



Annual Report **2023**

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# This is Oriola

Securing the distribution of medicines to patients and customers is a key element in Nordic welfare societies and healthcare. Oriola has been serving customers in this area since the establishment of its first medicine wholesaler in 1907. Our long tradition has set the foundation for our unrivalled knowledge and expertise in the pharmaceutical sector. We take pride in enhancing the availability and safe use of medicines and healthcare products.

Oriola aims to be the leading specialist in wholesale of pharmaceuticals and health products. Our purpose, 'Health for life', is the essence of what we stand for. Together with our employees, customers and partners, we are working towards our vision of enabling a healthier tomorrow. Our people and culture, which is based on our common values – openness, responsibility, together and initiative – are key to Oriola's success.

**932**  
employees

**6**  
locations in Finland  
and Sweden

Some  
**6.8**  
million reusable  
delivery boxes  
transported annually



# Year in brief

In 2023, we continued to focus on developing our commercial and supply chain excellence, while ensuring profitability, efficiency, and a collaborative culture. Major milestones of the year included the announcement of our refined strategy, new long-term financial targets and sustainability agenda. With our refined strategy, we are taking the next steps to build the new Oriola with a strengthened focus on the wholesale business.

In 2023, we made strong progress in the distribution business, by signing new distribution agreements and improving overall efficiency in operations. Net sales on a constant currency basis grew by 2% to EUR 1.6 billion and adjusted EBIT for the year 2023 was according to our expectations at EUR 19.5 (11.9) million, when excluding the negative impact of the Swedish dose dispensing business.

In October, we announced the sale of the dose dispensing business in Sweden as part of our strategic decision to strengthen focus on the wholesale business.

\* On a constant currency basis

\*\* Excluding Swedish dose dispensing business. Year 2022 adjusted EBIT has been restated and exclude the share of result in joint venture.

\*\*\* Board's proposal to the Annual General Meeting 2024

Oriola shares are listed on Nasdaq Helsinki with trading codes OKDAV and OKDAB, and the company is headquartered in Espoo, Finland.

## FINANCIAL KEY FIGURES

Invoicing\*  
**EUR 3.77 billion**  
 +5.7% (EUR 3.57 billion)

Net sales\*  
**EUR 1.57 billion**  
 +2.0% (EUR 1.54 billion)

Adjusted EBIT\*\*  
**EUR 19.5 million**  
 +64% (EUR 11.9 million)

Dividend per share\*\*\*  
**EUR 0.07**  
 (EUR 0.06)

## NON-FINANCIAL KEY FIGURES

Reduction in CO<sub>2</sub> emissions  
**73%**  
 (Scope 1 and 2 emissions  
 compared to base year 2019)

Recycling rate  
**81%**  
 (83%)

Picking quality  
**99.8%**

Leadership index  
**79**  
 (78)

# Year in brief



## Aiming to be the leading specialist in wholesale of pharmaceuticals and health products

Oriola announced in October its refined strategy, new long-term financial targets and sustainability agenda. The period for the strategy and sustainability agenda is 2024-2026.

We are now taking the next steps to build the new Oriola. We will strengthen our focus on the wholesale business, and we aim to be the leading specialist in wholesale of pharmaceuticals and health products. The strategy aims to capture the full value of Oriola's operations, to strengthen the company's position in the markets and to create long-term shareholder value. We have set three goals – strong partnerships, enhanced efficiency, and portfolio and market expansion – to drive the strategy forward.

[Read more »](#)

## New sustainability agenda plays a key role in the strategy

We foster a healthier tomorrow through our services and products. Our business, the wholesale of pharmaceuticals and health products, has an essential and positive role in society and people's lives. This is why sustainability is integrated into our day-to-day operations. Oriola's sustainability agenda has the following long-term goals:

- **Environment:** Pursuing a net-zero impact on climate and carbon neutrality by 2030. Oriola is committed to setting science-based targets.
- **Social:** Advancing a sustainable people journey.
- **Governance and society:** Safeguarding deliveries for health and wellbeing.

[Read more »](#)



## New reporting segments improve transparency

Oriola has decided to change its financial reporting segments to reflect the refined strategy and to improve transparency. Our two reporting segments from 1 January 2024 are:

- **Distribution** segment consisting of pharmaceutical logistics and dose dispensing services.
- **Wholesale** segment consisting of wholesale of traded goods and over-the-counter (OTC) products, parallel import and special licensed medicines, as well as advisory services.

Restated segment information for the financial years 2023 and 2022 will be published during Q1 2024.

[Read more »](#)

## Exiting dose dispensing operations in Sweden to focus on wholesale of pharmaceuticals and health products

Oriola signed in October an agreement to sell all shares in Svensk dos AB to Apotekstjänst Sverige AB and will thereby exit the dose dispensing business in Sweden. The decision was based on the assessment that Oriola did not see a recovery in the unprofitable business within the foreseeable future due to the prevailing market structure and dynamics in Sweden. The company will continue offering dose dispensing as a service for pharmacies in Finland, where we operate in a different and healthier market environment.

The agreed sales price in cash was SEK 110 million (around EUR 9.5 million). The transaction is subject to the approval of the Swedish Competition Authority and is expected to be completed in the second quarter of 2024.

[Read more »](#)

From the CEO:

# We are building the future Oriola on a solid foundation

Looking back at 2023, we can be proud of the strategically significant milestones that we have achieved. We announced our refined strategy, new long-term financial targets and sustainability agenda. These are elements that form a solid foundation as we continue on our path to build the future Oriola.

In 2023, we successfully navigated in an overall unstable operating environment. Cost inflation stabilised at a high level, interest rates increased strongly and the Swedish krona remained weak throughout the year. In addition, consumer confidence was impacted as consumers' expectations of their own economy weakened. However, due to the relatively stable nature of our industry, the value of the pharmaceutical distribution market continued to grow steadily, while volumes declined slightly in the second half the year in Finland. Despite the economic uncertainty, we believe that the solid underlying long-term market drivers such as ageing population, wellbeing and health are unchanged.

## Solid performance in 2023

In 2023, we strengthened our distribution business and focused on our role as an infrastructure company in securing the availability of pharmaceuticals in society. We made strong progress in the distribution business throughout the year,

by signing new distribution agreements and improving overall efficiency in operations.

In 2023, Oriola's net sales on a constant currency basis grew by 2% and were EUR 1.6 billion. Growth was driven by the distribution business in both Finland and Sweden. The distribution business grew by 7.3 % on constant currency basis in 2023, offsetting the negative impacts of lower volumes in the Swedish dose dispensing business. Our share of the pharmaceutical distribution market remained stable.

Adjusted EBIT for the year 2023 was according to our expectations at EUR 19.5 (11.9) million, when excluding the negative impact of the Swedish dose dispensing business. The reported adjusted EBIT was EUR 16.7 (19.7) million and on a constant currency basis, the adjusted EBIT was EUR 17.1 million. We have successfully managed the inflationary pressure both with strict cost control and by price increases. Operating expenses were below last year's level, including transport costs in Sweden. The improved



efficiency in operations also contributed positively on the result. Our financial position was strong, with cash and cash equivalents at EUR 138.4 (160.6) million and interest-bearing net debt at EUR -20.6 (-23.7) million at the end of the period.

### Commercial and supply chain excellence

In 2023, we focused on developing our commercial and supply chain excellence while ensuring profitability, efficiency and a collaborative culture. We implemented a new commercial operating model, which extensively focuses on collaboration across the markets. This enhances our understanding of how we can create relevance and value to our customers and offer an improved customer experience.

To support the implementation of the new operating model, we accelerated our commercial capabilities by sales and account management training as well as with change management training and coaching.

In our supply chain operations, we focused on simplifying and harmonising processes. With these initiatives we have been able to improve the overall efficiency both in Finland and Sweden. For example, at Mankkaa distribution centre in Finland the filling rate of our transport boxes improved significantly in November-December. At Enköping distribution centre in Sweden a more systematic approach and the continuous improvements in warehouse operations supported the efficiency improvement. In addition, we strengthened the collaboration between the sales teams and demand-supply planning to improve efficiency in deliveries.

### Exiting the Swedish dose dispensing business

In October, we announced the sale of Svensk dos AB to Apotekstjänst Sverige AB. Svensk dos AB had lost market share due to the loss of public tender contracts, and while we did not identify

a recovery of the business within the foreseeable future, we believe that this transaction gives continuity to Svensk dos and are confident that Apotekstjänst is well positioned to assume this responsibility. The transaction is expected to be closed in Q2 2024.

### Refined strategy: Growth opportunities in wholesale

Our strategic ambition is to be the leading specialist in wholesale of pharmaceuticals and health products. We have set three goals – strong partnerships, enhanced efficiency, and portfolio and market expansion – to drive the strategy forward.

This means that we strengthen our focus on the wholesale business where we see interesting growth opportunities, such as expanding to new product categories and customer segments. In the distribution business we create customer value through commercial excellence and value-adding services, such as data and insight driven services, and the advisory business forms an important part of our integrated service offering to our customers. In our warehouse operations, we continuously enhance efficiency.

With our refined strategy we aim to capture the full value of Oriola's operations, to strengthen our position in the markets and to create long-term shareholder value.

### New financial targets and dividend policy

Our new financial targets reflect our ambitions for growth, profitability and equity. All targets are important, but our main focus is on profitability. We have also updated our dividend policy. We aim to pay an increasing annual dividend of two-thirds of the net profit. The Board of Directors is proposing to the Annual General Meeting 2024 that a dividend of EUR 0.07 (0.06) per share be paid for the financial year 2023, which gives a dividend yield of approximately 6%.

### New reporting segments to improve transparency

Starting from the beginning of 2024, we are changing our segment reporting to reflect the new strategy and to improve transparency. The new segments are Distribution and Wholesale.

### New sustainability agenda key part of strategy

At Oriola, we believe that a sustainable future starts with health. Our business, the wholesale of pharmaceuticals and health products, has an essential and positive role in society and people's lives. This is why sustainability is part of our strategy and our daily work. Our renewed sustainability agenda, supported by an extensive stakeholder questionnaire and double-materiality assessment, drives our actions forward and supports us in reaching our ambitious long-term sustainability goals.

We are proud of our societal role in ensuring safe and accurate deliveries of pharmaceuticals and other health products. We measure our success in this by monitoring the picking quality of our deliveries, which in 2023 reached 99.8%.

Our sustainable people journey guides our work in leadership, employee engagement and wellbeing at work. Our long-term target is to have zero accidents, which sets our ambition in providing a healthy and safe working environment for our people.

Oriola's key focus areas in our environmental work are to use resources efficiently and reduce emissions. Our target is to achieve carbon neutrality across our supply chain by 2030 and in our own operations by 2025. Our long-term environmental work has delivered results as we have reduced emissions in our own operations by 73% compared with the base year 2019.

To continue on this path, we have also committed to set science-based targets along with defining a climate transition plan.

### Developing sustainability practices and processes

The EU's extensive regulations on sustainability reporting and due diligence will push companies forward especially in environmental and human rights related areas. These regulations also apply for Oriola, and we have already during 2023 taken important steps to build our sustainability reporting preparedness.

Oriola has conducted a human rights impact mapping across our own operations and our value chain. We have identified the salient human rights impacts and the areas where we can strengthen the integration of human rights aspects, which will support us in building a continuous human rights due diligence process.

External reporting platforms are important in communicating our sustainability commitments and performance to suppliers, customers, investors and others. In 2023, Oriola was awarded a gold medal in the EcoVadis sustainability rating. This was an improvement from the previous silver medal and therefore a strong recognition of our long-term sustainability work.

### Kronans Apotek has built a solid foundation for future improvement

In the joint venture company Kronans Apotek, integration projects are proceeding with several actions being implemented, albeit the benefits are not yet fully visible. Realised synergies were behind the plan while integration costs were below estimate. During the year, Kronans Apotek implemented a new organisation, harmonised its assortment, completed the rebranding of 191 pharmacies and optimised its network by

closing some pharmacies, resulting in more than 500 pharmacies operating today under one brand. In addition, Kronans Apotek continued to invest in its omni-channel operating model by strengthening its e-commerce capabilities. Kronans Apotek is today the biggest pharmacy chain in Sweden measured by number of pharmacies, and with its market share of around 24% and a growing e-commerce, it is now set to improve profitability and strengthen its business and brand long-term. In 2024, Kronans Apotek's profitability is expected to be positively impacted by new legislation on pharmaceutical compensations. Kronans Apotek is an important strategic partner for us, and we will actively support its value creation as a major shareholder. Kronans Apotek expects their full profit potential to materialise by the end of 2025.

### Investing in infrastructure for Oriola's future

At the start of 2024, we announced the strategically important investment to renew Oriola's ERP (enterprise resource planning) and warehouse management during the years 2025-2027. This investment is part of our refined strategy and aims to enhance efficiency and operational excellence. The new ERP and warehouse management will replace the current two separate systems in Sweden and Finland.

Through a common system we will be able to better respond to future customer and business needs, strengthen collaboration across the company, improve transparency and support managing the business in a cross-market operating model. It will further strengthen our processes and provide access to common data, both of which will help us to serve our customers better.

In addition, we are initiating an in-depth investigation of the different options for developing our logistics operations in Finland in the long-term. The identified options are to develop the Mankkaa site to be a modern warehousing and

distribution centre, to find a new facility with capabilities to incorporate logistics operations, or to build a completely new ultra-modern logistics centre. The timing will naturally depend on the chosen option, but will be at the least three years from now.

### We have a clear direction forward

As we begin a new year, I am very excited about the opportunities we have ahead of us. We are well placed to be a highly efficient company in our distribution business, to grow our share of the high-margin wholesale and advisory businesses, and to further develop our customer value proposition to deliver enhanced customer experience.

Throughout the year, our people have shown strong engagement to collaborate and grow with our customers and partners, and I am confident that we will continue on this path. With the new refined strategy in place, we have a deeper understanding of shared priorities as well as greater clarity and alignment.

I am very proud of what our people have achieved during this year and want to extend my warmest thanks to everyone at Oriola for their dedication and hard work. I also want to thank our customers, partners and shareholders for their trust and continued support.

