depreciation 31 Dec 2022	**-**	**-42.6**	**-33.8**	**-7.7**	**1.6**	**-3.2**	**-85.7**
Carrying amount 1 Jan 2022	1.9	18.8	31.2	79.4	14.9	9.8	**155.9**
Carrying amount 31 Dec 2022	**1.8**	**17.1**	**24.5**	**13.8**	**0.3**	**0.1**	**57.7**
2021							
Historical cost 1 Jan 2021	1.9	59.2	101.3	245.5	42.1	8.5	**458.4**
Increases	-	0.6	3.1	20.1	1.5	5.2	**30.5**
Decreases	-	-	-2.2	-19.3	-0.0	-0.5	**-22.0**
Reclassifications	-	0.8	2.1	-	0.2	-3.3	**-0.2**
Foreign exchange rate differences	-0.0	-0.4	-1.8	-5.0	-0.9	-0.1	**-8.2**
Historical cost 31 Dec 2021	**1.9**	**60.1**	**102.4**	**241.3**	**43.0**	**9.8**	**458.5**
Accumulated depreciation 1 Jan 2021	-	-39.6	-67.6	-164.2	-24.9	-	**-296.3**
Accumulated depreciation related to decreases and reclassifications	-	-	2.1	19.2	0.0	0.4	**21.7**
Depreciation for the financial year, continuing operations	-	-1.9	-4.9	-3.8	-0.0	-	**-10.7**
Depreciation for the financial year, discontinued operations (note 10.3.)	-	-	-1.9	-16.5	-3.4	-	**-21.9**
Impairments	-	-	-0.1	-0.0	-0.3	-0.4	**-0.9**
Foreign exchange rate differences	-	0.2	1.2	3.5	0.6	0.0	**5.4**
Accumulated depreciation 31 Dec 2021	**-**	**-41.3**	**-71.2**	**-162.0**	**-28.1**	**-**	**-302.5**
Carrying amount 1 Jan 2021	1.9	19.6	33.7	81.2	17.2	8.5	**162.2**
Carrying amount 31 Dec 2021	**1.9**	**18.8**	**31.2**	**79.4**	**14.9**	**9.8**	**155.9**

[1] For more details about the right-of-use assets please refer to section 7. Leases.
[2] The most significant share of other tangible assets is made up by refurbishment expenditures for rented premises.
[3] The most significant part of advance payments and construction in progress is related to renewal of warehouse premises.

6.2. Goodwill and other intangible assets

Goodwill: Goodwill arising from business combinations is recognised as the amount by which the aggregate of the fair value of the consideration transferred, the acquisition date fair value of any previously held interest and any non-controlling interest exceeds the fair value of the net assets acquired. Goodwill is not amortised but is tested for impairment at least annually according to the business structure in force at the time of impairment testing. For impairment testing, goodwill is allocated to cash-generating units. Goodwill is measured at cost less accumulated impairment losses. Impairment losses are recognised in the statement of comprehensive income.

Other intangible assets: Other intangible assets are initially recognised at historical cost and they are subsequently measured at historical cost less amortisation and impairment losses. Intangible assets not yet available for use are tested annually for impairment. Other intangible assets include sales licences, trademarks, patents, software licences and product and marketing rights. Assets with finite useful life are amortised over their useful life, using the straight-line method. Research and development costs are normally expensed as other operating expenses for the reporting period in which they are incurred. Expenditures on development is capitalised only when it relates to new products or services that are technically and commercially feasible. The majority of the Group's development expenditure does not meet the criteria for capitalisation and are recognised as expenses as incurred. Configuration and customisation costs in a cloud service contract, which do not meet the definition of an intangible asset, and which are distinct from the actual cloud service, are recognised as expense when the service is received. Customisation costs which are not distinct from the actual cloud services, are recognised as advance payments in the statement of financial position and expensed over the estimated term of the cloud service contract. The estimated useful lives of other intangible assets are as follows:

- Intangible rights
  - Patents and trademarks 10 years
  - Software 5–10 years
- Other intangible assets 3–10 years

Goodwill and other intangible assets

EUR million 2022	Goodwill	Intangible rights	Other intangible assets[1]	Advance payments and construction in progress[2]	Total
Historical cost 1 Jan 2022	273.5	111.3	35.5	22.3	**442.6**
Increases	-	0.8	0.5	3.9	**5.2**
Disposal of operations (note 10.3)	-196.6	-79.9	-0.8	-14.7	**-292.0**
Decreases	-	-0.8	-4.9	-0.1	**-5.8**
Reclassifications	-	0.7	2.2	-3.3	**-0.4**
Foreign exchange rate differences	-15.8	-8.0	-	-1.1	**-25.0**
Historical cost 31 Dec 2022	**61.1**	**24.2**	**32.4**	**7.0**	**124.7**
Accumulated amortisation 1 Jan 2022	-	-82.5	-15.6	-	**-98.1**
Accumulated amortisation related to disposal of operations (note 10.3.)	-	55.3	0.3	-	**55.6**
Accumulated amortisation related to decreases and reclassifications	-	0.7	4.6	-	**5.3**
Amortisation for the financial year. continuing operations	-	-0.8	-4.0	-	**-4.8**
Amortisation for the financial year. discontinued operations (note 10.3.)	-	-0.5	-0.3	-	**-0.8**
Impairments	-	-	-	-6.4	**-6.4**
Foreign exchange rate differences	-	6.0	-	0.0	**6.0**
Accumulated amortisation 31 Dec 2022	**-**	**-21.7**	**-14.9**	**-6.4**	**-43.1**
Carrying amount 1 Jan 2022	273.5	28.8	19.9	22.3	**344.5**
Carrying amount 31 Dec 2022	**61.1**	**2.5**	**17.5**	**0.6**	**81.7**
2021					
Historical cost 1 Jan 2021	278.7	109.6	32.5	17.4	**438.2**
Increases	-	1.7	0.5	10.2	**12.4**
Decreases	-	-	-0.6	-0.0	**-0.7**
Impairments	-0.9	-	-	-	**-0.9**
Reclassifications	-	2.2	3.2	-5.2	**0.2**
Foreign exchange rate differences	-4.4	-2.1	-	-0.2	**-6.7**
Historical cost 31 Dec 2021	**273.5**	**111.3**	**35.5**	**22.3**	**442.6**
Accumulated amortisation 1 Jan 2021	-	-77.2	-12.4	-	**-89.7**
Accumulated amortisation related to decreases and reclassifications	-	-0.0	0.6	-	**0.6**
Amortisation for the financial year. continuing operations	-	-0.9	-3.6	-	**-4.5**
Amortisation for the financial year. discontinued operations (note 10.3.)	-	-5.8	-0.2	-	**-6.0**
Foreign exchange rate differences	-	1.5	-	-	**1.5**
Accumulated amortisation 31 Dec 2021	**-**	**-82.5**	**-15.6**	**-**	**-98.1**
Carrying amount 1 Jan 2021	278.7	32.3	20.1	17.4	**348.5**
Carrying amount 31 Dec 2021	**273.5**	**28.8**	**19.9**	**22.3**	**344.5**

[1] Other intangible assets include significant expenses for installation and specialist work related to the implementation of computer software.
[2] Advance payments and construction in progress include mainly costs related to software.

Impairments

Impairment of tangible and intangible assets: The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of the net sales price or value in use, which is the present value of the expected future cash flows expected to be derived from the asset.

The impairment loss is recognised in the statement of comprehensive income if the carrying amount of the asset exceeds the recoverable amount. An impairment loss is reversed if there is a change in the circumstances and the recoverable amount exceeds the carrying amount. The reversal of impairment loss cannot exceed the asset's carrying amount without any impairment loss.

Allocation and impairment testing of goodwill: The goodwill impairment test is conducted at least annually or more frequently if there is any indication that goodwill may be impaired. Impairment testing is conducted according to the business structure in force at the time of impairment testing. Impairment is recognised in the statement of comprehensive income under Depreciation, amortisation and impairments. Goodwill impairment losses are not reversed.

Impairment of tangible and intangible assets

The Group has recognised an EUR 3.4 (0.4) million impairment of other tangible assets and EUR 6.4 million impairment of other intangible assets not yet available for use and which have been development in progress. In total EUR 9.8 million impairment was recognised in depreciations, amortizations and impairments in the statement of comprehensive income and relates to the earlier automation development, outdated technology and partially implemented project that have been discontinued.

The impairment loss of EUR 0.1 million recorded in buildings and EUR 0.2 million recorded in machinery and equipment is related to the distance pharmacy and is included in discontinued operations in the consolidated statement of comprehensive income.

Goodwill impairment testing

The recoverable amount of the cash-generating units (CGUs) in impairment testing was based on value-in-use calculations. Value-in-use has been determined based on discounted cash flows (DCF-model). The cash flow forecasts are based on three-year strategic plans approved by the management and are consistent with the current business structure. The most important assumptions in the strategic plans are estimates of overall long-term growth in the market and the market position as well as the profitability of the Group businesses. The foreign exchange rates used in converting the calculations into euros are those prevailing at the time of testing.

The main parameters used in the impairment testing are net sales growth percentage, EBIT percentage, terminal growth percentage and discount rate.

The three-year net sales forecasts are based on the management's assessment of the net sales growth, market development forecasts available from external information sources and sales growth based on the Group's actions.

The terminal growth rate used in the calculations is based on the management's assessments of the long-term growth. In estimating the terminal growth rate, both country-specific and business sector growth forecasts available from external information sources as well as the characteristic features of each operating segment and cash generating unit are considered. Terminal growth rate for cash generating units was 2.0% from the year 2025. The discount rate used in the calculation is based on the Group's weighted average cost of capital, taking into account the industry and country specific risks in each of the Group's operating segment. When defining the discount rates, Oriola has acquired the necessary information from an external information source.

Result of goodwill impairment testing

The result of impairment testing performed in the last quarter of the year shows that the "value in use" in the tested cash generating units exceeds the book value of the carrying amounts, and thus no impairment of goodwill was recognised in 2022. In 2021, an impairment of goodwill totalling EUR 0.9 was recognised relating to the closing of the service centre in Sweden Retail business.

Goodwill and projection parameters applied

2022	Dose dispening	Distribution services	Expert services
Goodwill	28.2	25.9	6.9
Pre-tax discount rate %	8.6	9.0	9.1
Terminal growth %	2.0	2.0	2.0

2021	Consumer	Dose dispensing	Distri-bution services	Expert services	Staffing and opti-mization
Goodwill	210.3	28.2	25.9	7.1	2.0
Pre-tax discount rate %	7.2	7.3	6.7	6.6	7.3
Terminal growth %	2.0	2.0	2.0	2.0	2.0

Sensitivity analysis for the following projection parameters have been performed: discount rate, EBIT percentage, terminal growth percentage, and net sales growth percentage. For Dose dispening CGU the recoverable amount would equal the carrying amount if pre-tax rate increased 1.7 percentage points, or if EBIT percentage decreased 0.7 percentage points, or if terminal growth percentage decreased 1.9 percentage point, or if sales growth percentage decreased 3.5 percentage points. For other CGUs, the management believes that any reasonably possible change in the projection parameters would not cause carrying amount of the cash-generating units to exceed its recoverable amount.

Use of estimates: *The Group's assets with an indefinite useful life are subject to annual impairment testing and any indication of impairment of assets is assessed using information from external sources on market development as well as information from internal sources on business performance and estimates. When analysing these sources and information and making conclusions, estimates are used. The recoverable values used in impairment testing are discounted future cash flows that can be obtained through usage and possible sale of the assets. If the carrying amount of the asset exceeds either its recoverable amount or fair value, the difference is recognised as an impairment charge. The preparation of such calculations requires the use of estimates. The management has followed closely the impacts of the COVID-19 pandemic on the Group's business performance and estimates. At the moment the pandemic is not expected to have significant long-term impacts on Oriola's business performance.*

6.3. Other non-current assets

EUR million 2022	Joint ventures	Other shares and share-holdings	Other non-current assets	Total
Carrying amount 1 Jan 2022	-	34.2	0.7	**34.9**
Increases	242.3	-	3.4	**245.7**
Decreases	-	-0.0	-0.0	**-0.0**
Share of result for the period	-2.0	-	-	**-2.0**
Foreign exchange rate differences	-	-0.0	-0.0	**-0.0**
Carrying amount 31 Dec 2022	**240.4**	**34.2**	**4.0**	**278.6**
2021				
Carrying amount 1 Jan 2021	-	22.2	0.1	**22.3**
Increases	-	0.0	0.6	**0.6**
Decreases	-	-11.1	-	**-11.1**
Changes in fair value	-	23.1	-	**23.1**
Foreign exchange rate differences	-	-0.0	-0.0	**-0.0**
Carrying amount 31 Dec 2021	-	**34.2**	**0.7**	**34.9**

Joint ventures

Oriola announced on 9 February 2022 that Oriola Corporation and Euroapotheca group have signed a framework agreement for combining the respective pharmacy businesses in Sweden: Oriola's Consumer business area comprising of Kronans Apotek and Euroapotheca's Apoteksgruppen into a new jointly owned company, Kronans Apotek. The Swedish Competition Authority gave its approval to the planned combination and the transaction was completed on 3 October 2022. Oriola's share is 50 per cent of the investment and the result. Oriola accounts its interest in the joint venture using the equity method. For more information about the accounting principles for joint venture please refer to section 10. Group structure.

Summarised financial information for joint venture

	Swedish Pharmacy Holding AB	
Balance sheet EUR million	**31 Dec 2022**	**31 Dec 2021**
Current assets		
Cash and cash equivalents	30.8	-
Other current assets	142.8	-
Current assets total	173.8	-
Non-current assets	615.1	-
Current liabilities		
Trade payables	116.9	-
Other current liabilities	51.0	-
Current liabilities total	167.9	-
Non-current liabilities	146.7	-
Net assets total	**474.1**	-

Reconciliation to carrying amounts EUR million	31 Dec 2022	31 Dec 2021
Net assets 1 Jan	-	-
Investment in joint venture	484.7	-
Loss for the period	-3.9	-
Net assets 31 Dec	**480.8**	-
Group's share in joint venture	50 %	-
Group's share of net assets	240.4	-
Impairment	-	-
Carrying amount	240.4	-

	Swedish Pharmacy Holding AB	
Income statement EUR million	**2022**	**2021**
Net sales	292.7	-
Depreciation. amortisation and impairment losses	-10.5	-
Interest expenses	-1.1	-
Income taxes	0.8	
Result for the period	-3.9	-

Other shares and shareholdings

The investment in Doktor.se is accounted for as a financial asset. Additional information can be found in note 8.2 Financial assets and liabilities. Oriola classifies the shares of Doktor.se as the investment in Doktor.se is seen as strategic investment, which supports Oriola's business operations. The shares are presented in the consolidated statement of financial position as part of other non-current assets. Possible changes in fair value of the investment are recognised in other comprehensive income and they shall not subsequently be transferred to profit and loss. Possible dividends are recognised as dividend income in the profit and loss.

Other shares and shareholdings include Oriola's holding in the Swedish online medical centre Doktor.se. The applied valuation method for the shares in Doktor.se is based on realised transactions.

In June 2021, Oriola sold approximately 50% of its shareholding in Doktor.se for EUR 33.9 million. The profit from the sale of shares EUR 21.7 was recognised in retained earnings. In taxation, the sales profit has been treated as tax exempt sale of fixed asset shares. In addition, Oriola recognised an increase of EUR 23.1 million to the value of the remaining investment based on realised transactions. Oriola's ownership in Doktor.se has enabled a tight strategic cooperation in the Swedish market. The accelerating international growth programme of Doktor.se is a natural moment for Oriola to decrease its ownership and that way contribute to other types of investors being able to invest in Doktor.se.

Oriola's ownership at the end of the reporting period was approximately 5% of the total number of shares in Doktor.se. Doktor.se offers personal digital healthcare services to its customers. Doktor.se has a comprehensive organisation with specialist nurses, doctors and psychologists.

Use of estimates: *The management has to evaluate at each balance sheet date whether there have been any changes to the fair value of the shares measured at fair value through other comprehensive income. The applied valuation method for the shares in Doktor.se is based on realised transactions.*

7. Leases

Leases: The Group leases various assets, which are divided into following asset classes:

- Real estate
- IT equipment
- Vehicles
- Other machinery and equipment

The Group's real estate leases include leases of office premises and warehouse premises. Also leases for parking space as well as machinery and equipment of buildings is included the real estate class. The usual duration of the leases is 3 years, and the contracts are regularly renewed for the next lease period. For most of the contracts the lease payments are adjusted every year based on the change of the consumer price index.

The Group leases of vehicles consist of company cars, which are used as part of employee benefits and forklifts, which are used in warehouses. The lease period for the company cars is usually 3 years and for forklifts 3-5 years.

The Group leases IT equipment such as servers, printers and laptops. The lease period for IT equipment is usually 3-5 years.

Leases of other machinery and equipment include waste presses in the warehouses and dose dispensing equipment. containers, furniture and other machinery and equipment such as franking machines and coffee machines.

At inception of a contract it is assessed whether a contract contains a lease. A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In order to assess whether a contract conveys the right to control the use of an identified asset, it is assessed whether:

- The contract involves the use of an identified asset
- Oriola has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use
- Oriola has the right to direct the use of the asset.

The right-of-use asset is initially measured at cost, which comprises:

- The initial amount of lease liability
- Any lease payments made at or before the commencement date
- Any initial direct costs incurred by Oriola
- An estimate of costs to be incurred by Oriola in dismantling and removing the underlying assets or restoring the site on which the assets are located

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments included in the measurement of the lease liability include the following:

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or the rate as at the commencement date
- Amounts expected to be payable under a residual value guarantee
- The exercise price of a purchase option that Oriola is reasonably certain to exercise
- Penalties for early termination of a lease if the termination is taken into account in determining lease period.

The lease payments included in the measurement of lease liability exclude variable elements which are dependent on external factors such as e.g. sales volume in pharmacies. Variable payments not included in the initial measurement of the lease liability are recognised as an expense over the lease term.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term. and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. At Oriola. the incremental borrowing rates are defined for the lease terms of 1, 3, 5 and 10 years. The components of the incremental borrowing rate are:

- Risk free rate which reflect the different jurisdictions and currencies: SEK and EUR swap rates for 1 to 3 years and Government bonds for Finland and Sweden for 5 to 10 years
- Oriola's internal credit rating for the parent company as a company specific margin. As all the Group's treasury functions are centralized to the parent company and all funding for the Group is managed centrally by the parent company resulting in the parent providing a guarantee of the lease payments to the lessor, the pricing of the lease is more significantly influenced by the credit standing of the parent than that of the subsidiary.
- The incremental borrowing rates are reviewed monthly.

The lease term comprises of:

- Non-cancellable period of lease contract
- Periods covered by an option to extend the lease if Oriola is reasonably certain to exercise that option
- Periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The exemption for short term leases is applied to real-estate leases and the exemption for low-value assets is applied to leases of IT equipment and other machinery and equipment. For short term leases of real estate leases that have a lease term of 12 months or less and for low-value leases of IT equipment and other machinery equipment the right-of-use asset and lease liability is not recognised. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. An asset is considered to be a low-value asset, if the value of the asset when it is new is less than EUR 5.000 or SEK 50.000.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and less any accumulated impairment losses and adjusted for any remeasurements of the lease liability. Depreciation is calculated using the straight-line method from the commencement date to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, if there is a change in Oriola's estimate of the amount expected to be payable under a residual value guarantee, or if Oriola changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in the profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use assets are presented in property, plant and equipment and the lease liabilities in interest-bearing liabilities in the statement of financial position. The lease liabilities with the maturity of more than 12 months are presented in the non-current interest-bearing liabilities and the lease liabilities with the maturity of 12 months or less are presented in the current interest-bearing liabilities.

The depreciations of right-of-use assets are presented in depreciation, amortisation and impairments in the statement of comprehensive income. The interest expense on the lease liability is presented within the financial expenses. The lease payments of low-value assets and short-term leases are included in other operating expenses in the statement of comprehensive income.

In the statement of cash flows the cash payments for the principal portion of the lease liability are presented within financing activities. The cash payments for the interest portion of the lease liability as well as short term lease payments. payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liabilities are presented within operating activities.

Use of estimates: *In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).*

7.1. Leases in the statement of financial position

The Group has recognised following amounts in the statement of financial position relating to leases:

Right-of-use assets

EUR million	2022	2021
Real estate	13.1	77.9
IT equipment	0.0	0.1
Vehicles	0.5	1.3
Other machinery and equipment	0.1	0.0
Total	**13.8**	**79.4**

Lease liabilities

EUR million	2022	2021
Current	3.4	18.6
Non-current	10.9	60.2
Total	**14.3**	**78.8**

Additions to the right-of-use assets during year 2022 were EUR 5.5 (20.1) million.

7.2. Leases in the statement of comprehensive income

The Group has recognised following amounts in the statement of comprehensive income relating to leases:

EUR million	2022	2021
Depreciation charge of right-of-use assets		
Real estate	-3.5	-3.1
IT equipment	-0.1	-0.1
Vehicles	-0.4	-0.5
Other machinery and equipment	-0.0	-0.0
Total depreciation	-4.0	-3.8
Interest expense (included in financial expenses)	-0.4	-0.4
Expense relating to short-term leases (included in other operating expenses)	-0.2	-0.1
Expense relating to leases of low-value assets (included in other operating expenses)	-0.3	-0.5
Gains from changes in leases (included in other operating income)	0.1	0.0

The total cash outflow for leases in 2022 was EUR 4.6 (5.0) million.

8. Capital structure

8.1. Financial income and expenses

Interest income and expenses:
Interest income and expenses are recognised on a time-proportion basis using the effective interest method.

The average interest rate on the interest-bearing liabilities excluding lease liabilities was 2.59% (0.96%) in 2022.

Financial income and expenses

EUR million	2022	2021
Financial income		
Interest income on interest rate swaps	0.0	-
Interest income on financial assets measured at amortised cost	3.8	4.6
Interest income on financial assets and liabilities recognised at fair value	0.3	0.1
Foreign exchange rate gains from financial assets and liabilities recognised at fair value, net	-	0.2
Total	**6.2**	**4.9**
Financial expenses		
Interest expenses on interest rate swaps	-	0.3
Interest expenses on financial liabilities at amortised cost	1.8	2.0
Interest expenses on leases	0.4	0.4
Foreign exchange rate losses on financial assets and liabilities measured at amortised cost, net	-	0.0
Other financial expenses	2.9	1.9
Total	**6.9**	**4.6**
Financial income and expenses, total	**-0.7**	**0.3**

8.2. Financial assets and liabilities

Classification and measurement: Financial assets and liabilities are recognised at the fair value at the settlement date except derivatives, which are recognised at the trade date in the statement of financial position. The Group's financial assets and liabilities include cash and cash equivalents, loans and other financial receivables, trade receivables, trade payables, loans and derivatives.

Financial assets and liabilities are classified into the following measurement categories:

- Fair value through profit and loss
- Fair value through other comprehensive income
- Amortised cost

The classification of financial assets into different measurement categories depends on the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The classification of financial liabilities into different measurement categories depends on the purpose for which the financial liabilities were initially acquired. The measurement category for financial assets and liabilities is determined at the acquisition date. Financial assets are derecognised when the Group loses the rights to receive the contractual cash flows on the financial asset or it transfers substantially all the risks and rewards of ownership outside the Group. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expires.

Financial assets measured at fair value through profit and loss: Money market investments, trade receivables held for sale and derivatives which are not designated as hedges are measured at fair value through profit and loss. Assets within this category are short-term assets with a maturity of less than 12 months and are measured at fair value using the market price on the balance sheet date.

Both realised and unrealised gains and losses arising from the changes in fair value are recognised in the consolidated statement of comprehensive income for the financial period during which they incurred.

Financial assets measured at amortised cost: Cash and cash equivalents consist of cash in hand and cash at the bank accounts. Items classified as cash and cash equivalents have a maturity of less than 3 months from the acquisition date. The used credit limits are included in current interest-bearing liabilities.

Loans and other receivables are measured at amortised cost. Receivables are classified as current financial assets unless their maturity date is more than 12 months from the balance sheet date. Trade and other receivables are included in this category except for trade receivables held for sale, which are measured at fair value through profit and loss. Trade receivables are recognised at their original book value. A valuation allowance for impairment of trade receivables is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, the probability of the debtor's bankruptcy, failure to pay and significant delay of payments are considered to be justified reasons for the impairment of trade receivables. The Group applies the simplified approach to providing for expected credit losses, which permits the use of the lifetime expected loss provision for all trade receivables. Impairments are recognised as an expense in the consolidated statement of comprehensive income. Sold non-recourse trade receivables' credit risk and contractual rights are transferred from the Group on the selling date and related expenses are recognised as financial expenses. Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in note 8.3. Financial risk management.