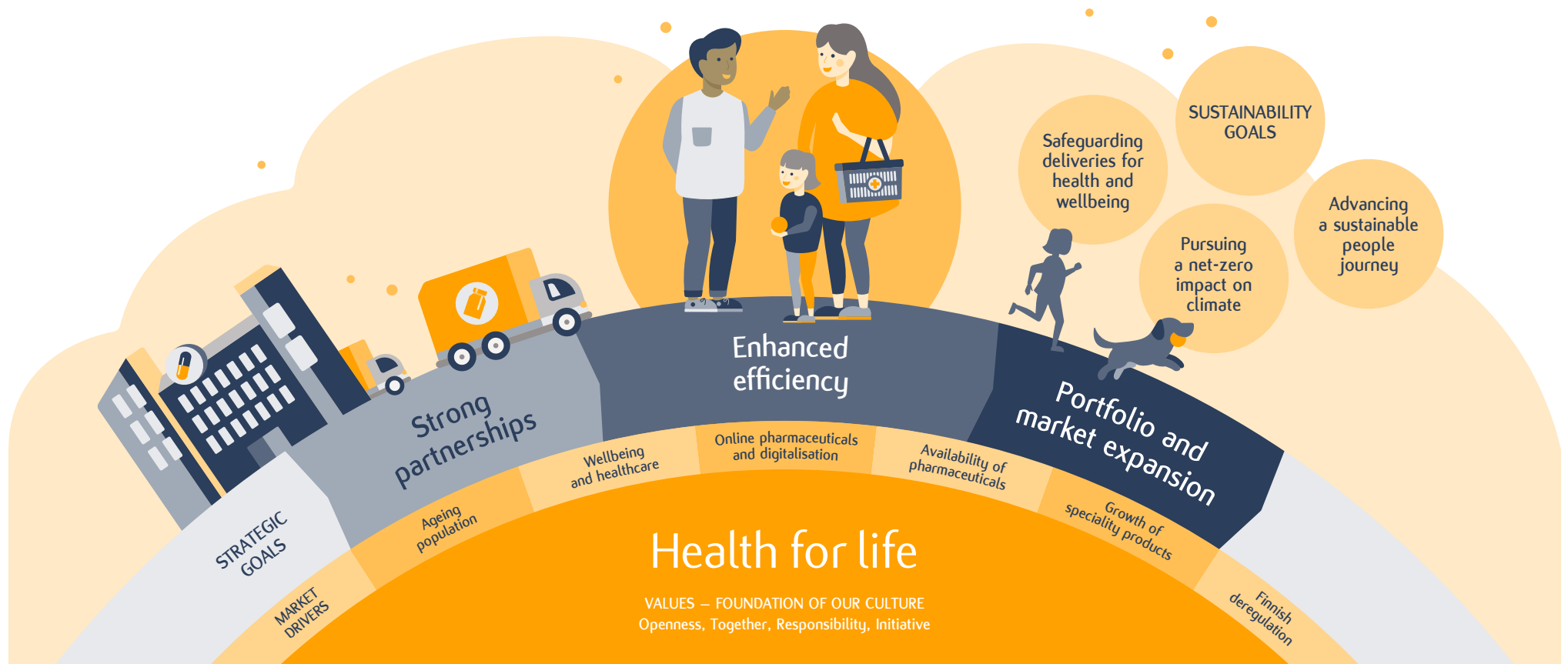


**Katarina Gabrielson**  
CEO



# The leading specialist in wholesale of pharmaceuticals and health products

Oriola introduced its refined strategy and new financial targets in October 2023. Oriola is now taking the next steps to build the new Oriola with a strengthened focus on the wholesale business. The strategy aims to capture the full value of our operations, strengthen our position in the markets and to create long-term shareholder value. With the strategy, we are enabling health, every day, in accordance with our vision.



### Three strategic goals

Oriola has set three goals to drive the strategy forward.

The first strategic goal, **strong partnerships**, puts the customer at the heart of everything we do. We improve customer value through commercial focus and excellence, and by developing a more efficient, sustainable and collaborative working culture. We develop data and insight driven business, including forward looking data management.

Our second strategic goal, **enhanced efficiency**, consists of actions to increase warehouse capacity and efficiency by investing in both infrastructure and technology. With business-driven digital solutions and an infrastructure fit for purpose, we improve our speed in implementation and operational excellence. Additionally, the activities include supporting organic profitable growth that is focused on large yet efficient volumes and customer segments.

To reach our third strategic goal, **portfolio and market expansion**, we grow the wholesale business by developing existing brands and new brands, product categories and customer segments. The plan is also to expand our business through acquisitions. In addition, activities include investments in specific differentiating and digital services.

Furthermore, Oriola supports Kronans Apotek to complete the integration and realise the synergies and value creation of the joint venture company.

### Sustainability part of strategy

Our new sustainability agenda is a key part of our business strategy. This means that we actively incorporate environmentally and socially responsible practices into our day-to-day operations and decision-making processes. We are working with our customers to combine our expertise and resources to promote a more sustainable development in society.

### A clear direction forward

The refined strategy and our new financial targets give us a clear direction forward. We have the ability to capitalise on our existing supply chain infrastructure to enhance our efficiency, and the capacity to invest in our business and expand through mergers and acquisitions.

The strategy provides deeper understanding of common priorities, and it brings greater clarity, alignment and commitment. This will further support us in developing our collaborative culture that is based on our common values – openness, responsibility, together and initiative. By a collaborative culture and engaged people we support cross-market and cross-cultural working, diversity and inclusion, and create a solid foundation for our future.



## New financial targets

Oriola announced ambitious new long-term financial targets and a new dividend policy.

### Three long-term financial targets are:

- **Growth:** Annual sales growth at the rate of market, minimum 4%
- **Profitability:** Adjusted EBIT margin above 3%
- **Equity:** Return on equity >20%

**Oriola's dividend policy:** Oriola aim is to pay out an increasing annual dividend of 2/3 of net profit.

# Our businesses

Oriola operates in the growing pharmaceutical distribution markets in Finland and Sweden. Through our businesses we have an essential role in society and people's lives. Oriola has a wide portfolio of customers ranging from pharmaceutical companies to pharmacies, veterinarians and hospitals.

Oriola provides a comprehensive service offering and a wide range of health products. In distribution we offer pharmaceutical logistics and dose dispensing services. Our wholesale business focuses on traded goods and over-the-counter (OTC) products, as well as parallel import and special licensed medicines. The advisory business provides expert services to pharmaceutical companies and pharmacies.

Through an integrated customer offering we ensure value-adding and profitable partnerships.

Distribution and Wholesale have formed Oriola's financial reporting segments from the start of 2024.

## Distribution segment

- Pharmaceutical logistics
- Dose dispensing services

Net sales EUR 1.2 billion and adjusted EBIT EUR 14.5 million in 2023 (including Swedish dose dispensing business; preliminary, unaudited figures).

## Wholesale segment

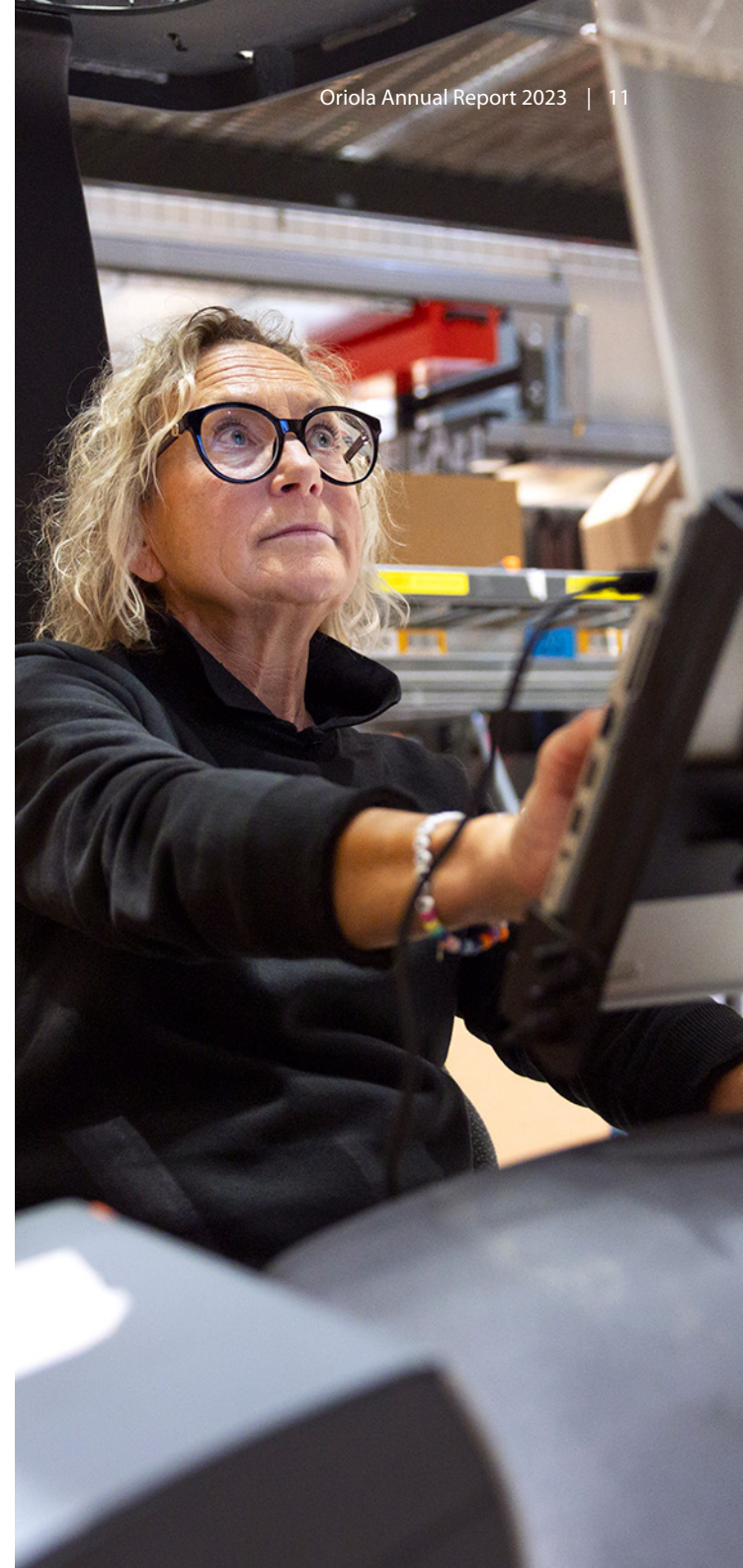
- Wholesale of traded good and over-the counter (OTC) products
- Parallel import
- Special licensed medicines
- Advisory services

Net sales EUR 306 million and adjusted EBIT EUR 8.9 million in 2023 (preliminary, unaudited figures).

## Wide customer portfolio

Oriola has a wide portfolio of customers ranging from pharmaceutical companies to pharmacies, veterinarians and hospitals. In addition, we serve retailers, online stores and healthcare operators. Consumers are the end-users of the products, and we deliver our own brands in Finland. Especially for our own brands, understanding of consumer trends is needed to have a range that is interesting and current.

We enable our customers to succeed by being a professional and forward-looking business partner and by delivering insights to support their strategic decision-making.



# Operating environment and market drivers

The pharmaceutical distribution markets in Finland and Sweden are valued at around EUR 8.5 billion and have historically been relatively stable during uncertain economic times. In the past three years, the average annual growth rate has been about 6% in value terms.

In 2023, high inflation and rising interest rates impacted consumer confidence and weakened consumers' expectations of their own economy. The pharmaceutical distribution market continued to grow steadily. In Sweden, the value of the pharmaceutical distribution market at wholesale prices, measured in Swedish krona, grew by 9.8% (2022: 8.0%) (source: IQVIA). In Finland, the market value grew by 3.4% (2022: 3.9%) (source: Pharmaca Health Intelligence). The challenges in the availability of some pharmaceuticals have remained tight across Europe. Energy and fuel prices stabilised.

## Market drivers

Market growth is driven by solid underlying drivers such as ageing population, wellbeing and healthcare, online pharmaceuticals and growth of speciality products. They are described in more detail on the right. A significant share of Oriola's business is regulated, which creates a high threshold for entering the market and enables local competitive advantage through scale and services. In addition, the possible deregulation of the Finnish pharmaceutical retail market may have an impact on our operations, but this fully depends on political decision making and processes. Any changes will most likely happen in stages, and we can certainly benefit from some of these.

## Ageing population

The share of people older than 80 years will grow in the Nordics, and the elderly often consume more medicines. For example, in Finland the share of people over 65 years old is estimated to increase to about 30% by 2030 (source: Statistics Finland). The ageing population is a growth driver for Oriola's distribution business.

## Wellbeing and healthcare

Health and wellbeing is a growing trend as people are willing to invest in quality of life and active lifestyles. This development is supported by rising standards of living and disposable incomes, finding a good work-life balance, and ageing populations. As a result, preventive care is growing and is a growth driver for Oriola's wholesale business.

## Online pharmaceuticals and digitalisation

There is a continued trend driven by digitalisation where consumers shift to online transactions. Most of the pharmaceutical products are suitable to be sold via online channels and for example, the share of online pharmaceutical sales is more than 20% in Sweden (source: Sveriges Apoteksörening).

Digitalisation also provides opportunities to increase efficiency and optimisation in the distribution business.

## Speciality products

There is a growing demand for individual pharma solutions, and this drives higher requirements on logistics and managing products with shorter shelf life. For example, advanced logistics services are needed for products such as vaccines that must be stored in freezers during transport and storage. This creates market potential, while may require investments.

# We create value for the society through our healthcare value chain

Securing the distribution of medicines to patients and customers is a key element in Nordic welfare societies and healthcare. We take pride in enhancing the availability and safe use of medicines and healthcare products. By combining our expertise and resources with those of our customers, we also contribute to a more sustainable development of societies.

Our products and services create value for various stakeholders from employees to customers, partners and shareholders. Our extensive portfolio of health and wellbeing products supports health throughout life, and our dose dispensing promotes the safe use of pharmaceuticals.

Oriola aims to be the leading specialist in wholesale of pharmaceuticals and health products. We enable our customers to succeed by being a professional and forward-looking business partner and by delivering insights to support their strategic decision-making. For our employees we offer a safe and equal workplace with various career and development opportunities.

## Oriola's value creation model



# Information for shareholders

The main mission of Oriola's investor relations is to support the correct valuation of the company's shares. We provide information on matters concerning Oriola's operations and operating environment, strategy, objectives and financial situation, so that capital market participants can form a balanced view of Oriola as an investment.

In its investor communications, Oriola complies with the laws and recommendations that regulate the communications of listed companies.

## Annual General Meeting and financial reporting in 2024

Oriola's Annual General Meeting (AGM) will be held on Tuesday 19 March 2024. More information about the AGM is available [here](#).

The company publishes financial reports as follows:

- Financial Statements Release 2023: 16 February 2024
- Interim Report January-March 2024: 25 April 2024
- Half-year Financial Report January-June 2024: 18 July 2024
- Interim Report January-September 2024: 30 October 2024

Oriola has decided to change its financial reporting segments to reflect its refined strategy and to improve transparency. The new segments are described in more detail in the [Our business](#) section. The company's Interim Report for January-March 2024 will be prepared according to the new segment reporting. Oriola's restated segment information for the financial years 2023 and 2022 will be published during the first quarter of 2024.

## Analysts

The following equity analysts cover Oriola in their research:

- Carnegie
- Inderes\*
- Nordea
- OP Financial Group

The views and estimates presented by the analysts are their own and the company takes no responsibility for any of their statements.