Financial assets measured at fair value through other comprehensive income: In 2018 and 2020, Oriola Corporation invested a total of EUR 14.2 million in the Swedish online medical centre Doktor.se. The investment is accounted for as a financial asset. Oriola classifies the shares of Doktor.se as fair value through other comprehensive income. The investment in Doktor.se is seen as strategic investment, which supports Oriola's business operations. The purchase price of the shares is recognised in the consolidated statement of financial position in other non-current assets. Possible changes in fair value of the investment are recognised in other comprehensive income and they shall not subsequently be transferred to profit and loss. The applied valuation method for the shares in Doktor.se is based on realised transactions. Possible dividends are recognised as dividend income in the profit and loss. In June 2021, Oriola sold approximately 50% of its shareholding in Doktor.se for EUR 33.9 million. More information on the investment in Doktor.se can be found in note 6.3. Other non-current assets.

Financial liabilities measured at amortised cost: Financial liabilities measured at amortised cost are recognised in the consolidated statement of financial position at the net value received on the date of acquisition. Transaction costs are included in the original carrying amount of financial liabilities. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised in the statement of comprehensive income using the effective interest method. Financial liabilities that expire within 12 months from the balance sheet date, including bank overdrafts in use, are recognised within current interest-bearing liabilities, and those expiring in a period exceeding 12 months, are recognised within non-current interest-bearing liabilities.

Financial liabilities measured at fair value through profit and loss: The Group's financial liabilities measured at fair value through profit and loss include derivatives which are not designated as hedges. More information on measurement of derivatives can be found from note 8.3. Financial risk management.

Financial assets and liabilities by category

		2022			2021		
EUR million	**Note**	**Fair value**	**Book value**	**Hierarchy**	**Fair value**	**Book value**	**Hierarchy**
Derivatives designated as hedges	8.3.	3.3	3.3	Level 2	0.6	0.6	Level 2
Financial assets recognised at fair value through profit and loss							
Derivatives measured at fair value through profit and loss	8.3.	0.8	0.8	Level 2	0.0	0.0	Level 2
Other investments measured at fair value through OCI	6.3.	34.2	34.2	Level 3	34.2	34.2	Level 3
Trade receivables for sale	5.1.	91.4	91.4	Level 2	16.1	16.1	Level 2
Financial assets measured at amortised cost							
Cash equivalents		160.6	160.6	Level 2	109.1	109.1	Level 2
Trade receivables and other receivables	5.1.	138.2	138.2	Level 2	183.4	183.4	Level 2
Financial assets, total		**428.6**	**428.6**		**343.5**	**343.5**	
Derivatives designated as hedges	8.3.	-	-	Level 2	0.1	0.1	Level 2
Financial liabilities recognised at fair value through profit and loss							
Derivatives measured at fair value through profit and loss	8.3.	0.5	0.5	Level 2	0.2	0.2	Level 2
Financial liabilities measured at amortised cost							
Non-current interest-bearing liabilities		69.9	69.9	Level 2	123.5	123.5	Level 2
Current interest-bearing liabilities		67.0	67.0	Level 2	86.4	86.4	Level 2
Trade payables and other current liabilities	5.3.	573.9	573.9	Level 2	630.4	630.4	Level 2
Financial liabilities, total		**711.3**	**711.3**		**840.5**	**840.5**	

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Reconciliation of financial assets recognised at fair value according to the level 3

EUR million	2022	2021
Carrying amount 1 Jan	**34.2**	**22.2**
Disposal of shares	-	-11.1
Change in fair value	-	23.1
Carrying amount 31 Dec	**34.2**	**34.2**

Financial assets recognised at fair value through other comprehensive income (level 3) include Oriola's holding in the Swedish online medical centre Doktor.se. In the second quarter of 2021 Oriola sold approximately 50% of its shareholding in Doktor.se and recognised an increase of EUR 23.1 million to the value of the shares. More information on the investment in Doktor.se and its valuation can be found in note 6.3. Other non-current assets.

Interest-bearing liabilities

Non-current

EUR million	2022	2021
Loans from financial institutions	59.1	63.3
Lease liabilities	10.9	60.2
Total	**69.9**	**123.5**

Current

EUR million	2022	2021
Loans from financial institutions	2.0	2.0
Issued commercial papers	49.8	49.8
Advances received from pharmacies	11.8	16.0
Lease liabilities	3.4	18.6
Total	**67.0**	**86.4**

Interest-bearing liabilities by currency

EUR million	2022	2021
EUR	97.9	103.9
SEK	39.0	106.0
Total	**136.9**	**209.9**

Net debt

EUR million	2022	2021
Loans from financial institutions	59.1	63.3
Lease liabilities	10.9	60.2
Non-current interest-bearing liabilities	**69.9**	**123.5**
Loans from financial institutions	2.0	2.0
Issued commercial papers	49.8	49.8
Advances received from pharmacies	11.8	16.0
Lease liabilities	3.4	18.6
Current interest-bearing liabilities	**67.0**	**86.4**
Interest-bearing liabilities, total	**136.9**	**209.9**
Cash and cash equivalents	**160.6**	**109.1**
Net debt	**-23.7**	**100.8**

Change in net debt

EUR million 2022	Loans from financial institutions	Commercial papers	Advances from pharmacies	Lease liabilities	Cash and cash equivalents	Total
Carrying value, at 1 January 2022	-65.3	-49.8	-16.0	-78.8	109.1	**-100.8**
Change in net debt, cash:						
Repayments of non-current loans	2.0	-	-	-	-	**2.0**
Repayments of current loans	-	-	-	-	-	**-**
Repayments of lease liabilities	-	-	-	15.7	-	**15.7**
Change in other current liabilities	-	-0.0	4.3	-	-	**4.2**
Change in cash and cash equivalents	-	-	-	-	51.6	**51.6**
Cash flows, total	**2.0**	**-0.0**	**4.3**	**15.7**	**51.6**	**73.6**
Change in net debt, non-cash:						
Change in lease liabilities	-	-	-	-4.8	-	**-4.8**
Changes arising from losing control of subsidiaries	-	-	-	50.2		**50.2**
Foreign exchange adjustments	2.2	-	-	3.4	-0.1	**5.5**
Non-cash movements, total	**2.2**	**-**	**-**	**48.8**	**-0.1**	**50.9**
Carrying value, at 31 December 2022	**-61.1**	**-49.8**	**-11.8**	**-14.3**	**160.6**	**23.7**

2021	Loans from financial institutions	Commercial papers	Advances from pharmacies	Lease liabilities	Cash and cash equivalents	Total
Carrying value, at 1 January 2021	-117.9	-78.6	-17.0	-81.7	168.2	**-127.1**
Change in net debt, cash:						
Repayments of non-current loans	2.0	-	-	-	-	**2.0**
Repayments of current loans	50.0	-	-	-	-	**50.0**
Repayments of lease liabilities	-	-	-	21.2	-	**21.2**
Change in other current liabilities	-	28.8	1.0	-	-	**29.8**
Change in cash and cash equivalents	-	-	-	-	-59.0	**-59.0**
Cash flows, total	**52.0**	**28.8**	**1.0**	**21.2**	**-59.0**	**44.0**
Change in net debt, non-cash:						
Change in lease liabilities	-	-	-	-19.9	-	**-19.9**
Foreign exchange adjustments	0.6	-	-	1.7	-0.0	**2.2**
Non-cash movements, total	**0.6**	**-**	**-**	**-18.3**	**-0.0**	**-17.7**
Carrying value, at 31 December 2021	**-65.3**	**-49.8**	**-16.0**	**-78.8**	**109.1**	**-100.8**

8.3. Financial risk management

The financial risks relating to the business operations of the Oriola Group are managed in accordance with the treasury policy approved by the Board of Directors. Oriola's centralised Group Treasury is responsible for implementing, monitoring and reporting of the treasury policy.

Oriola's Group Treasury's main objectives are to maintain solid long-term financial position and secure daily liquidity of the Group and to efficiently manage currency and interest rate risks.

The objective of financial risk management is to hedge against unfavourable changes in the financial markets and to minimise the impact of foreign exchange, interest rate, refinancing and liquidity risks on the Group's cash reserves, profits and shareholders' equity. Approved hedging instruments are set in the treasury policy.

Currency risk: The most important country-specific operating currencies for the Oriola Group are the euro (EUR) and the Swedish krona (SEK). A substantial proportion of procurements and sales are conducted in the reporting currency of the subsidiaries, which considerably reduces the currency risk. In accordance with its treasury policy, Oriola's internal loans and deposits are denominated in the local currency of each subsidiary.

Transaction risk: Transaction risks arise from commercial and finance-related transactions and payments made by the business units, which are denominated in a currency other than the unit's reporting currency. Due to the nature of business operations, Oriola's transaction risks are minor. In accordance with its treasury policy, Oriola's internal loans and deposits are denominated in the local currency of each subsidiary, mainly in Swedish krona. In addition, Oriola Corporation had an EUR 26.1 (28.3) million Swedish krona denominated external loan on the balance sheet date. In accordance of the treasury policy, transaction risk arising from the items in the statement of financial position recognised in the statement of comprehensive income is aimed to be fully hedged with derivatives. On the balance sheet date Swedish krona denominated open transaction position was EUR 0.4 (0.0) million.

Translation risk: Oriola's most significant translation risk concerns items in Swedish krona. Translation risks arise from capital investments and goodwill in foreign subsidiaries. On the balance sheet date Oriola had not hedged the equity-related translation risks. On the balance sheet date Swedish krona denominated translation risk position was EUR 92.5 (268.9) million. Translation risk sensitivity: A 10% weakening/strengthening of Swedish krona would have an impact of EUR -/+8.7 (-/+24.4) million in the Group's equity.

Liquidity risk: The objective of liquidity risk management is to maintain adequate liquid assets and revolving credit facilities so that Oriola is able to meet all of its financial obligations. The Group's liquidity management is based on 12-month cash flow forecasts and 4-week rolling cash flow forecasts drawn up on a weekly basis. Oriola has diversified its refinancing risk among several different counterparties and various financing sources.

In June 2021, Oriola signed a new unsecured revolving credit facility agreement for a total of EUR 140 million for three years. The facility is committed and includes an option to be extended by two years. In February 2022, the maturity of the agreement was extended by one year, and the revolving credit facility matures in June 2025. The margin of the revolving credit facility is linked to Oriola's financial covenants and the performance of sustainability targets. The committed long-term revolving credit facility of EUR 140.0 million and short-term uncommitted credit account limits of EUR 34.9 (34.9) million were unused on the balance sheet date. In addition, Oriola has a EUR 200 (200) million uncommitted commercial paper programme of which EUR 49.8 (49.8) million had been issued on the balance sheet date. Maturity distribution of financial assets and liabilities is presented on page 56. Oriola's cash and cash equivalents at the end of 2022 totalled EUR 160.6 (109.1) million.

Oriola's financial agreements include financial covenants that are maximum net debt to EBITDA -ratio of 3.0 and maximum net debt to equity ratio of 100%. In addition to financial covenants, the margin of the revolving credit facility is linked to the performance of the Group's sustainability targets. Regarding the standard IFRS 16 Leases, the Group has agreed with financial institutions on applying the financial reporting standards in force at the end of 2018 to all of the current long-term agreements. At the end of the reporting period the financial covenants were fulfilled.

Oriola's net working capital was EUR -182.0 (-167.8) million on the balance sheet date. Oriola's net working capital was negative on the balance sheet date owing to the terms of payment defined in principal and customer agreements and to the non-recourse factoring programmes used in the retail and wholesale businesses in Sweden. The Group's principal and customer agreements are based on established, long-term agreements, and no significant changes are anticipated in them during 2023.

Oriola has open-ended frame agreements in Sweden that allow the company to sell trade receivables relating to Swedish wholesale businesses to the financial institutions on a non-recourse basis. Sales of trade receivables were EUR 100.8 (183.1) million in total on the balance sheet date. No significant changes are anticipated in the scope of the agreements to sell trade receivables in 2023.

Interest rate risk: Interest rate risk arise from changes in interest payments of floating rate loans due to changes in market interest rates and market value changes of financial instruments (price risk). The objective of the interest rate risk management is to minimise the impact of interest rate fluctuations on the statement of comprehensive income. The interest rate risk is evaluated using sensitivity analysis and interest rate duration.