\* Commissioned research

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Updated investor information can be found at:  
[oriola.com/investors](https://oriola.com/investors).



A photograph of a woman with blonde hair wearing a yellow knit beanie and a grey sweater, smiling warmly. She is holding a baby who is wearing a grey sweater and a bright orange knit beanie. The background is a clear blue sky with some light clouds and a blurred landscape. The word "Sustainability" is overlaid in a large, bold, yellow font across the center of the image.

Sustainability

# Sustainability at Oriola

At Oriola, we believe that a sustainable future starts with health. We foster a healthier tomorrow through our services and products and minimise the impact of our operations on the environment.

Sustainability is increasingly important to our stakeholders, and a key enabler of our business strategy. This means that we actively incorporate environmentally and socially responsible practices into our day-to-day operations and decision-making processes. Our approach to sustainability is comprehensive, covering three key pillars: Environment, Social, and Governance and society.

As a leading specialist in wholesale of pharmaceuticals and health products, we understand that our responsibility extends well beyond advanced distribution of pharmaceuticals and expert services. Our success relies on innovation and collaboration on environmental, social and governance factors to help drive business value and positively impact society and people's lives. As demands on corporations grow, we are committed to stepping up our efforts in this area.





### Actions to promote human rights

Oriola affects people's lives throughout the global value chain. We respect all internationally recognised human rights in all our activities and promote them in practice, and expect our partners to do the same. Human rights due diligence at Oriola is an ongoing process as guided by United Nations Guiding Principles on Business and Human Rights (UNGPs). To better evaluate and mitigate the actual and potential human rights impacts in our operations and value chain, Oriola conducted corporate-level human rights impact mapping during 2023. The mapping covered Oriola's own operations and its value chain upstream and downstream.

As part of its sustainability agenda, Oriola has committed to further developing its human rights due diligence practices. These involve identifying and assessing potential and actual negative impacts on people, addressing these impacts, tracking the effectiveness of actions, and communicating about both the actions taken and their results. [Read more](#) about our human rights work in the section 'Social: Advancing a sustainable people journey'.

### Stakeholder engagement informs our sustainability priorities

Engagement with our stakeholders is a top priority for Oriola, as their insights into sustainability priorities guide us to focus on the activities that matter the most. Understanding their needs and expectations ensures credibility, while regular stakeholder dialogue enhances transparency. To read more about the sustainability considerations that were raised during

the stakeholder dialogue in 2023, please [go to the stakeholder engagement section](#).

### Double materiality assessment

To continuously improve our understanding of what is material to us while remaining attentive to our stakeholders' evolving sustainability expectations, we aim to conduct a sustainability materiality analysis every third year. In 2023, we carried out a double materiality assessment to update our understanding of the material topics and the primary impacts on the economy, environment and society across our value chain.

We define double materiality in sustainability by two dimensions: impact materiality and financial materiality. Consistent with this principle, the assessment involved considering both the effect we have on society (impact materiality) and the potential risks and opportunities that these identified themes may pose for our business (financial materiality).

During the double materiality assessment, we interacted with various internal and external stakeholder groups – including our employees, management, investors, pharmaceutical companies, pharmacies, suppliers and authorities. A stakeholder survey and in-depth interviews supported us in identifying key topics that are significant for both our stakeholders and our business. We received more than 500 responses through the online survey.

The findings from the survey and stakeholder interviews were evaluated and ranked in internal workshops involving key experts from our various businesses and functions. The Oriola Management Team reviewed and approved the final results,

along with the prioritised list of material topics. The results were used to define and update our sustainability approach, key themes and reporting scope. They guide our future work and actions related to sustainability.

In total, 13 topics were identified as the most material. Most of the topics from our previous materiality assessment, conducted in 2018 and reviewed in 2021, retained their materiality. The identified material topics address our ongoing efforts to enhance the wellbeing of people and minimise the environmental impact of our operations. Going forward, we will also increasingly focus on the sustainability of our value chain, both in terms of climate impact and human rights.

The former material topics 'Sustainable growth and financial profitability' and 'Transparency and reliable reporting on performance' are no longer viewed as individual material topics but as underlying themes that are fundamental to everything we do. Similarly, the theme of 'Advancing health and wellbeing in society' encapsulates the purpose of our entire sustainability agenda and was elevated as a key topic with regard to Oriola's sustainability agenda.

The material topics are illustrated in the materiality matrix on page 18. All topics in the matrix are essential, with the three zones indicating further prioritisation.

## Double materiality matrix



**Very high:** These topics were identified as the highest priority sustainability issues, given the company's impact on these areas and their influence on Oriola's value creation. They not only present Oriola with the most significant sustainability-related opportunities but also need to be effectively managed from a risk perspective.

**High:** These topics have a high priority for Oriola as established cornerstones of the company's sustainability work. They are material for Oriola from the impact perspective or the financial perspective or both.

**Moderate:** None of the identified topics was positioned in the 'Moderate' area, which reflects topics that require active monitoring to ensure compliance and mitigate potential future risks.

## Background information to assessment of material topics

Our initial list of potentially material topics included some points which were analysed and discussed but considered as non-material for the time-being. As a result, three topics listed potentially material for Oriola were not prioritised to the level of final list as they did not specifically stand out material from the perspective of impact or financial materiality. These topics included impact on biodiversity, water and marine resources, and community engagement.

Community engagement is built into many of Oriola's activities and is also integrated as part of the topic 'Environmental impact of pharmaceuticals and packaging'. Moreover, one of our sustainability agenda's key points, 'Fostering a healthier tomorrow', highlights our societal role: by combining the expertise and resources of Oriola and our customers, we contribute to the more sustainable development of society. [Learn more](#) about how we create value throughout the entire healthcare value chain.

Our operations involve only minimal water usage, and none of Oriola's sites is located in areas of high water stress. As we do not have our own production, the direct impacts of our operations on biodiversity are minor. The wholesale and distribution of pharmaceuticals does not reserve large areas of land, and Oriola has not identified any high biodiversity areas owned by the company. The primary way for Oriola to contribute to maintaining biodiversity is through the reduction of greenhouse gas emissions. We provide more detailed information about our most significant environmental impacts in the section '[Environment: Pursuing a net-zero impact on climate](#)'.

Oriola will continue to review its material impacts, opportunities and risks, including in areas where the company has not yet identified significant impacts, and will also take into account continuously changing and developing stakeholder expectations.

# Impacts along our value chain

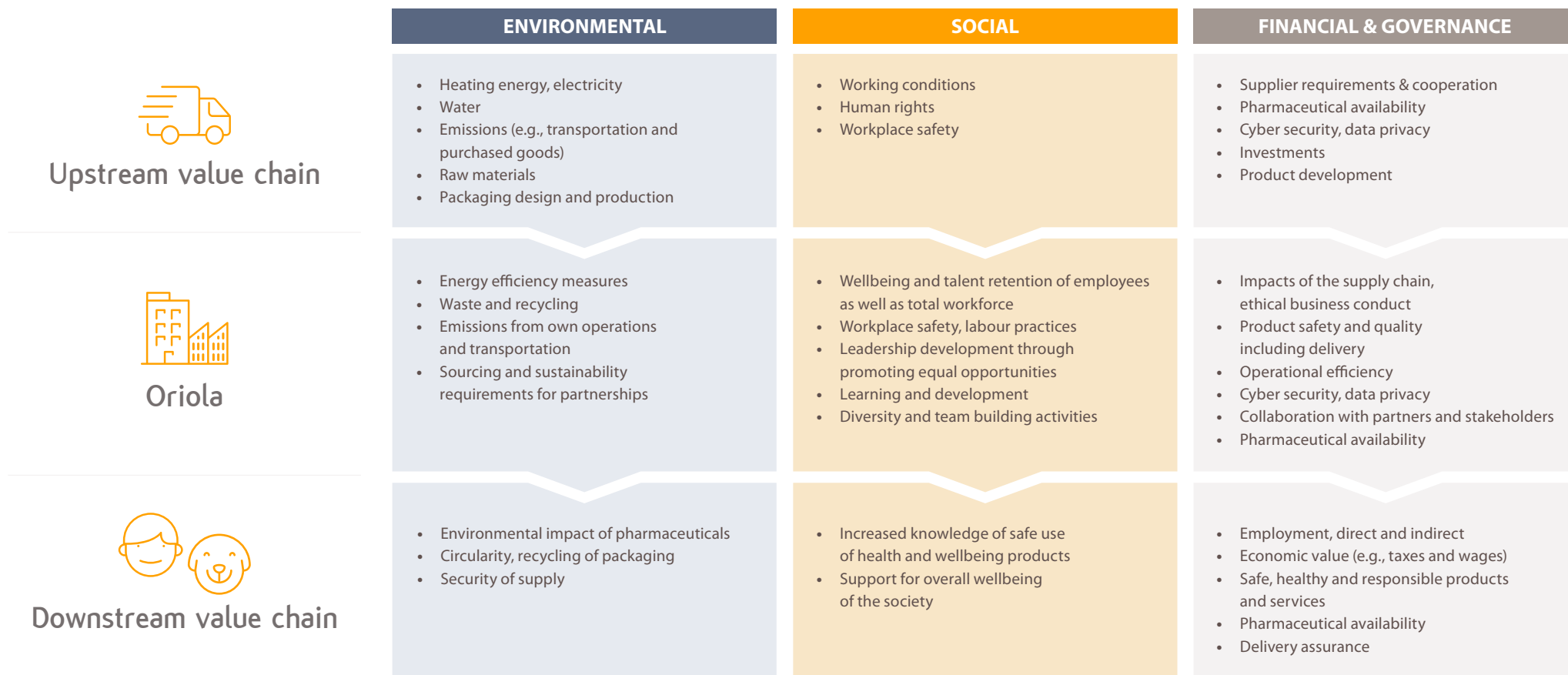
We generate value for various stakeholders throughout the entire value chain, from our employees to customers and shareholders, as well as the communities in which we operate. Adopting a value chain perspective on sustainability aids us in identifying how we can optimally manage our impacts and create maximum

value. It also helps us understand the interrelation between our actions and their impacts.

Our primary goal within the value chain is to protect human rights and reduce environmental impacts at every stage:

from sourcing and managing the supply chain, through our own operations, to distributing to our customers. The diagram below illustrates the different parts of the value chain that constitute Oriola's business and identifies key impacts associated with these parts.

## Oriola's value chain and impacts

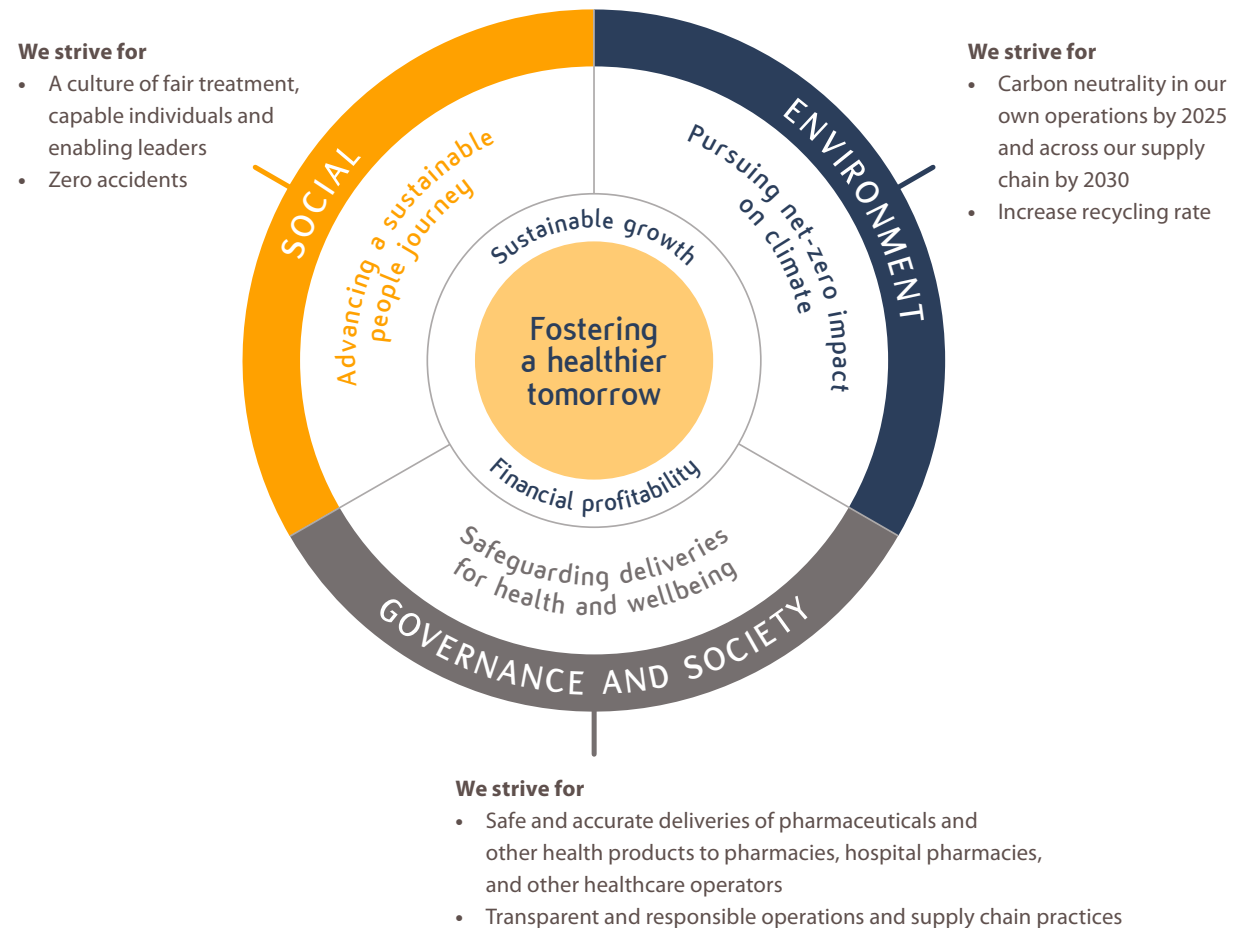


# Our sustainability agenda and targets

The double materiality assessment fed into our process of reviewing our future sustainability roadmap, and Oriola announced a new sustainability agenda for 2024-2026 in October 2023. The agenda is divided into three key sustainability themes through which we can play a key role in delivering services and products that enhance the health and wellbeing of both people and the planet.

Our sustainability agenda guides our everyday improvement of sustainability and supports us in reaching our ambitious long-term sustainability goals. In the updated sustainability agenda, many of our key topics and targets remain unchanged. However, we have streamlined the agenda to focus on areas where we can make the greatest impact. To ensure the integration of sustainability work in the strategy and business, we engaged various Oriola functions in preparing the sustainability agenda in 2023.

We monitor our sustainability impact through long-term strategic targets that have been defined for each sustainability theme. In our updated sustainability agenda, we have prioritised six key targets which we will follow and regularly report at Group level, both internally and externally. To measure achievements, we have set strategic and operative key performance indicators (KPI) for each sustainability theme.



## ENVIRONMENT:

# Pursuing net-zero impact on climate

Climate change is the single biggest health threat facing humanity, impacting both health and healthcare systems. As a health and wellbeing company, we have a unique responsibility to take action, in accordance with our vision, for a healthier tomorrow.

For us, pursuing a net-zero impact on the climate means minimising our environmental footprint not only within our own operations but also throughout our value chain. With our updated sustainability agenda, we are focusing even more deeply on the climate impacts of our supply chain.

Waste reduction, recycling and reuse form one of the key initiatives of our environmental work, as wholesale and distribution operations mostly generate packaging waste. Going forward, we also focus on increasing the internal awareness of the environmental impact of packaging.

Scope 1 and 2 emissions  
decreased by

**73%**

from 2019 base year

Scope 3 emissions  
decreased by

**16%**

from 2019 base year



## Material topics

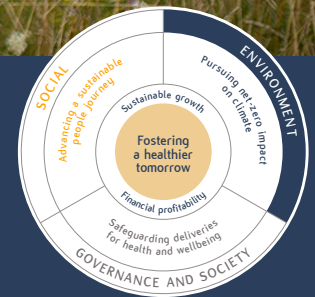
- Climate and emissions, including transport
- Energy efficiency
- Environmental impact of pharmaceuticals and packaging
- Waste, recycling and reuse

## Strategic targets

- Become carbon neutral in our own operations (Scope 1 and 2) by 2025 and achieve carbon neutrality across our supply chain (Scope 1, 2 and 3) by 2030. In addition, Oriola is committed to set science-based climate targets.
- Increase recycling rate

## Strategic KPIs 2024-2026

- Reduction of Scopes 1, 2, 3 and total GHG emissions
- Recycling rate 90% by 2025



**Climate targets and priority actions to reduce emissions**

Oriola is committed to using resources efficiently and reducing our greenhouse gas (GHG) emissions. Our target is to become carbon neutral in our own operations (Scopes 1 and 2) by 2025 and achieve carbon neutrality across our supply chain (Scopes 1, 2 and 3) by 2030. Going forward, we are committed to setting science-based climate targets, and eventually, target a net-zero impact on climate.

The most significant environmental impacts of Oriola’s business and operations stem from transport emissions and packaging waste (Scope 3) due to wholesale and distribution operations. Around 85% of our emissions originate from the supply chain, and transport is Oriola’s largest source of indirect emissions. We continuously work with our transport partners to find opportunities to reduce emissions. In practice, this means, for example, optimising routes, using capacity efficiently and expanding the use of alternative fuels.

Minimising our impact on climate has been a high priority for us for years. We have reduced CO<sub>2</sub> emissions in our own operations by 73% from 2019 base year, primarily by energy optimisation and using renewable energy.

Our own operations (Scopes 1 and 2), which include electricity consumption and heating as well as fugitive emissions from refrigerants, cover around 15% of our total emissions. Maintaining appropriate warehouse conditions and ensuring pharmaceuticals are stored correctly throughout distribution are among Oriola’s key responsibilities in guaranteeing product safety and quality. Given that some products

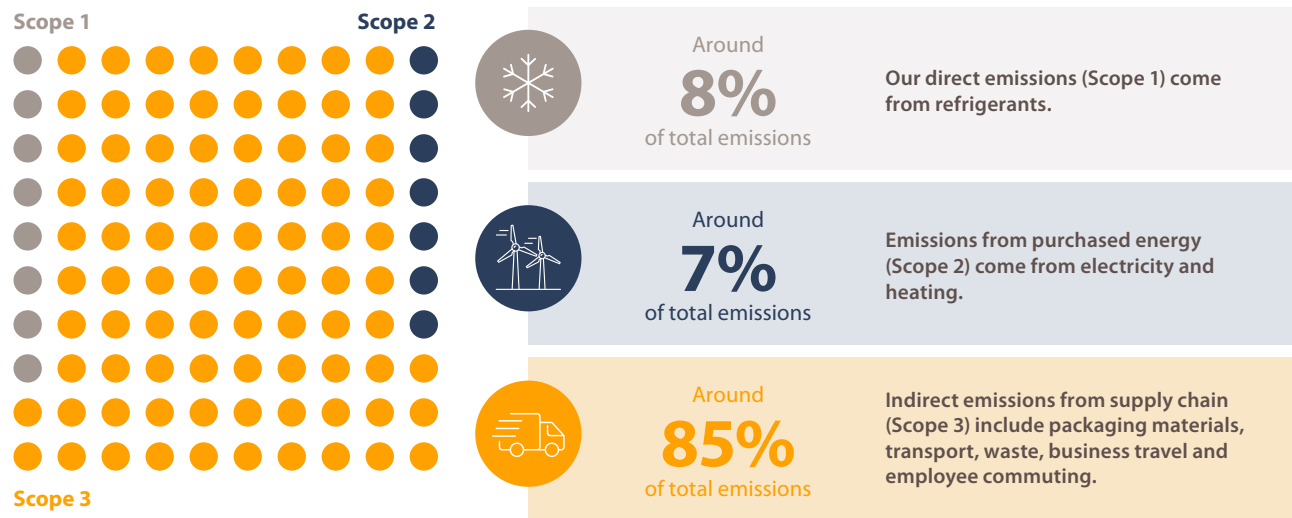
require cold storage, enhancing the energy efficiency of our cooling systems reduces our carbon footprint. We also regard the transition to more climate-friendly refrigerants as a high priority.

To achieve reductions in our direct emissions, we have introduced new low-emission refrigerant options when expanding our cold storage capacity for products requiring temperature-controlled storage conditions. In 2023, we

adjusted the temperature in one of our cold stores at the Mankkaa distribution centre from -30 degrees to -23 degrees Celsius. This change was made possible due to a shift in usage requirements and will allow us to switch to a more environmentally friendly refrigerant in the future.

Oriola has used carbon offsetting as a secondary means when further reducing our emission levels is not possible. In 2023, there was no need for offsets.

**Oriola’s carbon footprint\***



\* The carbon footprint has been calculated in accordance with the Greenhouse Gas Protocol accounting principles and covers the whole company. Scope 2 share calculated with market-based emissions.

In the future, our focus at Oriola will be on reducing both our own emissions and those within our value chain. To align with the 1.5°C trajectory recommended in the Paris Agreement, we plan to enhance our climate transition plan. In 2024, we will not only conduct a detailed assessment of the risks, goals and actions related to our transition towards a lower carbon economy, but will also initiate the Science Based Targets (SBT) process.

### Energy efficiency

Oriola's energy usage encompasses the maintenance of warehouse and office facilities, including ventilation, lighting, and specific heating and cooling for pharmaceutical warehouses. As much as 91% of Oriola's total energy consumption comes from renewable or carbon-neutral sources.

We prioritise energy efficiency in the environmental work related to our own operations. To achieve our targets, we invest in energy efficiency actions such as heat recovery and LED lighting. In 2023, we implemented various measures in our facilities. At our Mankkaa distribution centre, we improved the heat recovery rate by optimising building automation and indoor temperatures, renewing lighting systems, and upgrading medium-voltage transformers. At our Enköping distribution centre, we made significant changes to our heating pump and cooling devices, contributing to more efficient energy use. Similarly, at the central warehouse in Mölnlycke, we renewed the lighting system and installed a new cooling system.

### Supplier collaboration to cut emissions

Our sustainability agenda involves continuous collaboration with transport companies to achieve the goal of net-zero CO<sub>2</sub> emissions by 2030. In all contracts and renegotiations with our transport partners, we require that subcontractors' emissions will be carbon-neutral or net-zero by 2030, in line with Oriola's target. We also require them to disclose their short-term (1-3 years) and long-term (5+ years) CO<sub>2</sub> strategies and targets.

Emissions reporting requirement is an integral part of our service provider selection process. We also increasingly partner up with our service providers and plan joint activities to lower emissions. Through joint discussions with transport companies, we, for example, aim to enhance the delivery of transport emissions data, which includes information related to emissions calculation practices and resources needed for Oriola's transport consignments. We also support our customers with transport emissions data, helping them gain better visibility into their carbon footprint.

In 2023, we continued to explore activities that could reduce transport emissions within our supply chain. We can also influence transport emissions at our distribution centres, for instance by improving the fill rate of transport boxes to reduce the number of boxes delivered to customers. In October 2023, we implemented new order times for pharmacies in Finland. Driven by customer feedback on our transport boxes' low filling rate, we aimed for operational efficiency and sustainability improvements. This change showed positive results already in the following month, with an around 10%-point improvement

per tote in our filling rate. Furthermore, we have observed emission reduction potential in the transition of several last-mile routes to electric vehicles by our transport partners.

In 2023, Oriola's total Scope 3 emissions decreased by 16% from the 2019 base yearline. We have determined that along with improvements in emission data collection, emerging practices of suppliers setting Science-Based Targets (SBT) can further support our emissions reduction efforts towards our 2030 target.

### Environmental management

Environmental risks to our business, value chain, communities, and the planet encompass transition risks related to climate change. These can include changes in fossil fuel pricing or stricter environmental regulations leading to increased operational expenses and shifts in consumer behaviour.

Oriola assesses ESG risks, including those related to climate, as part of its regular risk management process. The risk management team monitors the severity of risks and ensures that appropriate measures are taken by Oriola's businesses and shared functions.

Environmental risks arising from our operations are carefully assessed. We consider risks associated with pharmaceutical transport, such as hazardous waste, along with practices for securing pallets and packaging. As an example of our proactive approach to environmental risk management, we have significantly reduced the usage of chemicals in our operations and ensured that spill kits are readily available on site to swiftly address any potential chemical spills.

Open discussions with customers, partners and decision-makers about monitoring and mitigating risks form an important part of the environmental risk management process. Since 2019, we have followed the guidance from the Task Force on Climate-related Financial Disclosures (TCFD) to analyse and understand our key climate-related risks and opportunities.

Oriola's environmental efforts are guided by Oriola's Environmental Policy, which articulates our commitment to minimise our environmental impact. We adhere to the ISO 14001 framework for environmental management, establishing consistent ways of working throughout the company. In 2023, our operations in Sweden (Oriola Sweden AB) and Finland (Oriola Corporation and Oriola Finland) renewed their ISO 14001 environmental management standard certifications.

### **Waste prevention, minimisation and recycling**

Oriola has consistently enhanced its waste sorting capabilities in recent years, earning positive feedback on the quality of our recycling efforts from our waste management partners. Our largest warehouses in Finland and Sweden feature over 10 sorting categories, with cardboard, plastic and waste-to-energy being the most substantial. These sorting categories include different PET classifications for plastics. All hazardous waste, including pharmaceutical waste, is securely stored in a locked area and disposed of at a waste disposal centre.

In 2023, a new pendulum compactor for pharmaceutical waste management was introduced at the Mölnlycke central warehouse. The equipment compresses, destroys and stores medical waste, effectively enhancing safety and reducing

waste transport. The pendulum compactor is designed to hold up to six times more waste than an open container of the same volume size. Moreover, the construction ensures sanitary handling by securely sealing off disposed medicine post-compression, mitigating risks associated with accidental or intentional misuse of disposed medicine.

To reduce waste, we deliver products from our distribution centres to customers mainly in reusable transport boxes and with reusable cold shields. We reuse the water used for washing these plastic transport boxes in Sweden, and we are exploring opportunities to do the same in Finland. Waste is handled offsite and is arranged locally by waste management companies to avoid long-distance transport.

Our daily operations involve minimal water usage, with box washing being the only material point of consumption and none of Oriola's sites are located in areas of high-water stress. In this process, we employ several filtration stages before discharging the water according to the sewer standards. Wastewater from our operations is directed to municipal water treatment plants. Oriola will continue to investigate future possibilities to lower water consumption and improve the recycling of used water.

Employee training plays a crucial role in our daily efforts to reduce waste and improve recycling. This includes familiarising employees with Oriola's recycling categories and correct handling of packaging waste. In 2023, our training activities in Finland and Sweden encompassed recycling campaigns, introduction sessions, and training materials. In 2023, the Group-level recycling rate of non-pharmaceutical waste was

81% (2022: 83%). Our aim is to further increase Oriola's Group-level recycling rate to 90% by 2025.

The waste-related impacts of Oriola's business operations are illustrated in the waste flow chart, with impacts spanning from upstream to downstream in Oriola's supply chain. Most of the waste comes from our own operations. Packaging waste remains the most common category of waste generated in Oriola's storage and delivery of pharmaceuticals and non-pharmaceutical products, as well as dose-dispensing activities.



## Waste flow



### Environmental impact of pharmaceuticals and packaging

Pharmaceuticals can find their way into the environment through various routes, such as effluents from manufacturing facilities, medicines that are consumed by patients and subsequently excreted, or the improper disposal of unused and expired medicines. Therefore, they can affect biodiversity in various ways throughout their lifecycle.

As Oriola does not have its own production, its operations' direct impacts on biodiversity are minor and mainly occur through value chain activities. The most significant biodiversity impacts occur at the start of the value chain, from the manufacturing of

products distributed by Oriola, including the raw materials used in the products and the pharmaceutical waste they generate. The main way for Oriola to contribute to maintaining biodiversity is through the reduction of greenhouse gas emissions.

Ensuring the safe transport of all pharmaceuticals is a primary duty for Oriola. We implement appropriate packaging and securing measures for pharmaceutical products to maintain their integrity during transit.

All pharmaceutical waste from healthcare and households is classified as hazardous waste in Finland, and returning unused or expired medicines to a pharmacy prevents them from ending

up in the environment and water systems through mixed waste or sewage.

Oriola also continued to collaborate with several charity organisations by donating non-pharmaceutical products that can still be used but cannot be sold due to close or just-passed expiry date. For several years in Finland and Sweden, we have implemented this collaboration to reduce the loss of non-pharmaceutical products.

**SOCIAL:**

# Advancing a sustainable people journey

Our sustainable people journey guides our work in leadership, employee engagement, attracting new employees and wellbeing at work. Together we develop a collaborative culture that is grounded in our shared values, promotes fairness, encourages skill development, and empowers our leaders.

Oriola respects and supports the protection of internationally proclaimed human rights and we act in accordance with the principles stated in: the United Nations Universal Declaration of Human Rights (UDHR), the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights (UNGP), and the OECD Guidelines for Multinational Enterprises.

The focus of the company's human rights efforts is on implementing due diligence processes including assessment of salient risks and impacts on people throughout our value chain. Oriola's respect and commitment towards human rights will be embodied in the group's policies and processes, and the same expectations to respect apply to Oriola's partners across the value chain.