On the balance sheet date, Oriola's interest rate risk consisted of EUR 160.6 (109.1) million in cash assets, EUR 136.9 (209.9) million in interest-bearing liabilities, and EUR 100.8 (183.1) million from sales of non-recourse trade receivables in Sweden. The interest-bearing liabilities at the end of 2022 include lease liabilities totalling EUR 14.3 (78.8) million. On the balance sheet date, a total of EUR 64.8 (70.3) million of the interest rate risk was hedged. The average interest rate on interest-bearing liabilities excluding lease liabilities and including the sale of receivables on a non-recourse basis and interest rate hedges, was 2.59% (0.96%), and the interest rate duration was 13 (10) months. Interest rate hedges are long-term contracts. Oriola applies hedge accounting for interest rate swaps hedging cash flows relating to selling of non-recourse trade receivables.

Based on the gross debt on the balance sheet date and assuming that the trade receivables sales programmes will continue as normal in Sweden, the effect of a one percentage point increase in market interest rates on the Group's annual earnings after taxes would be EUR -4.7 (-2.1) million (including derivatives) and on equity EUR 5.6 (2.1) million (including derivatives).

Credit and counterparty risks: A credit risk arises from the possibility of a counterparty failing to meet its contractual payment obligations or financial institutions failing to meet their obligations relating to deposits and derivatives trading. Oriola's treasury policy provides the framework for credit-, investment- and counterparty risk management.

Credit limits are determined for investments and derivative agreement counterparties on the basis of creditworthiness and solidity and are monitored and updated on a regular basis.

Business areas are responsible for the credit risk management arising from commercial receivables. The Finnish and Swedish wholesale business is based on well-established customer relationships and contractual terms generally observed within the industry, which significantly reduces the credit risk associated with trade receivables. Due to the nature of the operations there are no significant credit risks associated with the Swedish retail business. The credit risk related to the wholesale business in Finland is reduced by interest-bearing advance payments from pharmacies. These interest-bearing advance payments are presented as current interest-bearing liabilities in the statement of financial position. In the wholesale business in Sweden, the credit risk is reduced by the sale of non-recourse receivables to financial institutions and by the usage of credit loss insurances.

The Group applies the simplified approach to providing for expected credit losses, which permits the use of the lifetime expected loss provision for all trade receivables. The Group uses a provision matrix for loss allowance provision. The matrix is based on historical observed default rates and incorporates forward looking information.

Credit losses recognised in the statement of comprehensive income for the financial year totalled EUR -0.0 (-0.2) million. The ageing of trade receivables is presented in more detail in note 5.1. Trade and other receivables.

Capital management: Oriola's aim is to have an efficient capital structure that allows the company to manage its ongoing obligations and enables cost-effective operations under all circumstances. The return on capital employed (ROCE) and the gearing ratio are the measurements for monitoring capital structure.

Oriola's long-term financial targets are based on growth, profitability and key figures related to the statement of financial position. The Group's long-term targets are to grow at the rate of the market, annual EPS growth over 5% (without adjusting items), return on capital employed of over 20% and adjusted gearing ratio lower than 70%. Non-recourse trade receivables are added to the net debt for adjusted gearing. In addition, Oriola's aim is to pay out an increasing annual dividend of at least 50% of its earnings per share. The targets have been calculated excluding the impact of application of IFRS 16.

For a definition of key figures, please see the section Alternative performance measures.

Maturity distribution of financial assets and liabilities

31 Dec 2022

EUR million	2023	2024	2025	2026>	Total
Interest-bearing					
Loans from financial institutions and commercial paper loans	51.8	58.1	1.0	-	**110.9**
Lease liabilities	3.4	3.0	2.7	5.2	**14.3**
Advance payments received	11.8	-	-	-	**11.8**
Non-interest-bearing					
Trade payables and other current liabilities	573.9	-	-	-	**573.9**
Receivables from interest rate swaps	-	-0.7	-1.4	-1.9	**-4.0**
Receivables from foreign currency derivatives	-115.5	-	-	-	**-115.5**
Payables on foreign currency derivatives	116.0	-	-	-	**116.0**
Total	**641.3**	**60.4**	**2.3**	**3.3**	**707.3**

31 Dec 2021

EUR million	2022	2023	2024	2025>	Total
Interest-bearing					
Loans from financial institutions and commercial paper loans	51.8	32.0	30.3	1.0	**115.1**
Lease liabilities	18.6	17.5	13.7	29.0	**78.8**
Advance payments received	16.0	-	-	-	**16.0**
Non-interest-bearing					
Trade payables and other current liabilities	630.4	-	-	-	**630.4**
Receivables from interest rate swaps	-	-	-0.1	-0.6	**-0.6**
Liabilities from interest rate swaps	0.1	-	-	-	**0.1**
Receivables from foreign currency derivatives	-59.5	-	-	-	**-59.5**
Payables on foreign currency derivatives	59.6	-	-	-	**59.6**
Total	**717.0**	**49.5**	**43.9**	**29.5**	**839.9**

Derivatives and hedge accounting

Recognition and measurement: Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each reporting month. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument. Derivatives are classified as held for trading and accounted for at fair value through profit or loss unless they are designated as hedges. They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting period.

Oriola has the following derivative instruments:

- Instruments held for trading: Foreign currency forward and swap contracts, interest rate swaps
- Cash flow hedges: Interest rate swaps

The change in fair value of derivatives held for trading is recognised either as other income or expense or as financial income or expense depending on the underlying item being hedged.

Hedge accounting: Oriola applies hedge accounting for the interest rate swaps hedging cash flows relating to selling of non-recourse trade receivables. The fluctuating interest rate has been converted into fixed rate using interest rate swaps. When initiating hedge accounting, the relationship between the hedged item and the hedging instrument is documented along with the objectives of the Group's risk management. The effective portion of the changes in the fair value of interest rate swaps that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the reserves in equity. The ineffective portion, if any, is recognised immediately in the statement of comprehensive income within the financial items.

The fair value of currency forward and swap contracts is determined by measuring them at fair value using market rates on the balance sheet date.

Derivatives

EUR million 2022	Positive fair value	Negative fair value	Nominal value
Derivatives recognised as cash flow hedges			
Interest rate swaps	3.3	-	53.9
Derivatives measured at fair value through profit and loss			
Interest rate swaps	0.7	-	10.8
Foreign currency forward and swap contracts	0.1	0.5	115.4
2021			
Derivatives recognised as cash flow hedges			
Interest rate swaps	0.6	0.1	70.2
Derivatives measured at fair value through profit and loss			
Foreign currency forward and swap contracts	0.0	0.2	59.5

Derivatives that are open on the balance sheet date fall due in the 12-month period except part of the interest rate swaps recognised as cash flow hedges. Interest rate risk relating to cash flow from selling of trade receivables has been hedged with interest rate swaps. The fair value of interest rate derivatives is defined by cash flows due to contracts. Interest rate swaps are designated as cash flow hedges and their changes in fair value related to the effective portion of the hedge are recognised in other comprehensive income and the potential ineffective part is recognised within the financial items in the statement of comprehensive income.

Fair values of the derivatives have been recognised in the statement of financial position in gross amount as the derivatives contracts are related to credit events and cannot be netted in financial statements. The Group has not given nor received collateral to/from derivatives counterparties.

Oriola has derivative positions with several banks and related transactions are effected under master derivative agreements. Master derivative agreements allow settlement on a net basis of all outstanding items within the scope of the agreements for example in the event of bankruptcy. On the balance sheet date, the remaining counterparty risk after net settlement, as allowed in the master derivative agreements, was EUR 4.1 (0.6) for Oriola and EUR 0.5 (0.2) million for the counterparties.

The nominal amount of foreign currency derivatives is the euro equivalent of the contracts' currency denominated amount on the balance sheet date.

8.4. Equity, shares and authorisations

Share capital: Oriola Corporation's share capital on 31 December 2022 stood at EUR 147,899,766.14. All issued shares have been paid up in full. There were no changes in share capital in 2022.

Fair value reserve: The fair value reserve includes the change in fair value of financial assets measured at fair value through other comprehensive income as well as the effective portion of the change in fair value of derivative financial instruments that are designated as and qualify for cash flow hedges. There were no changes in fair value of financial assets measured at fair value through other comprehensive income recognised in the fair value reserve in 2022. The change in fair value of derivative financial instruments recognised in the reserve totalled EUR 2.2 million (net of tax).

Contingency fund: The contingency fund is included in the unrestricted equity of the company. The contingency fund has been formed in 2006 when Oriola Corporation was entered into the Trade Register. There were no changes in the contingency fund in 2022, and the fund stood at EUR 19.4 million on 31 December 2022.

Other funds

Invested unrestricted equity reserve: Oriola Corporation executed a directed share issue against payment in June 2009, issuing 9,350,000 new class B shares. The net proceeds received from the share issue amounted to EUR 20.7 million. The proceeds from the share issue were credited to the reserve of invested unrestricted equity. In accordance with the decision of the Annual General Meeting of 6 April 2011, the company distributed on 19 April 2011 EUR 0.13 per share from the reserve of invested unrestricted equity as repayment of equity, totalling EUR 19.7 million.

Oriola Corporation completed a rights offering in the first quarter of 2015. The subscription period of the offering ended on 3 March 2015. In the offering 9,429,742 new A shares and 20,798,643 new B shares were subscribed and Oriola Corporation raised gross proceeds of EUR 75.6 million through the offering. Oriola Corporation recognised gross proceeds and the transaction costs less taxes, totalling EUR 73.7 million, in the invested unrestricted equity fund. There were no changes in the invested unrestricted equity reserve in 2021, and the fund stood at EUR 74.8 million on 31 December 2022.

Translation differences: Translation differences include translation differences arisen from the subsidiaries' equity translation during the consolidation, change of the fair values of the net investment in the foreign subsidiary, and foreign exchange rate differences arisen from the conversion of the foreign subsidiaries' income statements using the average exchange rate of the reporting period and the conversion of their balance sheets using the exchange rate quoted on the balance sheet date.

Shares: Of the total number of shares in the company, a maximum of 500,000,000 shall be class A shares and a maximum of 1,000,000,000 class B shares. At the end of 2022, the company had a total of 181,486,213 shares, of which 53,748,313 were class A shares and 127,737,900 were class B shares. The shares do not have a nominal value.

At General Meetings, each class A share carries 20 votes and each class B share one vote. No shareholder may vote using a number of votes that exceeds 1/20 of the total number of votes carried by the shares of different share classes represented at the General Meeting. Both share classes give the shareholder the same rights to the company's assets and dividend distribution. Under Article 3 of the Articles of Association, a shareholder may demand conversion of class A shares into class B shares.

Oriola Corporation's class A and B shares are quoted on the main list of the Nasdaq OMX Helsinki exchange. The company's field of business on the stock exchange on 31 December 2022 was Health Care Distributors and the company was classified under Health Care. The ticker symbol for the class A shares is OKDAV and for the class B shares OKDBV.

Treasury shares: Treasury shares acquired by the company and the related costs are presented as a deduction of equity. Gain or loss on surrender of treasury shares are recognised in equity net of tax.

The company holds a total of 109,564 treasury shares, of which 63,650 are class A shares and 45,914 are class B shares. The treasury shares held by the company account for 0.06% of the company's shares and 0.11% of the votes.

Share trading and prices: In 2022, the traded volume of Oriola Corporation shares, excluding treasury shares, corresponded to 20.1% of the total number of shares. The traded volume of class A shares amounted to 12.4% of the average stock, and that of class B shares, excluding treasury shares, to 23.4% of the average stock.

The average share price of Oriola Corporation's class A shares was EUR 1.96 and of its class B shares EUR 1.93. The market value of all Oriola Corporation shares at 31 December 2022 was EUR 321.4 (362.8) million, of which the market value of class A shares was EUR 99.2 million and of class B shares EUR 222.3 million.

Shareholders: On 31 December 2022 Oriola Corporation had a total of 34,309 registered shareholders. There were 24,534,312 nominee-registered shares on 31 December 2022, corresponding to 13.5% of all shares and 3.0% of all votes.

Share conversions: Under Article 3 of the Articles of Association, a shareholder may demand conversion of class A shares into class B shares. In 2022, no class A shares were converted into class B shares.

Management shareholdings: On 31 December 2022, the members of the company's Board of Directors and the President and CEO, the members of the Oriola Management Team and the companies controlled by them had a total of 266,895 shares, corresponding to 0.15% of the total number of shares in the company and 0.02% of the votes.

Management shareholding

	2022 B shares	2021 B shares
Board of Directors		
Panu Routila, Chairman	35,223	23,558
Eva Nilsson Bågenholm, Vice Chairman	40,674	33,675
Juko-Juho Hakala	38,611	32,779
Nina Mähönen (from 15 March 2022)	5,832	-
Harri Pärssinen	24,592	17,593
Lena Ridström	31,573	25,741
Anja Korhonen (until 15 March 2022)	-	40,299
CEO and President		
Katarina Gabrielson (from 15 March 2022)[1]	53,157	49,633
Elisa Markula (until 15 March 2022)[2]	-	0
Oriola Management team		
Petri Boman (from 3 October 2022)	0	-
Hannes Hasselrot	4,712	3,644
Timo Leinonen (from 1 December 2022)	6,000	-
Elina Niemelä	0	0
Petter Sandström	26,521	24,235
Sari Pohjonen (until 30 September 2022)	-	0
Anne Kariniemi (until 19 September 2022)	-	21,725
Mika Uusitalo (until 31 August 2022)	-	0

[1] CEO from 15 March 2022
[2] CEO until 15 March 2022

Authorisations: The Annual General Meeting authorised the Board to decide on a share issue against payment in one or more issues, including the right to issue new shares or to assign treasury shares held by the company. The authorisation covers a combined maximum of 5,500,000 class A shares and 12,500,000 class B shares of the company and includes the right to derogate from the shareholders' pre-emptive subscription right. The authorisation is in force for eighteen (18) months following the decision of the Annual General Meeting.

The Board was also authorised to decide on a share issue against payment of class B shares in one or more issues including the right to issue new class B shares or assign class B treasury shares held by the company. The authorisation covers a combined maximum of 18,000,000 class B shares of the company including the right to derogate from the shareholders' pre-emptive subscription right. The authorisation is in force for a maximum of eighteen (18) months following the decision of the Annual General Meeting.

The Annual General Meeting authorised the Board to decide on a share issue of class B shares without payment to the Company and on a directed share issue of class B shares in order to execute the share-based incentive plan for Oriola Group's executives and the share savings plan for Oriola Group's key personnel. The maximum number of new class B shares to be issued under this authorisation is 250,000, which represents of 0.14% of all shares in the Company. The authorisation is in force for eighteen (18) months from the decision of the Annual General Meeting.

The Annual General Meeting authorised the Board to decide on repurchasing up to 18,000,000 of the company's own class B shares. Shares may be repurchased also in a proportion other than in which shares are owned by the shareholders. The authorisation is in force for a maximum of eighteen (18) months following the decision of the Annual General Meeting.

All decisions of the Annual General Meeting 2022 are available on the company's website www.oriola.com.

Share capital

Share capital		A shares	B shares	Total
Number of shares 1 Jan 2022	pcs	53,748,313	127,737,900	**181,486,213**
Conversion of A shares to B shares	pcs	-	-	**0**
Number of shares 31 Dec 2022	pcs	**53,748,313**	**127,737,900**	**181,486,213**
Treasury shares 31 Dec 2022	pcs	63,650	45,914	**109,564**
Votes 31 Dec 2022	pcs	1,074,966,260	127,737,900	**1,202,704,160**
Share capital per share class 31 Dec 2022	EUR million	43.8	104.1	**147.9**
Percentage from the total shares	%	29.6	70.4	**100.0**
Percentage from the total votes	%	89.4	10.6	**100.0**
Number of shares 1 Jan 2021	pcs	53,748,313	127,737,900	181,486,213
Conversion of A shares to B shares	pcs	-	-	0
Number of shares 31 Dec 2021	pcs	**53,748,313**	**127,737,900**	181,486,213
Treasury shares 31 Dec 2021	pcs	63,650	74,551	138,201
Votes 31 Dec 2021	pcs	1,074,966,260	127,737,900	1,202,704,160
Share capital per share class 31 Dec 2021	EUR million	43.8	104.1	147.9
Percentage from the total shares	%	29.6	70.4	100.0
Percentage from the total votes	%	89.4	10.6	100.0

EUR million	2022	2021
Parent company share capital 31 Dec	147.9	147.9
Elimination of the revaluation of subsidiary shares in the consolidated financial statements	-111.7	-111.7
Consolidated share capital 31 Dec	**36.2**	**36.2**

8.5. Earnings per share, dividend and other equity distribution

Earnings per share: Basic earnings per share is calculated by dividing the net result attributable to owners of the parent company by the weighted share issue adjusted average number of shares outstanding during the period, excluding shares acquired by the Group and held as treasury shares. When calculating diluted earnings per share, the weighted share-issue adjusted average number of shares outstanding during the period is adjusted by the effect of all dilutive potential shares.

Dividend and other equity distribution: Dividends or other equity distribution includes dividends and other equity distribution approved by the Annual General Meeting. Dividends and other equity distribution proposed by the Board of Directors are not recognised in the financial statements until they have been approved by the shareholders at the Annual General Meeting. Dividend and other equity distribution for shareholders is recognised as a liability in the consolidated statement of financial position for the period during which the dividend is approved by the Annual General Meeting.

Dividend policy and distribution proposal: Oriola Corporation will seek to pay out annually as dividends a minimum 50% of the Group's earnings per share. The Company's strategy and financial position shall be taken into consideration when determining the annual dividend payout ratio. The dividend paid for 2021 was EUR 7.3 million (EUR 0.04 per share) and for 2020 EUR 5.4 million (EUR 0.03 per share). The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 10.9 million, EUR 0.06 per share is paid for 2022.

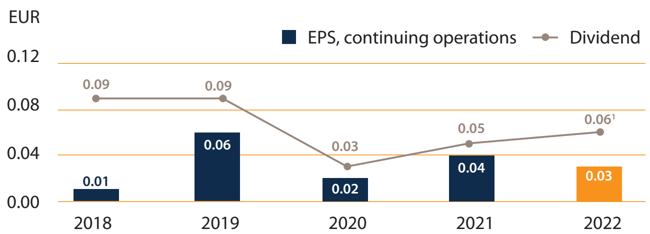
Earnings per share

Profit for the period EUR million	2022	2021
Profit attributable to equity owners of the parent		
Continuing operations	4.8	8.6
Discontinued operations	-7.2	2.7
Total	**-2.4**	**11.3**

Average number of outstanding shares pcs		
Basic	181,371,235	181,341,203
Diluted	181,422,563	181,422,563

Earnings per share, EUR		
Basic		
Continuing operations	0.03	0.05
Discontinued operations	-0.04	0.01
Total	**-0.01**	**0.06**
Diluted		
Continuing operations	0.03	0.05
Discontinued operations	-0.04	0.01
Total	**-0.01**	**0.06**

EPS[2] and dividend



[1] Proposal by the Board of Directors.
[2] The figures 2018 have been restated due to an error related to previous periods. The restatement had an impact on inventories, deferred tax assets and retained earnings in the consolidated statement of financial position and on material purchases and income taxes in the consolidated statement of comprehensive income. More information on correction of the error is presented in the notes to the Financial statements 2019.

9. Income taxes

9.1. Taxes recognised in the comprehensive income for the period

Tax expense in the consolidated statement of comprehensive income consists of income taxes based on the taxable profit for the financial year, prior period adjustments, and changes in deferred tax assets and liabilities. Income tax for the taxable profit for the period is calculated based on the effective income tax rate for each tax jurisdiction. Taxes are recognised in profit and loss, except when they relate to items recognised directly in equity or in other comprehensive income, when the taxes are also recognised in equity or in other comprehensive income respectively.

Income taxes

EUR million	2022	2021
Taxes for current year	1.8	4.1
Taxes for previous years	-0.1	0.0
Deferred taxes	0.4	-1.4
Total	**2.1**	**2.7**

Taxes related to other comprehensive income

EUR million

2022	Before taxes	Tax effect	After taxes
Cash flow hedge	2.8	0.6	2.2
Actuarial gains and losses	5.2	1.1	4.2
Translation differences	11.7	-	11.7
Total	**19.7**	**1.6**	**18.1**

2021			
Cash flow hedge	0.9	0.2	0.8
Financial assets recognised at fair value through other comprehensive income	44.8	-	44.8
Actuarial gains and losses	1.3	0.3	1.0
Translation differences	-5.4	-	-5.4
Total	**41.7**	**0.5**	**41.2**

Tax rate reconciliation

EUR million	2022	2021
Profit before taxes	6.9	11.0
Corporate income taxes calculated at Finnish tax rate	1.4	2.2
Effect of different tax rates of foreign subsidiaries	0.0	0.1
Non-deductible expenses and tax-exempt income	0.4	0.5
Share of result in joint venture	0.4	-
Adjustments recognised for taxes of previous years	-0.1	-
Other items	-0.1	-0.0
Income taxes in the income statement	**2.1**	**2.7**
Effective tax rate	30.8%	24.3%

Taxes entered with a positive value are recognised as expenses and taxes entered with a negative value are recognised as income.

The Finnish tax rate used to calculate taxes was 20.0% and the Swedish tax rate was 20.6%.

9.2. Deferred tax assets and liabilities

Deferred tax is calculated on temporary differences between the carrying amounts and the taxable values of assets and liabilities and for tax loss carry-forwards to the extent that it is probable that these can be utilised against future taxable profits. The largest temporary differences are caused by the depreciation of property, plant and equipment, the defined pension benefit plans and by unused losses in taxation. The deferred taxes are determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Deferred tax assets and liabilities

2022	1 Jan	Items recognised in income statement	Items recognised in other comprehensive income	DIscontinued operations	Translation differences	31 Dec
Deferred tax assets						
Inventories	0.3	-0.0	-	-0.2	-0.0	**0.0**
Pension liabilities	2.2	-0.3	-1.1	-	-0.2	**0.7**
Employee benefits	0.3	-0.1	-	-	-	**0.2**
Lease agreements	1.1	0.0	-	-0.8	-0.1	**0.3**
Other temporary differences	0.1	-0.0	-	-0.0	-0.0	**0.0**
Deferred tax assets, total	**3.9**	**-0.3**	**-1.1**	**-1.0**	**-0.3**	**1.2**
Deferred tax liabilities						
Depreciation difference and other untaxed reserves	8.4	-0.5	-	-2.4	-0.6	**4.9**
Acquisitions	3.3	0.5	-	-3.7	-0.3	**-0.1**
Other temporary differences	0.1	0.0	-	-	-	**0.1**
Deferred tax liabilities, total	**11.8**	**0.0**	**-**	**-6.0**	**-0.9**	**4.9**

2021	1 Jan	Items recognised in income statement	Items recognised in other comprehensive income	DIscontinued operations	Translation differences	31 Dec
Deferred tax assets						
Confirmed tax losses	0.2	-0.2	-	-	-0.0	**0.0**
Inventories	0.3	0.0	-	-	-0.0	**0.3**
Pension liabilities	2.4	0.1	-0.3	-	-0.0	**2.2**
Employee benefits	0.2	0.1	-	-	-	**0.3**
Lease agreements	1.3	-0.0	-	-0.1	-0.0	**1.1**
Other temporary differences	0.0	0.0	-	-0.0	-0.0	**0.1**
Deferred tax assets, total	**4.4**	**0.0**	**-0.3**	**-0.1**	**-0.1**	**3.9**
Deferred tax liabilities						
Depreciation difference and other untaxed reserves	9.2	-0.6	-	-0.1	-0.2	**8.4**
Acquisitions	4.5	-0.5	-	-0.6	-0.1	**3.3**
Other temporary differences	0.2	-0.1	-	-	-	**0.1**
Deferred tax liabilities, total	**13.9**	**-1.2**	**-**	**-0.6**	**-0.3**	**11.8**

10. Group structure

Consolidation principles: The consolidated financial statements include Oriola Corporation and those directly or indirectly owned subsidiaries over which Oriola Corporation exercises control. Control is presumed to exist when the Group through participation in an investee becomes exposed to its variable returns or is entitled to its variable returns and is able to have an influence on the returns through exercising power over the investee. Subsidiaries are consolidated from the date the Group has gained control and divested companies are consolidated until the date control is lost.

The acquisition method is used in the accounting for the elimination of internal ownership. All intra-group transactions, as well as intra-group receivables, payables, dividends and unrealised internal margins, are eliminated. The Group's profit for the period is attributed to the equity holders of the parent and non-controlling interests. Identifiable assets acquired and assumed liabilities of an acquired entity are measured at their fair value as of the acquisition date. Any contingent consideration is measured at fair value at the date of acquisition and classified under other interest-bearing liabilities. Changes in the contingent consideration and acquisition-related expenses are recognised as an expense in the statement of comprehensive income.

Changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. As at the date when control is lost, any investment retained in the former subsidiary is recognised at fair value and the difference is recorded through the statement of comprehensive income.

Joint ventures are joint arrangements where the Group has joint control with other parties and the parties have rights to the arrangement's net assets. Interests in joint ventures are accounted for using the equity method of accounting and are initially recognised at cost after which the Group's share of the post-acquisition retained profits and losses is included as part of investments in joint ventures in the consolidated statement of financial position. Under the equity method the share of profits and losses of joint ventures is presented separately in the statement of comprehensive income.