LTIF rate  
**6.09**

Personnel  
**932**



## Material topics

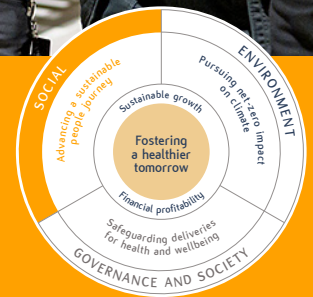
- Leadership and culture, including diversity and inclusion
- Workplace safety
- Fair working conditions, including human rights
- Skilled and engaged employees

## Strategic targets

- Foster a culture that ensures fair treatment, develops capable individuals, and empowers leaders
- Reach the long-term goal of zero accidents

## Strategic KPIs 2024-2026

- Leadership index 80 by 2026
- Lost Time Incident Frequency (LTIF) rate 4.5 by 2026



### Leadership and culture development, diversity and inclusion

Change leadership is one of the key areas in our leadership development, as Oriola's business environment, company structure, culture and ways of working are changing. In 2023, special attention was paid to collaborative culture, which is based on our refreshed values and reflects more what Oriola is today. We implemented the cross-functional way of working and operate under cross-market leadership. From an organisational development point of view, the most important task was the implementation and fine-tuning of the new operating model. Our leadership development offering has included change management training and coaching. In addition, dedicated commercial excellence training and other tailor-made training were provided throughout the year.

Leadership quality is measured annually to ensure continuous development. In 2023, our leadership index improved slightly to 79 (2022: 78).

Oriola provides a fair and equal workplace that supports diversity and inclusion. In addition to our Code of Conduct, which outlines diversity and inclusion principles in general, during the year we initiated preparations for our People Policy, which sets the frames for more detailed human rights principles and approach to equal opportunities at Group level. The policy will be implemented in 2024. Each year we conduct a salary review to enhance pay equality.

We do not approve of discrimination in any form, and we encourage all our employees to report any alleged misconduct.

In 2023, we identified our salient human rights issues, meaning the most important human rights topics that we must attend to as a company. The process showed that in many parts of our value chain we already have processes in place for managing human rights impacts, but there are some considerations for future and clear development areas where we can still improve the integration of human rights perspectives into our operations.

### Workplace safety

Oriola stresses the importance of a healthy and safe working environment. This starts from the prevention of work-related accidents and illnesses and extends into maintaining employees' functional capacity at the various stages of their working lives. Our long-term target is to have zero accidents.

All employees have access to occupational healthcare services in Finland and Sweden. In both countries the employees are also entitled to a comprehensive health insurance to cover medical expenses. In addition, the model of early intervention is used in Finland as well as in Sweden and managers have been familiarised with the model. In Sweden, Oriola has selected a new occupational healthcare service provider, and implementation is expected to be finalised in early 2024. In Finland, the statutory labour protection activity is represented by an occupational safety organisation with all personnel groups represented. In Sweden, occupational health and safety is organised in compliance with Swedish legislation, with support from occupational healthcare suppliers and in cooperation with local safety officer representatives among the workforce. Oriola also offers a wide range of employee health benefits, from sports to culture.

## Human Rights Due Diligence at Oriola

Human rights due diligence at Oriola is an ongoing process as guided by United Nations Guiding Principles on Business and Human Rights (UNGP). It entails identifying and assessing potential and actual negative impacts on people, addressing these impacts, tracking the effectiveness of actions as well as communicating about the actions and results. As a part of its sustainability agenda, Oriola has committed to further develop these practices.

With the help of a third-party service provider, Oriola conducted corporate-level human rights impact mapping in 2023. The mapping covered Oriola's own operations and its value chain upstream and downstream.

Oriola aims to strengthen its supply chain due diligence further by integrating human rights aspects in its existing supplier and subcontractor evaluation and engagement processes. This includes additional elaboration of the group's expectations towards its suppliers and subcontractors and enhancing its screening and assessment methods to better manage the salient issues occurring further along the supply chain.

Integrating human rights due diligence practices in a more profound manner in the current core processes will also enable Oriola to act on the findings and monitor efficiently how impacts are addressed across the value chain.

Key areas of further development include:

- Human Resources (HR) and Health, Safety and Environment (HSE) processes will be developed to increase competence on human rights aspects.
- Internal training programmes to improve Oriola employees' awareness of the importance of human rights.

Health and safety training is included in our induction process, consisting of guidelines and instructions to ensure a safe work environment for all, especially in our distribution centres and warehouses. In addition, Oriola's businesses provide tailored occupational safety and ergonomic training. Job-specific safety training includes, for example, safe handling of chemicals and the safe usage of equipment. Site management teams are responsible for assessing, mitigating and monitoring site-specific risks and incidents. Health and safety risk assessments are conducted throughout the year and the observations as well as mitigating activities are handled quarterly by the Health and Safety Committee.

The employer's statutory occupational safety and health obligations cover the entire organisation. Recent developments to improve occupational health and safety include, for example, additional induction and changes in operating methods.

**Skilled and engaged employees**

To attract the right talent and enable our employees to focus on what they do best, we want to offer a fair and equal workplace, where everyone can succeed, grow and develop throughout their career.

A new and easy to use human resource system (HRM system) was introduced at the start of the year, providing a flexible platform for employment related documentation and follow-up structures. The system incorporates core information on employment. The People team reviewed and renewed the whole lifecycle of the hire-to-retire people processes. Transforming from country based organisational structures to a common

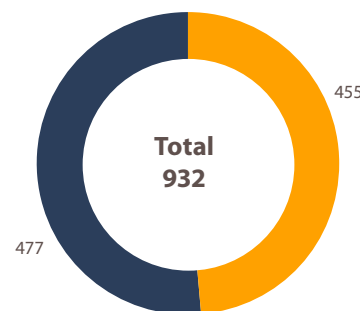
cross-functional organisation has also required harmonisation of processes between business units. In 2023 some 140 managers attended monthly information and training sessions to enhance the common ways of working. The annual performance and development reviews relate to all employees.

Mandatory onboarding training covering several training modules, such as Good Distribution Practice (GDP), Code of Conduct and IT security, was digitalised. Our target is that 100% of our own workforce completes the Code of Conduct training as well as other mandatory training annually from 2025 onwards.

Our annual employee satisfaction survey was conducted in November. One of the important indicators is eNPS. The target for 2023 was to improve the eNPS by 21%-points. However, the result declined and was -25 (2022: -22), reflecting the ongoing changes in the company. On the other hand, the employee engagement rate remained at the same high level as in 2022 (76/100), which shows that the personnel are committed to the company.

**Employees by country\***

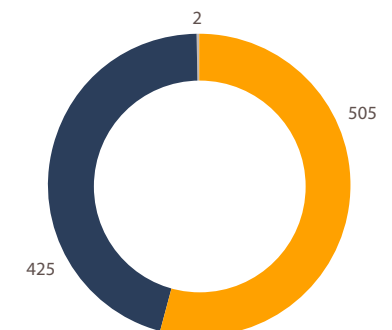
- Sweden
- Finland



\* Headcount at year-end

**Employees by gender\***

- Male
- Female
- Undeclared



## GOVERNANCE &amp; SOCIETY:

# Safeguarding deliveries for health and wellbeing

Oriola is an essential part of the entire healthcare value chain. We hold ourselves to high ethical standards and comply with all relevant laws and regulations, including compliance with Good Distribution Practice (GDP). Our Code of Conduct outlines the principles with which all our employees and businesses are expected to comply.

We ensure that the right pharmaceuticals at the right amount are delivered to the right place at the right time – and in the right conditions. This is also the essence of our sustainability efforts. As a leading distributor in Finland and Sweden, we have made a commitment to deliver pharmaceuticals within 24 hours of ordering to all pharmacies and hospital pharmacies, as well as other healthcare operators.

Picking quality of ordered pharmaceuticals

## 99.8%

Key suppliers covered by Business Partner Code of Conduct

## 89%

## Material topics

- Safe and timely delivery of pharmaceuticals
- Product safety and quality
- Ethical sourcing and supply chain management
- Data protection
- Governance

## Strategic targets

- Ensure safe and accurate deliveries of pharmaceuticals and other health products to pharmacies, hospital pharmacies, veterinarians and other healthcare operators
- Ensure transparent and responsible operations and supply chain practices

## Strategic KPIs for 2024-2026

- Picking quality of ordered pharmaceuticals 99.0% by 2026 at group level level, including Enköping and Mankkaa sites
- 100% of key suppliers covered by Oriola's Business Partner Code of Conduct or equivalent\*
- Annual Code of Conduct training completion rate among Oriola's own workforce 100% from 2025 onwards

\* Key suppliers refers to approximately 90% of Oriola's supplier spend



For us, timely deliveries simply mean high accuracy. In essence, the improvement in delivery accuracy comes from the continuous development of our processes. During 2023, we continued our work on the simplification and harmonisation of processes, including core IT systems. We have also improved our efficiency in deliveries through improved demand-supply planning and tighter collaboration with the sales teams. An additional initiative has been the optimisation of delivery routes.

We closely monitor the quality and accuracy of pharmaceutical deliveries. In 2023, the picking quality for the Swedish and Finnish sites was at 99.8% (2022: 99.6% Finland only).

### Sharing data enhances the availability of pharmaceuticals

While the availability of medicines has long remained at a high level in the Nordic countries, disruptions in the global supply chain have increased significantly in recent years. These disruptions are caused by scarcity of raw materials and disturbances in the supply chain due to geopolitical instability. Accurate supply data is of utmost importance in ensuring the availability of pharmaceuticals, and especially in times of shortages in supply.

To ensure the continued availability of pharmaceuticals, Oriola is actively working with the authorities and other stakeholders to develop the pharmaceutical market and ways of operating. Proactive preventive measures in ensuring the availability of pharmaceuticals require close collaboration from all actors in global supply chains. As a pharmaceutical distributor, Oriola can support pharmaceutical companies with data-based supply and demand planning. Throughout the year, we

closely cooperated with our suppliers and customers to be well informed of the supply and demand balance of the entire value chain. This is important in anticipating and reacting to possible disturbances and shortages. We have also worked on our business and continuity plans, focusing on various scenarios and how to prepare.

### Ensuring product safety

While the pharmaceutical companies are responsible for their products, Oriola is responsible for the service it provides to its customers. We ensure that pharmaceutical producers are licenced accordingly, and the products have been brought to the market through designated processes. Pharmaceutical distribution increasingly also relies on handling in special conditions. As some pharmaceuticals are temperature sensitive products, appropriate conditions are continuously monitored throughout the supply chain. In addition, we promote pharmaceutical safety by preventing counterfeit pharmaceuticals from entering the market by dealing directly with pharmaceutical companies and complying with the EU Falsified Medicines Directive.

Furthermore, we ensure the high quality of our own health and wellbeing brands. This is done through a quality evaluation process for all our non-pharmaceutical range, including our own brands such as Dexal, Apteekkarin, and Reformi, to ensure product safety and compliance with the regulations.

Our advisory services support pharmaceutical companies in bringing medicines to the market, starting with clinical research, regulatory and market access services. Once a medicine has

a marketing authorisation, there are many obligations and requirements related to regulatory lifecycle management that we help pharmaceutical companies to meet. These include marketing authorisation applications and maintenance, scientific and medical review of promotional materials, drug safety responsibilities and medical information.

### Managing the whole supply chain ethically

Our direct suppliers include manufacturers of healthcare products, as well as suppliers of packaging materials used in the warehousing of these products. As we do not operate our own fleet of vehicles, working closely with transport service providers is essential in warehousing and distribution operations. Most of Oriola's direct non-pharmaceutical product purchases come from Europe.

Standardised procurement principles, as well as supplier selection and approval processes, are important to us. With these tools we assess the business partners' ways of operating and ensure that they meet the requirements set by Oriola. Supplier evaluation process and audits are key tools in ensuring product safety and quality, and form the foundation of continuous improvement at Oriola.

Our operations regarding the warehousing and distribution of pharmaceuticals, healthcare products and consumer goods, as well as the performance of services and logistics for clinical trials, have been certified according to ISO 9001 and ISO 14001 in Finland and Sweden. Both certifications were renewed in 2023.

Oriola appreciates long-term partnerships and EU-based suppliers. Compliance with laws and regulations as well as respect for international human rights are required of each supplier. Since transport companies form Oriola's biggest supplier group and supplier climate strategy is an integral part of our selection process, Oriola requires transport companies to disclose their CO2 strategy with targets for the short- (1-3 years) and long-term (5+ years) period. Along with this, the requirement for emissions reporting is added to the transport agreements and as part of the supplier selection. Our transport partners also need to fulfil Good Distribution Practice (GDP) requirements.

Our Code of Conduct forms the basis for ethical sourcing. We require our direct and indirect suppliers either to commit to our Business Partner Code of Conduct, or to their own similar policy, covering principles related to anti-bribery, anti-corruption, and discrimination, respecting labour and human rights, and promoting occupational safety and health. 89% of our key suppliers have signed our Business Partner Code of Conduct. The main part of Oriola's direct non-pharmaceutical product purchases come from Europe. In Sweden, 28 supplier evaluations were performed in 2023 and 14 of them were new suppliers. In Finland, 10 supplier evaluations were performed in 2023 and all of them were new suppliers. We also focus on proactive information sharing on coming legislation and regulation, and this approach has been appreciated by our partners.

To provide our extensive experience to support decision-making, Oriola participates in various collaboration forums, such as GIRP, the European Healthcare Distribution Association, representing pharmaceutical wholesalers in Europe, and engages in a continuous dialogue with the authorities, our customers

and suppliers, and other industry organisations. By combining our and our partners' expertise, we are working together for a healthier tomorrow.

### Protecting data

Oriola's data protection approach includes policies, procedures and controls that are designed to protect the confidentiality, integrity and availability of its data and information systems. We also have processes in place for protection against cyber-attacks and phishing.

Our approach to data protection focuses on ensuring compliance with EU GDPR and regulations such as GxP, as well as industry best practices. Oriola follows the Information Security Forum's Standard of Good Practices for Information Security framework (ISF SOGP), which includes major frameworks such as ISO 27001, COBIT, and NIST CSF. Our information security system has not been certified.

We have a number of ongoing internal training programmes to ensure that employees are aware of the company's data protection policies and procedures. These training programmes are designed to provide employees with the knowledge and skills they need to protect the confidentiality, integrity and availability of Oriola's data and information systems. Basic information security awareness training is provided to all employees, which includes video-based security training and simulated phishing campaigns.

Oriola assesses information security risks through various methods, including regular risk assessments, vulnerability

assessments and penetration testing. These assessments are designed to identify potential vulnerabilities and threats to our data and information systems, and to develop appropriate controls to mitigate these risks.