Foreign currency denominated items: The consolidated financial statements have been presented in euros, which is the functional and presentation currency of the Group's parent company. The items included in the financial statements of the subsidiaries are valued in the currency, which best describes the financial operating conditions of each subsidiary "functional currency".

Transactions in foreign currencies are translated into functional currency/euro at the rates of exchange prevailing at the dates of transactions. Monetary items have been translated into euros using the rates of exchange as at the balance sheet date and non-monetary items using the rates of exchange at the dates of transactions, excluding items measured at fair value, which have been translated using the rates of exchange on the date of valuation. Gains and losses arising from the translation are recognised in the profit or loss. Foreign exchange gains and losses from operations are included within the corresponding items above EBIT. Foreign exchange gains and losses from loans denominated in a foreign currency are included within financial income and expenses.

The income statements of foreign group companies outside the eurozone are translated into euros using the weighted average rate of exchange of the financial year and the statements of financial position using the rates of exchange as at the balance sheet date. Differences resulting from the translation of the result for the period at a different rate in the statement of comprehensive income and in the statement of financial position are recognised as a separate item within the consolidated statement of comprehensive income. Translation differences arising from the acquisition cost elimination of foreign subsidiaries and from the translation of equity items accrued after the acquisition date are recognised in other comprehensive income. When a subsidiary is sold in full or in part, related translation differences are included in the calculation of gain or loss for the sale and recognised in the profit or loss for the period.

The parent company's receivables from foreign subsidiaries are considered as part of the net investment if there is no plan for the repayment and repayment cannot be reasonably anticipated in the future. Exchange differences arising from such receivables are recognised in the consolidated financial statements in translation differences within equity.

10.1. Subsidiaries

		Group		Parent company	
31 Dec 2022	**Domicile**	**Ownership %**	**Share of votes %**	**Ownership %**	**Share of votes %**
Parent company Oriola Corporation	**Finland**				
Oriola Finland Oy	Finland	100	100	100	100
Oriola Sweden AB	Sweden	100	100	100	100
Svensk dos AB	Sweden	100	100	100	100
Pharmaservice Oy	Finland	100	100	100	100
Oriola Sweden AB	Sweden	100	100	100	100
ICTHS Health Support AB	Sweden	100	100		
Joint ventures					
Swedish Pharmacy Holding AB	Sweden	50	50	50	50

		Group		Parent company	
31 Dec 2021	**Domicile**	**Ownership %**	**Share of votes %**	**Ownership %**	**Share of votes %**
Parent company Oriola Corporation	**Finland**				
Oriola Finland Oy	Finland	100	100	100	100
Oriola Sweden AB	Sweden	100	100	100	100
Kronans Apotek AB	Sweden	100	100	100	100
Svensk dos AB	Sweden	100	100	100	100
Pharmaservice Oy	Finland	100	100	100	100
Farenta Oy	Finland	100	100	100	100
Oriola Sweden AB	Sweden	100	100	100	100
ICTHS Health Support AB	Sweden	100	100		

Changes in group structure:
The parent company Oriola Corporation sold in March 2022 the entire share capital of its pharmacy staffing service company Farenta Oy to Eezy.

Oriola and Euroapotheca finalized on 3 October 2022 the combining of respective pharmacy businesses in Sweden: Oriola's Consumer business area comprising Kronans Apotek and Euroapotheca's Apoteksgruppen into a new jointly owned company, Swedish Pharmacy Holding AB. The net sales of Consumer business area in 2021 were EUR 817.5 million, the adjusted EBIT was EUR 11.4 million and the number of personnel at the end of the period was 1,598. Comparative information has been restated due to a discontinued operations.

10.2. Related party transactions

Related parties in the Oriola Group are deemed to comprise the members of the Board of Directors and the President and CEO of Oriola Corporation, the other members of the Oriola Management Team of the Oriola Group (key management), the immediate family of the aforementioned persons and companies controlled by the aforementioned persons, the Group's subsidiaries and joint ventures. The information on remuneration of key management is presented in note 4.4. Employee benefits.

The Group has transactions between the group companies and the joint venture in the ordinary course of business. The Group has no significant business transactions with other related parties.

Transactions with the joint venture are presented in the following table:

EUR million	2022	2021
Sales	130.9	-
Purchases of goods and services	0.1	-
Trade and other receivables	20.7	-
Trade and other payables	0.2	-
Commitments	0.3	-

10.3. Discontinued operations

In February 2022, Oriola signed a framework agreement with the Euroapotheca group for combining the respective pharmacy businesses in Sweden: Oriola's Consumer business area comprising Kronans Apotek and Euroapotheca's Apoteksgruppen into a new jointly owned company. Consumer business area has been reported as discontinued operations until the completion of the divestment on 3 October 2022.

The consolidated statement of comprehensive income has been represented to show the discontinued operations separately from continuing operations. The elimination of transactions between the continuing and the discontinued operations is attributed in a way that reflects the continuance of these transactions after the arrangement was completed.

The transaction had a EUR 29.4 million impact on the consolidated net profit of the Oriola Group including translation differences and transaction related costs.

Profit for the period from discontinued operations

EUR million	2022	2021
Net sales	595.5	817.5
Other operating income	10.0	10.1
Materials and supplies	-452.7	-618.7
Employee benefit expenses	-78.4	-113.4
Other operating expenses	-38.6	-57.3
Depreciation, amortisation and impairments	-3.0	-28.3
EBIT	**32.8**	**9.8**
Financial income and expenses	-4.7	-6.1
Profit before taxes	**28.1**	**3.7**
Income taxes	-5.8	-1.0
Results from operating activities	**22.3**	**2.7**
Loss of sale of business	-29.4	-
Loss for the period from discontinued operations	**-7.2**	**2.7**

Cash flows from discontinued operations

EUR million	2022	2021
Net cash flow from operating activities	4.7	36.4
Net cash flow from investing activities	22.4	-19.5
Net cash flow from financing activities	-12.0	-17.2
Total cash flows	**15.1**	**-0.2**

Assets and liabilities disposed

EUR million	2022
Property, plant and equipment	81.6
Goodwill	198.4
Other intangible assets	39.8
Inventories	59.5
Income tax receivables	1.0
Trade and other receivables	26.7
Cash and cash equivalents	15.9
Total assets	**423.0**

EUR million	2022
Deferred tax liabilities	8.2
Non-current interest-bearing liabilities	36.5
Current interest-bearing liabilities	12.5
Current trade and other payables	101.5
Total liabilities	**158.8**
Net assets disposed of	**264.2**
Cash consideration received	24.3
Cash and cash equivalents disposed of	-15.9
Impact on cash flows	**8.3**

Loss on sale of discontinued operations

EUR million	2022
Consideration received in shares	242.3
Consideration received in cash	24.3
Net assets disposed of	-264.2
Cost to sell	-2.7
Total	-0.4
Translation differences reclassified from other comprehensive income	-29.0
Loss on sale of discontinued operations	**-29.4**

11. Unrecognised items

11.1. Commitments and contingent liabilities

EUR million	2022	2021
Commitments for own liabilities		
Guarantees on behalf of subsidiaries	6.5	7.1
Guarantees on behalf of other companies	0.3	-
Mortgages on company assets	1.9	2.0
Other guarantees and liabilities	5.8	8.0
Total	**14.5**	**17.2**

The most significant guarantees on behalf of subsidiaries are bank guarantees against Swedish wholesale company's trade payables. In addition, Oriola Corporation has granted parent company guarantees of EUR 0.2 (0.4) million against other subsidiaries' lease liabilities.

11.2. Future lease payments

Committed future minimum lease payments:

EUR million	2022	2021
Within one year	0.6	0.6
One to five years	0.5	0.4
Over five years	-	-
Total	**1.1**	**0.9**

Future payments consist of minimum leasing commitments related to low-value assets and short-term leases, to which the Group elected to apply recognition exemptions permitted by IFRS 16. For details about leases please refer to section 7. Leases. The leasing expenses related to short-term leases and leases of low-value assets are presented in note 7.2. Leases in the statement of comprehensive income.

11.3. Litigation

Oriola is from time to time involved in legal actions, claims and other proceedings. It is Oriola's policy to provide for amounts related to the proceedings if liability is probable and such amounts can be estimated with reasonable accuracy. Taking into account all available information to date, the legal actions, claims and other proceedings are not expected to have material impact on the financial position of the Group.

12. Other notes

12.1. Application of new and amended IFRS standards and IFRIC interpretations

Certain new or revised standards and interpretations have been published by the International Accounting Standards Board (IASB) that are not mandatory for 31 December 2022 reporting periods and have not yet been applied by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The Group will apply each new standard and interpretation from the effective date. If the effective date is other than the first day of a financial year, the Group will apply the standard or interpretation from the beginning of the following financial year.

Parent company financial statements

Parent company income statement (FAS)

EUR thousand	Note	2022	2021
Other operating income	2	16,254.6	17,296.1
Personnel expenses	3	-8,366.6	-8,832.4
Depreciation, amortisation and impairment charges	4	-10,155.9	-3,820.3
Other operating expenses	5	-17,025.5	-15,386.1
Operating result		**-19,293.3**	**-10,742.7**
Financial income and expenses	6	-47,827.6	-58,251.3
Result before appropriations and taxes		**-67,120.9**	**-68,994.0**
Appropriations	7	18,086.2	15,276.5
Income taxes	8	-355.5	-1,065.8
Result for the period		**-49,390.1**	**-54,783.4**

Parent company balance sheet (FAS)

EUR thousand	Note	31 Dec 2022	31 Dec 2021
Assets			
Non-current assets	9		
Intangible assets			
Intangible rights		328.4	434.0
Other intangible assets		17,210.5	19,346.4
Advance payments and construction in progress		415.7	8,182.8
		17,954.6	27,963.2
Property, plant and equipment	10		
Land and water areas		77.4	77.4
Machinery and equipment		4.4	12.0
Other tangible assets		7.5	7.5
		89.3	96.9
Investments	11		
Holdings in group companies		294,591.2	569,284.9
Holdings in participating interest companies		242,250.0	-
Other shares		8,203.2	8,203.2
Receivables from group companies		-	28,291.9
		545,044.4	605,779.9
Non-current assets, total		563,088.4	633,840.0
Current assets	12		
Receivables			
Long-term receivables			
Other receivables		3,960.8	611.0
Short-term receivables			
Trade receivables		257.9	2.5
Receivables from group companies		56,750.7	18,724.0
Other receivables		269.8	401.4
Accrued receivables		1,557.4	1,301.4
		62,796.8	21,040.4
Cash and cash equivalents		159,924.5	106,562.3
Current assets, total		222,721.2	127,602.7
Assets total		**785,809.6**	**761,442.7**

EUR thousand	Note	31 Dec 2022	31 Dec 2021
Equity and liabilities			
Equity	13		
Share capital		147,899.8	147,899.8
Other funds		19,418.7	19,418.7
Invested unrestricted equity reserve		76,957.5	76,957.5
Retained earnings		161,610.2	223,736.2
Result for the financial year		-49,390.1	-54,783.4
		356,496.0	413,228.9
Appropriations	14	1,868.4	1,772.7
Liabilities	15		
Long-term liabilities			
Borrowings		59,074.9	63,291.9
Liabilities to group companies		75,527.3	-
Accrued liabilities		471.4	-
		135,073.7	63,291.9
Short-term liabilities			
Borrowings		2,000.0	2,000.0
Trade payables		1,473.4	1,121.6
Liabilities to group companies		234,759.0	226,439.0
Other liabilities		52,229.0	51,856.9
Accrued liabilities		1,910.1	1,731.8
		292,371.5	283,149.2
Liabilities total		427,445.1	346,441.1
Equity and liabilities total		**785,809.6**	**761,442.7**

Parent company cash flow statement (FAS)

EUR thousand	2022	2021
Cash flow from operating activities		
Result before appropriations and taxes	-67,120.9	-68,994.0
Adjustments		
Depreciation, amortisation and impairment charges	10,155.9	3,820.3
Unrealised foreign exchange gains and losses	-10,485.2	440.8
Other non-cash items	-160.2	-43.4
Financial income and expenses	58,312.8	57,810.5
	-9,297.6	-6,965.8
Change in working capital		
Change in current non-interest-bearing receivables	7,165.6	-1,295.1
Change in non-interest-bearing current liabilities	951.2	-84.8
	-1,180.8	-8,345.7
Paid and received other financial expenses and income	-7,523.9	988.2
Interest received	2,499.6	1,282.9
Interest paid	-5,393.2	-2,114.0
Income taxes paid	-703.8	-901.8
Cash flow from operating activities	**-12,302.0**	**-9,090.4**
Cash flow from investing activities		
Investments in tangible and intangible assets	-170.5	-2,814.7
Proceeds from sale of tangible and intangible assets	321.3	41.0
Investments to joint ventures	24,250.0	-
Investments to holdings and shares	-	-3,898.3
Change in loan receivables	21,634.5	609.0
Proceeds from sale of other investments	881.0	33,843.7
Dividends received	-	450.0
Cash flow from investing activities	**46,916.2**	**28,230.7**
Cash flow from financing activities		
Purchase of own shares	-88.8	-88.8
Repayments of long-term loans	-2,000.0	-2,000.0
Repayments of short-term loans	-	-50,000.0
Change in other current financing	12,624.8	-35,447.5
Group contributions received	15,453.6	14,627.7
Dividends paid	-7.241.8	-5,427.6
Cash flow from financing activities	**18,747.9**	**-78,336.2**

EUR thousand	2022	2021
Change in cash and cash equivalents	**53,362.1**	**-59,196.0**
Cash and cash equivalents at the beginning of period	106,562.3	165,758.4
Net change in cash and cash equivalents	53,362.1	-59,196.0
Cash and cash equivalents at the end of period	**159,924.5**	**106,562.3**

Notes to the parent company financial statements (FAS)

1. Accounting principles

Oriola Corporation is the parent company of the Oriola Group, domiciled in Espoo, Finland. Oriola Corporation provides administrative services to group companies. These administrative services are centralised to the parent company. Copies of the consolidated financial statements of the Oriola Group are available at the head office of Oriola Corporation, Orionintie 5, FI-02200 Espoo, Finland (investor.relations@oriola.com).