We have implemented several audits to ensure that our data protection programme is effective and compliant with applicable laws and regulations. These audits are conducted by both internal and external auditors and are designed to identify areas for improvement. The company has also created and mapped a data flow related to handling personal data and conducted a data protection impact assessment (DPIA) to identify and mitigate risks associated with the processing of personal data.

Oriola did not face any major information security incidents in 2023. Nevertheless, the company has implemented a comprehensive incident response plan to ensure that it can respond quickly and effectively to any incidents that may occur.

# Sustainability governance

High sustainability standards allow us to fulfil our purpose 'Health for life' and guide our work. We actively incorporate environmentally and socially responsible practices into our day-to-day operations and decision-making processes. Oriola's sustainability work is guided by our sustainability related policies as well as governance practices and procedures.





## Sustainability management

Oriola's Board of Directors is the highest authority to oversee our sustainability work. The Board decides, steers and guides Oriola's sustainability agenda, and regularly reviews our sustainability performance. The duties of the Board are described in detail in the Corporate Governance Statement.

Significant factors concerning the composition of the Board of Directors include that the members should possess a variety of competences that complement the other members of the Board: education and experience in different professional areas and industrial sectors as well as businesses in various stages of development, leadership experience, as well as their personal capacities, all of which include competencies on sustainability related issues. The members of the Board have expertise in for example industry, finance, management, strategy, risk management and sustainability (ESG).

Sustainability being a key part of Oriola's strategy brings many sustainability related topics to the Board's decision making, and the Board for example approves the sustainability agenda, strategic sustainability goals, relevant policies and the environmental, social and governance information reported in the Statement of Non-financial information. Moreover, sustainability topics are regularly discussed by the Board, which has quarterly briefings on current sustainability matters.

The Audit Committee plays an integral role in supervising the execution of the sustainability agenda, as well as tracking the progress of sustainability reporting. The Committee monitors the advancement of the sustainability agenda, offering feedback

when necessary. Furthermore, it reviews ESG matters finally decided upon by the Board. To ensure alignment with ESG disclosures, the Audit Committee reviews the processes, controls, methodologies, and policies related to ESG that management employs to enhance sustainability reporting.

The President and CEO of Oriola is responsible for managing and developing Oriola in accordance with the instructions and guidance given by the Board of Directors, and for implementing its decisions. The President and CEO reports to the Board of Directors on financial and non-financial matters, the business environment and other significant topics, including environmental and social topics.

The Oriola Management Team prepares and follows up the Group's sustainability agenda including plans, risks, targets and performance indicators. Oriola tracks progress in sustainability areas using Group-level strategic targets and key performance indicators (KPI) approved by the Board of Directors.

The Communications and Sustainability function is responsible for preparing proposals to the Oriola Management Team about sustainability development in line with the agenda and action plan, steering sustainability related activities, which includes follow-up of near- and long-term plans and roadmaps, and reporting on sustainability development to the Oriola Management Team and the Board.

VP, Communications and Sustainability, is responsible for the Group-level sustainability agenda and its development, for coordinating related reporting activities, assisting the organisation and its leadership to stay ahead of sustainability

related trends, and ensuring that relevant management processes relating to material sustainability topics are being developed and implemented as part of Oriola.

Sustainability is integrated in the business objectives of our businesses. Our Group-wide common management system ensures that sustainability goals are cascaded throughout the organisation by developing policies and procedures, setting operative KPIs, defining and measuring performance indicators, developing and implementing initiatives, and reporting on performance.

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. The risk management team monitors the level of risks and ensures that the risks are processed appropriately by Oriola's businesses and shared functions.

## Human rights

We respect all internationally recognised human rights in all our activities and promote them in practice.

We have committed to respect and act in accordance with the principles stated in:

- the United Nations Universal Declaration of Human Rights (UDHR)
- the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work
- the United Nations Guiding Principles on Business and Human Rights (UNGP)
- the OECD Guidelines for Multinational Enterprises

We expect our business partners to commit to the same principles as specified in our Business Partner Code of Conduct.

Human rights due diligence at Oriola Corporation is an ongoing process as guided by UNGP. It entails identification and assessment of potential and actual negative impacts on people, addressing these impacts, tracking the effectiveness of actions as well as communicating about the actions and results. Impacts related to our own workforce are identified and managed through multiple HR and HSE (Health, Safety, and Environment) processes. These processes will continue to be developed to enhance competence on human rights aspects. Furthermore, Oriola is committed to integrating human rights considerations into its various policies and processes, thereby ensuring alignment with Group risk management.

## Ethical business culture

We are committed to promoting ethical and sustainable business practices. Our Code of Conduct outlines the ethical principles concerning our work, and it covers the whole organisation.

We also promote ethical business practices within our partner and supplier network by requiring them to commit to Oriola's Business Partner Code of Conduct.

To allow all potential misconduct or conduct that does not accord with our values to be reported, Oriola has established an anonymous reporting channel. Oriola takes its responsibility to act on any misconduct seriously. In 2023, the channel received 3 reports related to, among other things, health and safety. No discrimination related cases were reported. All reports were investigated in line with Oriola's process and necessary actions were taken accordingly.

Oriola's whistleblowing team, which consists of the General Counsel, Chief People Officer and VP Risk & Security, gives regular updates on all new investigations, anti-corruption activities, human rights related matters and other Code of Conduct matters. Whistleblowing cases are communicated to the Board once or twice a year and more frequently to the Audit Committee. If there are critical concerns evaluated by the whistleblowing team, these cases will be communicated to the Oriola Board at the next Board meeting. The significance of these matters is evaluated on a case-by-case basis by Oriola's whistleblowing team. None of the cases reported via the whistleblowing channel in 2023 were classified as critical.

Oriola has various mechanisms, processes and procedures in place to prevent and mitigate potential negative impacts. In addition to whistleblowing, Oriola provides other channels for reporting grievances and is committed to addressing these reports promptly and fairly. These mechanisms include three customer service channels in Finland and Sweden, cooperation with local authorities such as the Finnish Medicines Agency Fimea when deficiencies are observed in operations. In indirect procurement potential complaints are discussed, agreed and actioned on in frequent meetings purposed to ensure good partnerships.

Oriola has started preparing for the upcoming EU regulations on sustainability, including the Corporate Sustainability Due Diligence Directive, which will emphasise the development and reporting of transparent due diligence practices. Our human rights due diligence process is also expected to be reported according to the CSRD.

## Policies

Our key sustainability related policies are stated in the table on page 35. In addition to policies and principles, Oriola has various internal sustainability related guidelines and instructions, such as Procurement Policy and Purchasing Policy.

## Sustainability policies

Key policies	Policy owner	Description of main policy commitments	Level of approval and publicity	Application to company activities and communication
<b>Code of Conduct</b>	Legal, General Counsel	The Oriola Group Code of Conduct guides management and personnel on ethical principles concerning our work. The Code of Conduct presents Oriola's way of working, which is based on law and good corporate governance, openness, fairness and confidentiality. It includes Oriola's commitment to anti-bribery and anti-corruption, respect for human rights, compliance with all competition laws, and engaging in collaboration and dialogue with stakeholders.	Board of Directors  <a href="#">Publicly available here</a>	This policy applies to all Oriola's businesses within the Group.  Mandatory training for all employees.
<b>Business Partner Code of Conduct</b>	Chief Commercial Officer, Chief Supplier Officer, Legal, General counsel	Document reflects Oriola's values and the principles set out in the Oriola's Code of Conduct.	Board of Directors  <a href="#">Publicly available here</a>	This policy applies to business partners and suppliers.  Commitment from suppliers and other business partners to the Business Partner Code of Conduct is required.
<b>Privacy Policy</b>	IT, Cyber Security Leader	The Oriola Privacy Policy outlines the methods by which the company gathers, utilizes, discloses, and otherwise processes personal information. Additionally, it explains individuals' rights, how they can get in touch with the company, and the measures Oriola takes to protect their data.  This Privacy Policy is applicable to all personal data that Oriola handles when individuals provide their information for processing, place an order, use the company's services, visit its online platforms, or engage with the company in any other manner.	Oriola Management Team  <a href="#">Publicly available here</a>	This policy applies to all employees and Group companies.
<b>Quality Policy</b>	Quality, Quality Director	Oriola's Quality Policy establishes the basis for the company's dedication to ongoing enhancement across the Group. It also offers a structure for operations and business development that focuses on customer needs. In accordance with this policy, Oriola is committed to upholding and consistently improving its management system while ensuring compliance with requirements set by customers, regulations, and the company itself.	Chief Executive Officer  Oriola internal document, a summary of the policy is <a href="#">publicly available here</a>	This policy applies to all employees and Group companies.
<b>Environmental Policy</b>	Quality, Quality Director	The Oriola Group Environmental Policy sets a framework for environmental efforts across the entire Oriola Group and its businesses. This policy outlines the approach taken by the Oriola Group to promote a healthy life and a positive environment for both present and future generations.	Oriola Management Team  Board of Directors  <a href="#">Publicly available here</a>	This policy applies to all employees and Group companies.
<b>Risk Management Policy</b>	VP, Risk and Security	The Oriola Group Risk Management Policy outlines the company's risk management model, principles, organization, and process. This policy defines the enterprise risk management system, objectives, roles, and responsibilities within Oriola, aiming to identify and manage risks associated with the execution of the company's strategy and operations.	Board of Directors  For internal use	This policy applies to all employees and Group companies.

# Stakeholder engagement

Oriola periodically seeks feedback from stakeholders through materiality assessments and regular engagements. We encourage transparent dialogue via various communication channels, including online platforms and face-to-face meetings. Oriola's operations are compliant with the new Transparency Register, established in Finland during 2023.

Key stakeholder	Stakeholder expectations	How Oriola responds to stakeholder expectations	Examples of stakeholder interaction
<b>Customers</b>	<ul style="list-style-type: none"> <li>Ensuring transparent value chain</li> <li>Securing safe and accurate deliveries as well as availability of pharmaceuticals and other health products</li> <li>Providing comprehensive product information and guidance for the appropriate use of health products</li> <li>Active work to minimise environmental impact</li> <li>Adhere of internal and external policies, commitments, and certificates related to sustainability and responsible business practices</li> </ul>	<ul style="list-style-type: none"> <li>Customer experience development</li> <li>Internal processes to ensure quality</li> <li>Business Continuation Planning</li> <li>Regulatory compliance</li> <li>Continuous improvement of environmental work</li> </ul>	<ul style="list-style-type: none"> <li>Daily customer interactions, such as deliveries, customer service and sales representative action</li> <li>Customer forums and service channels</li> <li>Customer survey</li> <li>Social media</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Commitment to promote health, safety, and wellbeing</li> <li>Fostering strong leadership, maintaining common values, and developing a collaborative culture</li> <li>Encouraging skills development</li> <li>Addressing data security and privacy issues and ensuring the protection of sensitive information</li> <li>Supporting diversity and inclusion and providing an equal and fair workplace</li> <li>Respect for human rights</li> </ul>	<ul style="list-style-type: none"> <li>Providing various learning and development opportunities</li> <li>Ensuring continuous development of leadership skills</li> <li>Providing change management training for managers</li> <li>Promoting non-discrimination and fair employment</li> <li>Code of Conduct</li> <li>Conducting regular employee engagement surveys to understand employee satisfaction</li> <li>Human Rights Due Diligence</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings and events focusing on employees and their needs?</li> <li>Employee development discussions</li> <li>Employee engagement surveys</li> <li>Cooperation with employees</li> <li>Whistleblower channel</li> <li>Internal &amp; leadership communications</li> </ul>
<b>Investors and analysts</b>	<ul style="list-style-type: none"> <li>Strong financial performance and sustainable growth</li> <li>Consistent and transparent reporting and disclosure</li> <li>Insight into risks, opportunities, and risk management strategies</li> <li>Sustainability compliance</li> </ul>	<ul style="list-style-type: none"> <li>Communicating about the targets and progress of Oriola's sustainability agenda</li> <li>Transparent and regular reporting and disclosure</li> <li>Sustainability risk management and compliance</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory financial communications (financial reporting, stock exchange releases)</li> <li>Annual General Meeting Results announcements</li> <li>Investor meetings and site visits for analysts</li> <li>Capital Markets Day</li> </ul>
<b>Suppliers and subcontractors</b>	<ul style="list-style-type: none"> <li>Fulfilling contractual responsibilities</li> <li>Implementing measures for data security during RFP processes</li> <li>Adhering to ethical and equitable practices in supplier and procurement processes</li> <li>Observing legal and regulatory requirements, such as GDPR</li> <li>Possible opportunities to improve cooperation between Oriola and suppliers across various aspects</li> </ul>	<ul style="list-style-type: none"> <li>Joint efforts to improve sustainability performance (e.g., collaborating with transport partners to reduce emissions)</li> <li>Oriola's Business Partner Code of Conduct informational guide, supplier climate strategy, and Good Distribution Practice requirements for suppliers and business associates</li> <li>Regular risk-based reassessments to maintain ongoing compliance</li> </ul>	<ul style="list-style-type: none"> <li>Supplier events and meetings</li> <li>Supplier audits</li> <li>Business Partner Code of Conduct</li> </ul>
<b>Authorities</b>	<ul style="list-style-type: none"> <li>Securing safe and accurate deliveries as well as availability of pharmaceuticals and other health products</li> <li>Adherence to GxP and best practices</li> <li>Legal compliance (including financial reporting obligations) and sound governance</li> </ul>	<ul style="list-style-type: none"> <li>Internal processes to ensure quality</li> <li>Operating in accordance with applicable legal and regulatory requirements while ensuring a reliable supply of pharmaceuticals and other health products</li> <li>Participating in customer research projects</li> </ul>	<ul style="list-style-type: none"> <li>Close cooperation and information sharing</li> <li>Inspections by Finnish Medicines Agency Fimea and Swedish Medical Products Agency Läkemedelsverket</li> </ul>
<b>Trade associations and industrial organisations</b>	<ul style="list-style-type: none"> <li>Collective bargaining agreements</li> </ul>	<ul style="list-style-type: none"> <li>Participating in discussions and collaborating with industry associations, both as a member and a partner</li> </ul>	<ul style="list-style-type: none"> <li>Memberships in relevant organisations</li> </ul>

# Oriola's sustainability targets and KPIs 2021-2023

Oriola's new sustainability targets and KPIs, which align with our newly adopted sustainability agenda, will begin to be monitored from 2024 onwards. Throughout 2023, we continued to work towards previously set sustainability targets.

In the table below, we report our progress on the sustainability KPIs and targets set for 2023.

While not all our previous targets are part of the strategic sustainability targets and KPIs established through the new sustainability agenda, we will continue to monitor and report most of them as part of our ongoing sustainability efforts.

In this report, we outline the material sustainability topics associated with our updated sustainability agenda, completed with their respective targets and KPIs. We also include other relevant sustainability topics and KPIs, encompassing both our revised and previous sets of targets and KPIs. Our strategic targets and KPIs 2024-2026 are presented in more detail in the sections Environment, Social, and Governance and society.