Oriola Corporation´s financial statements are prepared in euros and according to Generally Accepted Accounting Principles in Finland (Finnish GAAP) and according to corporate legislation. The financial statements are presented in thousand euros.

When appropriate, the financial statements of Oriola Corporation comply with the Group's accounting principles based on IFRS. Below are described those accounting principles in which the financial statements of Oriola Corporation differ from the accounting principles of the consolidated financial statements. The accounting principles for the consolidated financial statements are presented in the notes to the consolidated financial statements.

Financial assets and liabilities: Financial items classified as loans and receivables or other financial liabilities are carried at amortised cost.

The change in the fair value of the effective portion of interest rate derivative agreements under hedge accounting made to hedge cash flows is directly recognised against the fair value reserve included in equity. Derivatives acquired to hedge balance sheet items like bank accounts, loans and receivables denominated in foreign currencies and derivatives made to hedge cash flows that are not under hedge accounting are recorded in exchange gains and losses in the financial items.

Share-based payments: The accounting treatment of Oriola Corporations share-based incentive plans is described in the accounting principles for the consolidated financial statements. The share incentive plans of Oriola Corporation are a combination of shares and a cash payment. The granted amount of the incentive plans, settled in shares, is measured at share price of the grant date less expected dividends. The cash-settled part of the plans is measured at fair value, which is the share price at the end of the reporting period. The expenses arising from the incentive plans are recognised in the income statement over the vesting period. In the financial statements of the parent company the component settled in shares as well as the cash-settled part are recognised as accrued liability until paid out. When paid out the share settled part is credited to the equity.

Pension arrangements: The Statutory pension coverage of Oriola Corporation is provided by Ilmarinen Mutual Pension Insurance Company. Supplementary pension coverage is provided by OP Life Assurance Company Ltd. Pension-related payments are recognised as pension expenses on an accrual basis. No other pension liabilities arising from pension arrangements are recognised in the balance sheet except for pension-related accruals.

Leases: The lease agreements of Oriola Corporation consist mainly of information and communication technology equipment. Lease payments are expensed over the rental period and they are included in other operating expenses. Assets leased and related liabilities are not recognised in the parent company's balance sheet.

Subsidiary shares: The carrying amounts of subsidiary shares are assessed as part of the Group's impairment testing, where cash flow forecasts based on value-in-use calculations are prepared for the Group's cash-generating units. In the impairment testing of subsidiary shares, the cash flows are further allocated to subsidiaries' recoverable amounts. The impairment loss is recognised, if the carrying amount of the subsidiary shares and the amount of net loan receivables from the subsidiary exceed the recoverable amount of the corresponding assets.

2. Other operating income

EUR thousand	2022	2021
Rental income	11.9	22.4
Other service charges	16,209.5	17,248.8
Other operating income	33.2	24.8
Total	**16,254.6**	**17,296.1**

3. Personnel

EUR thousand	2022	2021
Personnel costs		
Salaries and fees	6,837.7	7,424.7
Pension costs	1,171.8	1,144.9
Other personnel costs	357.0	262.8
Total	**8,366.6**	**8,832.4**
Average number of personnel	**68**	**80**
Salaries and bonuses to the Management		
CEO and Members of the Board of Directors	1,178.3	1,884.3

Remuneration and pension costs for the CEO and the members of the Board of Directors are disclosed in the consolidated financial statement in note 4.4. Employee benefits.

4. Depreciation, amortisation and impairment charges

EUR thousand	2022	2021
Depreciation	4,278.2	3,820.3
Impairment charges	5,877.7	-
Total	**10,155.9**	**3,820.3**

Criteria applied for the straight-line depreciation is disclosed in notes 6.1. and 6.2. to the consolidated financial statement. Depreciation by asset class is presented in notes 9-10.

5. Other operating expenses

EUR thousand	2022	2021
Postage, telephone and banking expenses	165.4	223.0
IT expenses	7,834.2	8,809.0
Travelling and car expenses	241.6	108.8
Administrative consultancy services	6,921.4	4,136.5
Other operating expenses	1,862.8	2,108.8
Total	**17,025.5**	**15,386.1**

Other operating costs are mainly costs related to the ownership.

Audit costs included in other operating costs	2022	2021
Audit fees	61.5	51.5
Other fees	27.9	9.0
Total	**89.5**	**60.5**

6. Financial income and expenses

EUR thousand	2022	2021
Income from group companies		
Dividend income from group companies	37,763.7	450.0
Gains on sales of subsidiary shares	881.0	-
Income from investments		
Gains on sales of shares	-	27,860.6
Other interest and financial income		
Interest income from group companies	3,558.2	1,194.4
Interest income from other companies	993.7	88.5
Other financial income	20,129.3	6,676.3
Interest and other financial expenses		
Interest expenses to group companies	-3,395.8	-
Interest expenses to other companies	-1,904.5	-1,992.2
Other financial expenses	-17,168.0	-6,128.8
Expense from group companies		
Expense from sales of subsidiary shares	-88,685.1	-
Impairment on investments		
Impairment on investments in non-current assets	-	-86,400.0
Total	**-47,827.6**	**-58,251.3**
Financial income and expenses include:		
Interest income	4,551.9	1,282.9
Interest expenses	-5,300.3	-1,992.2
Exchange rate gains/losses	758.8	446.3

Expense from sales of subsidiary shares are related to the loss on sale of shares in Kronans Apotek AB.

Gains on sales of shares in 2021 include Oriola Corporation's sale of shares in Doktor.se. Impairment on investments in non-current assets include impairment on subsidiary shares.

7. Appropriations

EUR thousand	2022	2021
Change in depreciation difference	-95.7	-177.1
Group contribution received	18,181.9	15,453.6
Total	**18,086.2**	**15,276.5**

8. Income taxes

EUR thousand	2022	2021
Income taxes for the financial period	355.5	1,065.8
Total	**355.5**	**1,065.8**

9. Intangible assets

EUR thousand 2022	Intangible rights	Other intangible assets	Advance payments and construction in progress	Total
Historical cost 1 Jan	966.1	30,176.1	8,182.8	**39,325.0**
Increases	-	457.6	361.0	**818.6**
Decreases	-26.1	-1,397.3	-63.7	**-1,487.0**
Reclassifications	-	2,167.6	-2,167.6	**-**
Historical cost 31 Dec	**940.1**	**31,404.0**	**6,312.5**	**38,656.6**
Accumulated amortisation 1 Jan	532.2	10,829.6	-	**11,361.8**
Accumulated depreciation related to decreases	-26.1	-806.4	-	**-832.4**
Amortisation for the financial year	105.6	4,170.2	-	**4,275.8**
Amortisation for the financial year	-	-	-5,896.8	**-5,896.8**
Accumulated amortisation 31 Dec	**611.7**	**14,193.5**	**-5,896.8**	**8,908.3**
Carrying amount 31 Dec	**328.4**	**17,210.5**	**415.7**	**17,954.7**
2021				
Historical cost 1 Jan	966.1	26,772.4	9,182.4	**36,920.9**
Increases	-	234.5	2,169.6	**2,404.1**
Reclassifications	-	3,169.2	-3,169.2	**-**
Historical cost 31 Dec	**966.1**	**30,176.1**	**8,182.8**	**39,325.0**
Accumulated amortisation 1 Jan	426.6	7,131.5	-	**7,558.1**
Amortisation for the financial year	105.6	3,698.1	-	**3,803.7**
Accumulated amortisation 31 Dec	**532.2**	**10,829.6**	**-**	**11,361.8**
Carrying amount 31 Dec	**434.0**	**19,346.4**	**8,182.8**	**27,963.2**

10. Property, plant and equipment

EUR thousand 2022	Land and water areas	Machinery and equipment	Other tangible assets	Total
Historical cost 1 Jan	77.4	68.0	7.5	**152.9**
Decreases	-	-50.3	-	**-50.3**
Historical cost 31 Dec	**77.4**	**17.7**	**7.5**	**102.6**
Accumulated depreciation 1 Jan	-	56.0	-	**56.0**
Accumulated depreciation related to decreases	-	-45.1	-	**-45.1**
Depreciation for the financial year	-	2.4	-	**2.4**
Accumulated depreciation 31 Dec	**-**	**13.3**	**-**	**13.3**
Carrying amount 31 Dec	**77.4**	**4.4**	**7.5**	**89.3**
2021				
Historical cost 1 Jan	77.4	160.4	7.5	**245.2**
Decreases	-	-92.4	-	**-92.4**
Historical cost 31 Dec	**77.4**	**68.0**	**7.5**	**152.9**
Accumulated depreciation 1 Jan	-	92.5	-	**92.5**
Accumulated depreciation related to decreases	-	-53.1	-	**-53.1**
Depreciation for the financial year	-	16.6	-	**16.6**
Accumulated depreciation 31 Dec	**-**	**56.0**	**-**	**56.0**
Carrying amount 31 Dec	**77.4**	**12.0**	**7.5**	**96.9**

11. Investments

EUR thousand 2022	Holdings in group companies	Holdings in participating interest companies	Other shares	Receivables from group companies	Total
Historical cost 1 Jan	669,844.5	-	8,203.2	28,291.9	**706,339.6**
Increases	80,491.5	242,250.0	-	6,363.4	**329,104.8**
Decreases	-441,585.1	-	-	-34,655.2	**-476,240.4**
Historical cost 31 Dec	**308,750.9**	**242,250.0**	**8,203.2**	-	**559,204.1**
Accumulated impairments 1 Jan	-100,559.7				**-100,559.7**
Reversed impairments	86,400.0	-	-	-	**86,400.0**
Impairment 31 Dec	**-14,159.7**	-	-	-	**-14,159.7**
Carrying amount 31 Dec	**294,591.2**	**242,250.0**	**8,203.2**	-	**545,044.4**
2021					
Historical cost 1 Jan	665,946.2	-	14,186.3	28,900.9	**709,033.4**
Increases	3,898.3	-	-	9,215.9	**13,114.2**
Decreases	-	-	-5,983.1	-9,824.9	**-15,808.0**
Historical cost 31 Dec	**669,844.5**	-	**8,203.2**	**28,291.9**	**706,339.6**
Accumulated impairments 1 Jan	-14,159.7	-	-	-	**-14,159.7**
Impairments	-86,400.0	-	-	-	**-86,400.0**
Impairment 31 Dec	**-100,559.7**	-	-	-	**-100,559.7**
Carrying amount 31 Dec	**569,284.9**	-	**8,203.2**	**28,291.9**	**605,779.9**

In October 2022 Oriola Corporation and Euroapotheca established a new joint venture, Swedish Pharmacy Holding AB, combining of respective pharmacy businesses in Sweden: Oriola's Kronans Apotek and Euroapotheca's Apoteksgruppen. During the financial year 2021 Oriola Oyj sold approximately 50% of its shareholding in Doktor.se.