## Key performance indicators (KPIs) and targets

SOCIETY					
KPI	Indicator	Target 2023	Results 2023	Results 2022	Results 2021
Safe and correct usage of medicines	Product defects of patient deliveries, dose-dispensing	<0.006%	0.003%	New target	N/A
Pharmaceutical delivery quality and accuracy	Indicator measuring the ability to deliver ordered pharmaceuticals to pharmacies, hospitals and veterinarians	98%	99.8%	99.6% (Finland only)	99.8% (Finland only)
PEOPLE					
KPI	Indicator	Target 2023	Results 2023	Results 2022	Results 2021
Employee engagement	Employee Net Promoter Score (eNPS)	+21%-points	-25	-22	-8
PLANET					
KPI	Indicator	Target 2023	Results 2023	Results 2022	Results 2021
Renewable electricity and carbon-neutral heat	Renewable electricity and carbon neutral heat rate	100%	91%	91%	95%
Recycling of waste	Recycling rate	87%	81%	83%	79%

# External recognitions and our commitments

Oriola's actions towards its ambitious sustainability goals have been recognised externally in the following ESG ratings and indices.

## ECOVADIS

In 2023, Oriola was awarded with a gold medal in the EcoVadis sustainability rating. Our result placed us among the top 5% performing companies worldwide assessed by EcoVadis.



## CLIMATE DISCLOSURE PROJECT (CDP)

Oriola has been reporting CDP's climate change programme annually since 2017. In 2023, Oriola was granted a CDP score of C (A- in 2022, on a scale of A-D).



## SUSTAINABLE DEVELOPMENT GOALS (SDG)

Oriola is committed to supporting the Sustainable Development Goals (SDG), which aim to address the global economic, social and environmental challenges we face by 2030. Out of the 17 goals, we have identified four that align most closely with our operations and where we can make the greatest impact: SDG 3: Ensure healthy lives and promote wellbeing for all at all ages, SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, SDG 12: Ensure sustainable consumption and production patterns, and SDG 13: Take urgent action to combat climate change and its impacts. These goals are tied to our key themes and are presented accordingly.



Oriola is committed to set Science Based Targets initiative (SBTi) in 2024.

# Reporting principles

This section provides information on Oriola's reporting principles, GRI content index 2023, as well as data charts and tables.

Disclosing information on how we manage our economic and environmental impacts, as well as impacts on people, is an integral part of Oriola's Annual Report. Oriola has been reporting on its sustainability progress and data annually since 2017. Oriola's Annual Report 2023 has been prepared in accordance with the GRI Universal Standards 2021. Therefore, our reporting covers all the General Disclosures and the Topic Standards we deem material. The GRI 1: Foundation 2021 Standard's key concepts for defining report content have been taken into account in the preparation of sustainability information. The topic standards are year 2016 versions unless otherwise stated next to the standard number. Following the GRI reporting requirements, this report presents the sustainability information in a standardised way and focuses on the disclosures that best reflect our impacts on these topics.

Oriola's Annual Report 2023 includes the Financial Statements, the Report of the Board of Directors, the Remuneration Report as well as the Sustainability Report, which contains information about Oriola's sustainability agenda, policies, targets, KPIs and performance data. The Annual Report 2023 was published on 27 February 2024 and is complemented by interim reports, where Oriola additionally provides quarterly updates on selected sustainability topics. More information about Oriola's

sustainability work can be found on our website [oriola.com/sustainability](https://oriola.com/sustainability).

## Reporting scope and boundaries

Oriola Group's financial reporting follows the International Financial Reporting Standards (IFRS) approved for application within the European Union. The sustainability reporting is aligned with reporting on the financial year (calendar year 2023). Unless otherwise stated, the sustainability reporting of Oriola Group comprises the parent company Oriola Corporation and all the companies in which the Group holds over 50% of the voting rights directly or indirectly. Aligned with the financial reporting, the entities included in the sustainability reporting are Oriola Corporation, Oriola Finland Oy, Pharmaservice Oy, Oriola Sweden AB and Svensk dos AB.

The content of this year's GRI report is based on the results of the materiality assessment, conducted in 2018, and Oriola's previous sustainability programme including its targets and KPIs, which was effective until the end of 2023. Oriola has updated its sustainability agenda, targets and KPIs in 2023 based on a double materiality analysis. The new sustainability agenda is in effect from the start of 2024, and the company will report accordingly from 2024 onwards. In the 2023 reporting, Oriola will present the



essential themes of the updated sustainability agenda as well as the objectives and metrics.

Oriola aims to continuously improve its annual sustainability reporting and is currently developing reporting in line with the preparations to report in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD). The direct reporting obligation of the directive begins on 1 January 2024 for the company and applies to reports that will be published in 2025.

#### **Significant changes during the reporting period and restatements of information**

Reported sustainability data for 2023 reflects Oriola's operating model and organisational structure. There were no significant changes in Oriola's operating model or organisation during 2023.

In 2023, Oriola has restated emissions information due to internal data validation and Kronans Apotek divestment in 2022. In the restatements, Oriola deducted Kronans Apotek's emissions from 2019-2021 and removed leasing cars emissions from Scope 3 category 6 to Scope 1. Kronans Apotek was excluded from environmental data collection and reporting in 2022. Following the restatements completed in 2023, the comparability of

environmental data has improved. Furthermore, Oriola has made internal validation of the emission factors used and updated emission factors in Scope 2 district heating emissions and Scope 3 in Category 5 waste generated in operations and Category 6 business travel (cars).

#### **External assurance**

Ecobio Oy, as an independent third party, has provided limited assurance on the environmental information presented in this Annual Report, including the GRI Index, data charts and tables. The scope of assured information is indicated in the GRI Index. For more information, see the independent assurance statement by Ecobio Oy.

#### **Contacts**

The Annual Report can be downloaded at [www.oriola.com](http://www.oriola.com), and any questions concerning the report should be addressed to [sustainability@oriola.com](mailto:sustainability@oriola.com) or Tua Stenius-Örnholm, [tua.stenius-ornholm@oriola.com](mailto:tua.stenius-ornholm@oriola.com). The next sustainability report will be published around the first quarter of 2025.



## GRI content index

Oriola has reported in accordance with the Global Reporting Initiative (GRI) Universal Standards (2021) for the period 1 January 2023 to 31 December 2023. The latest versions of the topical standards have been used where applicable.

General and topic-specific disclosures for 2023 with a reference to external assurance in the GRI content index have been externally assured by an independent third party Ecobio Oy. The Independent Assurance Report is available on page 54.

The index below shows where the GRI disclosures are addressed in the Annual Report.

DISCLOSURE	CONTENT INDICATOR	LOCATION	EXTERNAL ASSURANCE	ADDITIONAL INFORMATION AND OMISSIONS	CROSS REFERENCE
<b>GRI 2: General Disclosures</b>					
2-1	Organizational details	Annual Report 2023, p. 3 This is Oriola Annual Report 2023, Back cover			
2-2	Entities included in the organisation's sustainability reporting	Annual Report 2023, p. 39-40 Reporting principles			
2-3	Reporting period, frequency and contact point	Annual Report 2023, p. 39-40 Reporting principles			
2-4	Restatements of information	Annual Report 2023, p. 40 Reporting principles			
2-5	External assurance	Annual Report 2023, p. 40 Reporting principles, p. 54 Independent Assurance Report			
2-6	Activities, value chain and other business relationships	Annual Report 2023, p. 16-18 Sustainability at Oriola, p. 29-31 Governance and society		<p>Oriola is a health and wellbeing company operating in the Nordic countries. We have offices in Espoo (Finland) and Stockholm (Sweden), distribution centres in Espoo and Enköping (Sweden), a central warehouse in Mölnlycke (Sweden) and dose dispensing operations in Helsinki (Finland) and Uppsala (Sweden). Our customers include pharmacies, pharmaceutical companies, veterinarians, health product and retail companies as well as dose dispensing customers.</p> <p>Oriola promotes wellbeing by ensuring that pharmaceuticals as well as health and wellbeing products are delivered in a safe and accurate 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 its own product manufacturing. During 2023, there were no significant operational nor organisational changes which would have had an impact on Oriola's value chain.</p>	
2-7	Employees	Annual Report 2023, p. 26, Advancing a sustainable people journey, p. 51-52 Data charts and tables		Employee data includes all legal entities in both Sweden and Finland and is based on headcounts at the end of the reporting period on 31 December 2023. The significant decline of the Swedish dose dispensing business in 2023 due to loss of public tenders has led to redundancies and thereby impacted the number of employees and resulted in larger amount of temporary and non-guaranteed hours-employed in Sweden.	SDG 8
2-8	Non-employee workers			<p>Besides its own employees, Oriola's business is supported by other professionals working in different roles. During 2023, approximately 350 people worked for Oriola in various tasks. Non-employee workers were mainly staffing consultants in blue collar environment (warehouse operations). Non-employee workers also include consultants in e.g. Finance and IT. The need to employ non-employee workers in the warehouse depends on the volumes over the year. There was no significant fluctuation during the reporting period. Non-employee workers are not included in reporting.</p> <p>Omission: Details on non-employee workers is not available in reliable format. Oriola plans to develop data collection and reporting in the coming years.</p>	
2-9	Governance structure and composition	Annual Report 2023, p. 32-34 Sustainability governance, p. 56, 59-61 Corporate Governance Statement			
2-10	Nomination and selection of the highest governance body	Corporate Governance Statement 2023, p. 57-59 General meeting of shareholders, Shareholders' Nomination Board, Board of Directors 2022–2023, Diversity on the Board			

### Abbreviation

SDG United Nations Sustainable Development Goals

DISCLOSURE	CONTENT INDICATOR	LOCATION	EXTERNAL ASSURANCE	ADDITIONAL INFORMATION AND OMISSIONS	CROSS REFERENCE
2-11	Chair of the highest governance body	Corporate Governance Statement 2023, p. 59 Board of Directors 2022–2023			
2-12	Role of the highest governance body in overseeing the management of impacts	Annual Report 2023, p. 32-33 Sustainability governance			
2-13	Delegation of responsibility for managing impacts	Annual Report 2023, p. 32-33 Sustainability governance			
2-14	Role of the highest governance body in sustainability reporting	Annual Report 2023, p. 32-33 Sustainability governance			
2-15	Conflicts of interest	Corporate Governance Statement 2023, p. 62		Oriola Code of Conduct describes Oriola's approach to avoiding conflicts of interest and bribery. 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. Oriola's Board members 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 undue delay and three working days from the execution of the transaction, at the latest. The guidelines set trade restrictions prohibiting Oriola's Board members, other 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's Board of Directors are independent of largest shareholders.	
2-16	Communication of critical concerns	Annual Report 2023, p. 33 Sustainability governance		Oriola's Whistleblowing team, which consists of the General Counsel, CPO, and VP Risk & Security, gives regular updates on all new investigations, anti-corruption activities, human rights related matters and other Code of Conduct matters. Whistleblowing cases are communicated to the Board 1-2 times a year and more frequently to the Audit Committee. In case there are critical concerns evaluated by the Whistleblowing team, these cases will be communicated to the Oriola Board at the next Board meeting. The significance of these matters is evaluated on a case-by-case basis by Oriola's Whistleblowing team. In 2023, no critical concerns were communicated to the Board.	
2-17	Collective knowledge of the highest governance body	Annual Report 2023, p. 33 Sustainability governance		A training focused on sustainability and ESG was conducted in September 2023 for Oriola's Board of Directors by an external professional partner. The training included the introduction to and drivers behind Sustainability transformation, the Corporate Sustainability Reporting Directive (CSRD), the legal duties of the Board and Management, how to manage a Sustainability driven business transformation and a review on the Corporate Sustainability Due Diligence Directive (CSDDD).	
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Statement 2023, p. 60		The Board's performance evaluation is of general nature, but also includes sustainability issues if such concerns arise.	
2-19	Remuneration policies	Remuneration Policy; Remuneration Report 2023, p. 65		Oriola's Remuneration Policy describes the remuneration for the Board of Directors and the President and CEO and the considerations of determining and operation of the policy. The Remuneration Policy complies with the recommendations of the Finnish Corporate Governance Code (2020) for listed companies and the Shareholders' Rights Directive legislation. <a href="#">The Remuneration Policy</a> is available on the company's website.  Oriola has a share-based long-term incentive plan for the company's key employees, including the CEO and the Management Team, in which compensation is partly linked to an environmental target (CO <sub>2</sub> ). <a href="#">More information</a> about remuneration is available at the company's website.	
2-20	Process to determine remuneration	Corporate Governance Statement 2023; Compensation and Human Resources Committee, p. 60 Remuneration Report 2023		More information about the process to determine remuneration is available in <a href="#">the Remuneration Policy</a> at the company's website.	
2-21	Annual total compensation ratio	Remuneration Report 2023, Financial Statements 2023 p. 103 (Note 4.4. Employee benefits)		The annual total compensation ratio was 20.7%. Calculated as ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual).	