12. Receivables

EUR thousand	2022	2021
Receivables from group companies		
Short-term receivables		
Trade receivables	17.5	79.3
Other receivables	787.6	3,191.1
Accrued income and prepaid expenses	55,945.6	15,453.6
Total	**56,750.7**	**18,724.0**
Items included in accrued receivables		
Arrangement fees relating to loans	295.2	438.8
Income tax receivables	713.3	365.0
Exchange rate profit on hedges	92.6	8.3
Compensations not received	11.4	15.1
Group contribution	18,181.9	15,453.6
Other accrued receivables	38,208.5	474.3
Total	**57,503.0**	**16,755.0**

13. Equity

EUR thousand	2022	2021
Share capital 1 Jan	147,899.8	147,899.8
Share capital 31 Dec	**147,899.8**	**147,899.8**
Restricted equity	**147,899.8**	**147,899.8**
Contingency fund 1 Jan	19,418.7	19,418.7
Contingency fund 31 Dec	**19,418.7**	**19,418.7**
Invested unrestricted equity reserve 1 Jan	76,957.5	76,957.5
Invested unrestricted equity reserve 31 Dec	**76,957.5**	**76,957.5**
Profit/ loss from previous years 1 Jan	168,952.9	229,264.4
Dividend paid	-7,253.9	-5,439.4
Share-based compensation	-141.8	-161.5
Purchase of own shares [1)]	-88.8	-88.8
Delivery of own shares	141.8	161.5
Profit/loss from previous years 31 Dec	**161,610.2**	**223,736.2**
Result for the period	-49,390.1	-54,783.4
Non-restricted equity	208,596.3	265,329.1
Total	**356,496.0**	**413,228.9**

[1] Shares purchased for the share based incentive programme.

Distributable funds 31 Dec	**2022**	**2021**
Contingency fund	19,418.7	19,418.7
Invested unrestricted equity reserve	76,957.5	76,957.5
Profit/ loss from previous years	161,610.2	223,736.2
Net profit for the period	-49,390.1	-54,783.4
Distributable funds 31 Dec	**208,596.3**	**265,329.1**

14. Appropriations

EUR thousand	2022	2021
Cumulative accelerated depreciation difference	1,868.4	1,772.7
Total	**1,868.4**	**1,772.7**

15. Liabilities

EUR thousand	2022	2021
Liabilities to group companies		
Long-term liabilities		
Other liabilities	75,527.3	-
Short-term liabilities		
Trade payables	75.8	20.5
Other liabilities	234,683.1	226,418.5
Total	**310,286.3**	**226,439.0**
Items included in accrued liabilities		
Long-term accrued liabilities		
Change of fair value for interest rate swap	-	66.5
Short-term accrued liabilities		
Items related to personnel	1,696.3	1,427.9
Interest	151.9	244.8
Other accrued liabilities	61.9	59.1
Change of fair value for interest rate swap	471.4	-
Total	**2,381.5**	**1,731.8**

16. Guarantees, liability engagements and other liabilities

EUR thousand	2022	2021
Guarantees and other liabilities		
Guarantees for group companies	410.8	432.6
Other liabilities and engagements	5,000.0	7,000.0
Total	**5,410.8**	**7,432.6**
Rental liabilities on real estate		
Maturity within one year	33.0	33.0
Total	**33.0**	**33.0**
Rental liabilities on machinery and fixtures		
Maturity within one year	268.9	371.3
Maturity within 1–5 years	202.0	255.4
Total	**470.8**	**626.6**

17. Derivatives and financial risk management

EUR thousand	2022	2021
Book values of derivative instruments		
Interest rate swap agreements	64,737.7	70,241.8
Foreign currency forward and swap contracts	106,997.1	47,803.5
Total	**171,734.8**	**118,045.3**
Fair values of derivative instruments		
Interest rate swap agreements	3,960.8	544.6
Foreign currency forward and swap contracts	-128.3	-51.9
Total	**3,832.5**	**492.7**

Oriola Corporation has interest rate swap agreements hedging the Oriola Group's cash flows as well as foreign currency forward and swap contracts with various counterparties. These derivatives are managed in accordance with the treasury policy approved by the Oriola Corporation Board of Directors. While the Oriola Group's interest rate risks from Oriola Sweden AB's selling of trade receivables are hedged with derivative agreements on a group level, the hedging presents an interest rate risk to Oriola Corporation.

More information on the Oriola Group's financial risk management and derivatives are presented in note 8.3. Financial Risk Management in the notes to the consolidated Financial Statements.

18. Ownership in other companies

The Parent company's ownership in other companies is presented in the note 10.1. Subsidiaries, in the notes to the Consolidated Financial Statements.

Oriola Corporation sold the entire share capital of its pharmacy staffing service company Farenta Oy to Eezy in March 2022.

Oriola and Euroapotheca finalized on 3 October 2022 the combining of respective pharmacy businesses in Sweden: Oriola's Consumer business area comprising Kronans Apotek and Euroapotheca's Apoteksgruppen into a new jointly owned company, Swedish Pharmacy Holding AB. Oriola owns 50 per cent of the shares in Swedish Pharmacy Holding AB.

The Board of Directors' proposal for the profit distribution and Auditor's Note

Proposal for the profit distribution

According to the parent company's balance sheet as at 31 December 2022, the total distributable funds are:

Other funds, EUR	19,418,729.58
Invested unrestricted equity reserve, EUR	76,957,531.72
Retained earnings, EUR	161,610,156.24
Profit for the period, EUR	-49,390,135.71
Total distributable funds, EUR	208,596,281.83

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.06 per share will be distributed to 181,376,649 shares, EUR 10,882,598.94 for year 2022 and EUR 197,713,682.89 will be retained in equity.

There have been no material changes in the financial position of the company after the end of the financial year.

Auditor's Note

The Auditor's report has been issued today.
Helsinki, 15 February 2023
KPMG Oy Ab

Kirsi Jantunen
Authorised Public Accountant

Signatures for the financial statements and the report of the Board of Directors

Espoo 15 February 2023

Panu Routila
Chairman

Eva Nilsson Bågenholm
Vice Chairman

Juko-Juho Hakala

Nina Mähönen

Harri Pärssinen

Lena Ridström

Katarina Gabrielson
President and CEO

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

Auditor's Report

To the Annual General Meeting of Oriola Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Oriola Corporation (business identity code 1999215-0) for the year ended December 31, 2022. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

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 the Financial Statements section of our report.

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

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 4.3 to the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

The key audit matter	How the matter was addressed in the audit
Valuation of goodwill (refer to accounting principles for the consolidated financial statements and note 6.2)	
The total carrying value of goodwill amounted to EUR 61 million. Goodwill is tested for impairment when indicators of impairment exist, or at least annually. Goodwill impairment testing is conducted by comparing the carrying value with the recoverable amount. Management estimates the recoverable amount using a discounted cash flow model. Determining the key assumptions used in the impairment tests requires management judgement and estimates especially relating to long term growth, profitability and discount rates. Valuation of goodwill is considered a key audit matter due to the significant carrying values and high level of management judgement involved.	We obtained an understanding of management's impairment assessment process and assessed the impairment tests prepared by the Company. Our detailed audit work with the involvement of KPMG valuation specialists included testing the integrity of the calculations and the technical model. We challenged the assumptions used by management in respect of forecasted growth rates and profitability as well as the appropriateness of the discount rates used. We also validated the assumptions used in relation to market and industry information. We also evaluated the cash flows used by comparing them to the group's strategic plans and budget, external sources and the understanding we gained from our audit. Furthermore, we considered the appropriateness of the group's disclosures in respect of goodwill and impairment testing.
Revenue recognition (refer to accounting principles for the consolidated financial statements and notes 4.2)	
Revenue is mainly generated through the sale of goods and services. The revenue earned is recognized when the control is transferred to the customer in accordance with the terms of delivery or agreement. There are two types of agreements with the pharmaceutical companies in which Oriola acts either as a principal or an agent. For agreements in which Oriola acts as a principal the legal title, control and payment liability has been transferred to Oriola and the revenue is recognized on gross basis. For consignment agreements where Oriola acts as an agent, only the distribution fee is recognized as revenue. Analysis of the agreements and the related revenue recognition method requires management judgement, considering the various contractual terms. Due to the large volumes of transactions and management judgement involved revenue recognition has been identified as an area of focus in the audit.	We obtained an understanding of the revenue recognition processes and evaluated the design and tested the controls over revenue recognition. With special focus on identifying unusual sales transactions we also performed substantive procedures such as testing samples of sales agreements and year-end transactions to ensure appropriate application of revenue recognition criteria. We examined sales contracts with pharmaceutical companies to ensure that revenue was recognized in accordance with the terms of the contract and the group's accounting policy. Audit procedures were performed over revenue recognition at the group level and at each of the reporting components that were in scope for the group audit. In addition, we have assessed the appropriateness of accounting policy and disclosure information related to revenue recognition in the financial statements.
Valuation of Inventories (refer to accounting principles for the consolidated financial statements and note 5.2)	
The carrying value of inventories amounted to EUR 149 million at the end of the financial year. Inventory management, stocktaking routines and pricing of inventories are key factors in the valuation of inventories. Oriola has different types of contracts with pharmaceutical companies which are either accounted for as own inventory or consignment stock. In addition, the valuation of inventories requires management estimates in respect of obsolescence assessment. Due to management judgement and the significant carrying amount involved, valuation of inventories is determined a key audit matter that our audit is focused on.	We evaluated the appropriateness of the accounting policies by reference to IFRS standards, as well as the functionality of the key IT systems of inventory management. We tested the controls over inventory management, accuracy of inventory amounts and valuation of inventories. We performed substantive audit procedures in relation to pricing of inventory and provision for obsolete inventory. We reviewed a sample of contracts to ensure that inventory is accounted appropriately in line with the terms of the contract and the group's accounting policy. We also attended physical inventory counting at selected locations to assess the appropriateness of stocktaking routines.

The key audit matter	How the matter was addressed in the audit
Divestment of Pharmacy business (Refer to notes 6.3 and 10.3 to the consolidated financial statements and to notes 6, 11 and 18 to the parent company financial statements)	
In October 2022, Oriola completed the divestment of its pharmacy business into a new joint venture company established by Oriola and Euroapotheca. Kronans Apotek AB transacting pharmacy business comprised a significant part of Oriola Group and was reported as Consumer segment in the year of comparison. Pharmacy business has been presented as discontinued operations in the consolidated financial statements as of December 31, 2022. A disposal loss of EUR 29 million has been recognised in the consolidated statement of comprehensive income and presented in discontinued operations. A disposal loss of subsidiary shares amounting to EUR 89 million has been recognised in the parent company income statement. Due to the significance of the pharmacy business we considered the accounting treatment and presentation of the transaction as a key audit matter.	We acquainted ourselves with the documentation related to the divestment of the pharmacy business completed during the financial year and evaluated the accounting treatment of the transaction in relation to the applicable accounting principles. We assessed the classification, valuation and presentation of the discontinued operations in the consolidated statement of comprehensive income and in the notes to the consolidated financial statements. We tested the accuracy of the disposal loss calculations prepared by management. We have also considered the impact of the transaction to the most significant balance sheet items. In addition, we evaluated the adequacy of the disclosures in relation to the divestment of the business.
Holdings in group companies in the parent company's financial statements (refer to notes 1 and 11 to the parent company's financial statements)	
The parent company has investments in subsidiaries amounting to EUR 295 million as at December 31, 2022. The recoverable amounts for holdings in group companies is tested as part of group impairment testing based on the discounted cash flow model. Due to the high level of judgment incorporated in respect of the future cash flows and the significant carrying amounts involved, this is considered one of the key areas that our audit is focused on.	Our audit procedures with the involvement of KPMG valuation specialists included testing the integrity of the calculations and the technical model. We challenged the assumptions used by management in respect of forecasted growth rates and profitability as well as the appropriateness of the discount rates used. We also validated the assumptions used in relation to market and industry information. We evaluated the cash flows used by comparing them to the group's budgeting process, external sources and the understanding we gained from our audit.

Responsibilities of the Board of Directors and the President and CEO for the Financial Statements

The Board of Directors and the President and CEO are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and 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 President and CEO are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of 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 the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement
We were first appointed as auditors by the Annual General Meeting on March 19, 2018, and our appointment represents a total period of uninterrupted engagement of 5 years.

Other Information
The Board of Directors and the President and CEO are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. 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 identified above 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. With respect to the report of the Board of Directors, 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, February 15, 2023

KPMG OY AB

Kirsi Jantunen
Authorized Public Accountant, KHT