## Abbreviation

SDG United Nations Sustainable Development Goals

DISCLOSURE	CONTENT INDICATOR	LOCATION	EXTERNAL ASSURANCE	ADDITIONAL INFORMATION AND OMISSIONS	CROSS REFERENCE
2-21 cont				Omission: Data for the ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) not available for 2023.	
2-22	Statement on sustainable development strategy	Annual Report 2023, From the CEO, p. 7-8			
2-23	Policy commitments	Annual Report 2023, p. 35 Sustainability policies; p. 27 Human rights due diligence; p. 82 Report of the Board of Directors: Statement of non-financial information; Responsible business conduct, Respect for human rights			
2-24	Embedding policy commitments	Annual Report 2023, p. 35 Sustainability policies; p. 27 Human rights due diligence; p. 82, Report of the Board of Directors: Statement of non-financial information; Responsible business conduct, Respect for human rights			
2-25	Processes to remediate negative impacts	Annual Report 2023, p. 34 Sustainability governance			
2-26	Mechanisms for seeking advice and raising concerns	Annual Report 2023, p. 83 Report of the Board of Directors: Statement of non-financial information; Responsible business conduct			
2-29	Approach to stakeholder engagement	Annual Report 2023, p. 36 Sustainability governance			
2-30	Collective bargaining agreements	Annual Report 2023, p. 51 Data charts and tables		Employees covered by collective bargaining agreements: Finland 80.4%, Sweden 100%.	
<b>GRI 3: Material Topics</b>					
3-1	Process to determine material topics	Annual Report 2023, pp. 18-19 Sustainability at Oriola			
3-2	List of material topics	Annual Report 2023, pp. 19 Sustainability at Oriola			
<b>Topic Standards</b>					
<b>GRI 201: Economic performance</b>					
3-3	Management of material topics, 201	Annual Report 2023, p. 48 Management of material topics			
201-1	Direct economic value generated and distributed	Annual Report 2023, p. 49 Data charts and tables			
<b>GRI 205: Anti-corruption</b>					
3-3	Management of material topics, 201	Annual Report 2023, p. 48 Management of material topics			
205-2	Communication and training about anti-corruption policies and procedures	Annual Report 2023, p. 53 Data charts and tables		<p>Oriola's anti-corruption principles are included in Oriola's Code of Conduct, which is available in Finnish, Swedish and English. Oriola has a Code of Conduct online training and it is included in onboarding process for employees. All employees are required to renew the mandatory training every three years. Oriola reports the percentage of Oriola's employees who have completed Oriola's Code of Conduct training within a given year. The scope of the training includes the employees that are employed in Oriola Group legal entities, excluding external workforce, new hires during onboarding process and people on long leave of absence. Oriola expects its business partners to follow the same ethical principles and to adhere to the Business Partner Code of Conduct. In 2023, 89% of Oriola's key suppliers had signed the Business Partner Code of Conduct.</p> <p>Omission: % share of Code of Conduct training not reported for 2023, Oriola will develop internal training tools and reporting in the coming years.</p>	

**Abbreviation**

SDG United Nations Sustainable Development Goals

DISCLOSURE	CONTENT INDICATOR	LOCATION	EXTERNAL ASSURANCE	ADDITIONAL INFORMATION AND OMISSIONS	CROSS REFERENCE
205-3	Confirmed incidents of corruption and actions taken	Annual Report 2023, p. 53 Data charts and tables		Oriola has a confidential channel where violations of the Code of Conduct can be anonymously reported. The Board of Directors monitors compliance with the Code of Conduct. No corruption cases were reported in 2023. All reports were duly investigated, and necessary actions were taken accordingly.	
<b>GRI 302: Energy</b>					
3-3	Management of material topics, 302	Annual Report 2023, p. 48 Management of material topics			
302-1	Energy consumption within the organization	Annual Report 2023, p. 49 Data charts and tables	Yes		SDG 12, 13
<b>GRI 305: Emissions</b>					
3-3	Management of material topics, 305	Annual Report 2023, p. 48 Management of material topics			
305-1	Direct (Scope 1) GHG emissions	Annual Report 2023, p. 49 Data charts and tables, p. 40 Reporting principles	Yes		SDG 12, 13
305-2	Energy indirect (Scope 2) GHG emissions	Annual Report 2023, p. 49 Data charts and tables, p. 40 Reporting principles	Yes		SDG 12, 13
305-3	Other indirect (Scope 3) GHG emissions	Annual Report 2023, p. 50 Data charts and tables, p. 40 Reporting principles	Yes		SDG 12, 13
305-4	GHG emissions intensity	Annual Report 2023, p. 50 Data charts and tables, p. 40 Reporting principles			
<b>GRI 306: Waste (2020)</b>					
3-3	Management of material topics, 306	Annual Report 2023, p. 48 Management of material topics			
306-1	Waste generation and significant waste-related impacts	Annual Report 2023, p. 24-25 Pursuing a net-zero impact on climate			SDG 6, 12
306-2	Management of significant waste-related impacts	Annual Report 2023, p. 24-25 Pursuing a net-zero impact on climate			SDG 6, 12
306-3	Waste generated	Annual Report 2023, p. 50 Data charts and tables	Yes		SDG 6, 12
306-4	Waste diverted from disposal	Annual Report 2023, p. 50 Data charts and tables	Yes		SDG 6, 12
306-5	Waste directed to disposal	Annual Report 2023, p. 50 Data charts and tables	Yes		SDG 6, 12
<b>GRI 401: Employment</b>					
3-3	Management of material topics, 401	Annual Review 2022, p. 48 Management of material topics			
401-1	New employee hires and employee turnover	Annual Report 2023, p. 52 Data charts and tables			SDG 8
401-3	Parental leave	Annual Report 2023, p. 52 Data charts and tables			SDG 8
<b>GRI 403: Occupational health and safety (2018)</b>					
3-3	Management of material topics, 403	Annual Report 2023, p. 48 Management of material topics			

**Abbreviation**

SDG United Nations Sustainable Development Goals

DISCLOSURE	CONTENT INDICATOR	LOCATION	EXTERNAL ASSURANCE	ADDITIONAL INFORMATION AND OMISSIONS	CROSS REFERENCE
403-1	Occupational health and safety management system	Annual Report 2023 p. 27-28 Advancing a sustainable people journey		<p>Oriola has implemented an occupational health and safety management system because of legal requirements. Occupational Safety and Health Act and Work Environment Act require the employers to have a duty to take care of the safety and health of their employees while at work by taking the necessary measures considering for example the circumstances related to the work, working conditions and other aspects of the working environment as well as the employees' personal abilities. All Oriola employees are in scope. The employer is also responsible of ensuring the health and safety requirements cover the non-employee workers. The scope of the activities covered by the occupational health and safety management system is defined in the local legislations. Oriola has defined the measures necessary for improving the working conditions and implementing them. Oriola has also followed the principles for preventing and eliminating the hazards and risk factors, focusing on occupational safety and health measures as well as technological developments.</p> <p>Omission: Data reported includes only employees, not non-employee workers.</p>	SDG 8
403-2	Hazard identification, risk assessment, and incident investigation	Annual Report 2023 p. 27-28 Advancing a sustainable people journey		<p>Identification of the work-related hazards in Oriola is conducted based on the requirements of the local occupational health and safety related legislation. There are both processes that are conducted on a) continuous basis, b) annual or bi-annual basis or c) based on other criteria. The processes that are conducted on continuous basis are for example incident, near-by case and security notifications management. The processes conducted on an annual or bi-annual basis are for example the risk assessments. The processes conducted based on other criteria are for example work place investigations at the time of new occupational healthcare service provider start or based on the defined activities in the OHS action plan. Hierarchy of control in the cases of determining the corrective actions for work-related incidents is in line managers. The participants for the routine and non-routine processes are professionals in their own substance areas; OHS, OHC and line organisation. The quality of the process is reviewed and followed up at a minimum of yearly systematical evaluations. The results of the previously mentioned processes will lead to concrete, appropriate initiatives for enhancing health and safe work environment. For example, when identifying work in specified environment, such as in cold environment, these employees will receive appropriate occupational healthcare inspections due to the nature of this specific work. The group management team of Oriola participate in the evaluation of the safety management system. Workers report work-related hazards and hazardous situations in the appropriate systems in Oriola. These systems support systematic work-environment and improvement procedures including all the relevant stakeholders to conduct immediate corrective actions and developing the preventive actions. In Finland, the employees have a legal right and responsibility to inform the employer of the work-related hazards and hazardous situations. In case of an reprisal, the employee could inform the employer of the inappropriate reactions e.g. via the whistleblowing channel. Employees have a right to remove themselves from work situations that they believe could cause injury or ill health. The employees have right and responsibility to remove themselves from work situations that they believe could cause injury or ill health. In case of an reprisal, the employee could inform the employer of the inappropriate reactions e.g. via the whistleblowing channel. Employee provides a detailed description to incident and accident management system regarding the work-related incident. The line manager and OHS representative participate to the investigation of the incident. Corrective and preventive actions are taken by the employer and appropriate guidance, instructions, policies and similar are updated. In case needed, there relevant introduction or training is provided. All investigations are documented in the system. Identification of the hazards and assessing risks in Oriola is conducted based on the requirements of the local occupational health and safety related legislation. There are both processes that are conducted on a) continuous basis, b) annual or bi-annual basis or c) based on other criteria. The employee documenting the incident in the system can propose the corrective actions. The line manager reviews, modifies if needed and approves the corrective actions on his/her behalf. The OHS Manager and/or safety representative has the final approval for the corrective actions. Improvements needed in the occupational health and safety management system are initiated by the employees, employer, professional stakeholders such as occupational healthcare or for example by the officials. Improvement needs are analysed and will be documented in the OHS action plan which is approved by the company CEO, Safety committees or in the operative annual clock describing the operative activities.</p>	SDG 8
403-3	Occupational health services	Annual Report 2023 p. 28 Advancing a sustainable people journey		<p>The occupational healthcare services' functions are a multi-professional group of healthcare professional such as doctor, nurse, psychologist and psychotherapist. These functions contribute to the identification and elimination of hazards and minimization of risks. The OHC services are provided by competent health professionals and service providers with recognized qualifications and accreditations. The services are provided based on the legal requirements for the employer. The employer offers both preventive and sick care for its employees. Oriola has facilitated workers' access to the occupational healthcare services by including several channels for contacting the OHC partners, e.g. physical and digital receptions. All health-related information is handled only by the employees that have a legally defined justification to handle this sensitive information.</p>	SDG 8

## Abbreviation

SDG United Nations Sustainable Development Goals

DISCLOSURE	CONTENT INDICATOR	LOCATION	EXTERNAL ASSURANCE	ADDITIONAL INFORMATION AND OMISSIONS	CROSS REFERENCE
403-3 cont				Also the health-related documentation is handled separately from the other employment related, archived data. The access to workers' personal health-related information is according to legislation strictly limited. The company has practices and policies that guide on handling different work ability related situations and ensuring the equal treatment of the employees. In case of any favorable or unfavorable treatment the employee has an option to report that e.g. via the whistleblowing channel.	
403-4	Worker participation, consultation, and communication on occupational health and safety	Annual Report 2023 p. 28 Advancing a sustainable people journey		There are health and safety committees established to enhance the cooperation as required by the local legislation. The committee members are company employees. Thus, as committee representatives, the workers are participating and consulted regarding the development, implementation and evaluation of the occupational health and safety management system. The OHS committee has regular meetings on a quarterly basis where jointly the company management and workers' representatives meet. The legislation defines the topics to be covered in the regular committee meetings. The responsibilities of the worker health and safety committees are defined in the local legislation and collective agreements. The responsibilities include for example representing the employees of the workplace when dealing with OHC matters in cooperation with the employer. Committee representatives' duty is to become familiar on their own initiative, with the environment of the workplace, matters connected with the state of the work community and affecting the safety and health of employees, and with occupational safety and health legislation. The OHS representative also participate in inspections and expert investigations when their presence is considered necessary and actively enhance the employees to pay attention to matters that positively contribute to safety and health at work. Health and safety committees meet on a quarterly basis. The role of the health and safety committee is to develop the working environment, offer relevant OHS training and enhance health and safe working place. The committee does not conduct actual decisions in Finland whereas in Sweden it is a formal decisionmaking forum regarding occupational health and safety topics.	SDG 8
403-5	Worker training on occupational health and safety	Annual Report 2023 p. 28 Advancing a sustainable people journey		Awareness of the occupational health and safety is required in the local legislations and applicable collective agreements. In addition to this, employer also defines specific training needs based on the feedback from the organisation, identified risks and data acquired from the incident processes. New employees are introduced to company health and safety governance and content as part of their introduction program. Occupational health and safety training is created by the OHS representatives and line management. In Sweden HR representatives also facilitate trainings from time to time. The training can be delivered by the OHS representatives, external service providers or as an SOP training. The topics have covered for example basic OHS governance, the user training for the defibrillators, or ergonomics training, safe ways of working e.g. for truck drivers. Managers are trained in work environment responsibilities, obligations and systematic work-environment work by HR representatives in Sweden. Trainers of the OHS topics are professionals in their own expertise area. The scope of the trainings vary depending on the topic. For example OHS introduction is for all employees whereas all the SOP trainings are based on the relevant job role. Managers are trained specifically due to the nature of their responsibilities in work environment. Occupational health and safety training is continuously ongoing as part of the introduction program. Other trainings are provided based on the identified needs and/or local legislation or based on the validity of the specific SOP. The OHS training and introduction is provided either in Finnish, English or in Swedish. The effectiveness of training shows in the numbers of incidents, accidents and near-by situation metrics and is evaluated in local safety committees. The training on work-related hazards is included in the role-related SOPs and it is delivered based on the SOP trainings. There are also tailor-made trainings offered from specific topics.	SDG 8
403-6	Promotion of worker health	Annual Report 2023 p. 27-28 Advancing a sustainable people journey		Oriola offers for all its' employees an extended healthcare insurance according to local praxis and terms of collective agreements, covering special doctor costs according to the governing policy. All Oriola employees have wellbeing fringe benefits which they can use for example to enhance sports or culture activities for their wellbeing. These benefits are available for all employees after six (6) months' employment. Health-related information is handled according to the data safety related legislation and GDPR. The access to workers' personal health-related information is limited according to the legislation and GDPR. In case of favorable or unfavorable use of this kind of data the employee would have an opportunity to inform the employer of it directly or for example via whistleblowing channel.	SDG 8
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Annual Report 2023 p. 27-28 Advancing a sustainable people journey		The employer follows the local legislations' requirements to prevent and mitigate significant negative OHS impacts that are directly linked to its operations, products or services by its business relationships. The legislation covers both own employees as well as the non-employee workers. Related hazards and risks are related to normal physical, social and psychological topics.	SDG 8
403-8	Workers covered by an occupational health and safety management system	Annual Report 2023, p. 27-28 Advancing a sustainable people journey			

**Abbreviation**

SDG United Nations Sustainable Development Goals

DISCLOSURE	CONTENT INDICATOR	LOCATION	EXTERNAL ASSURANCE	ADDITIONAL INFORMATION AND OMISSIONS	CROSS REFERENCE
403-9	Work-related injuries	Annual Report 2023, p. 53 Data charts and tables		<p>The identified hazards have been determined based on the fact-based information from the internal and external data sources. All incidents and accidents are investigated, immediate corrective conducted and proactive preventive actions taken based on the procedure to handle these cases. Eliminating other work-related hazards and minimizing the risks is based on the legally required regular risk assessment practices. The data had been compiled based on the data available from the accident insurance company and internally documented incidents, accidents and close-by situations.</p> <p>Omission: Non-employee workers are excluded due to availability of information. Working hours are not published.</p>	SDG 8
<b>GRI 404: Training and education</b>					
3-3	Management of material topics, 404	Annual Report 2023, p. 48 Management of material topics			
404-1	Average hours of training per year per employee			Omission: Not reported due to fragmented data on trainings hours. Oriola plans to develop data collection and reporting in the coming years.	
404-2	Programs for upgrading employee skills and transition assistance programs	Annual Report 2023, p. 28 Advancing a sustainable people journey		Oriola has implemented 70-20-10 learning framework in which the main part of the learning happens by learning at work (70%) as well as via the social collaboration (20%) and by the formal training (10%). We provide our employees formal training both internally (e.g. tailored leadership training, SOP training) and externally (e.g. commercial competence training and other core competences' related training). Oriola also supports adult education (e.g. MBA) based on its policies and practices. Employers in Sweden are tasked with ensuring their employees have access to suitable transition and competency support, either directly or through financial contribution, while complying with regulatory standards set by collective agreements.	
404-3	Percentage of employees receiving regular performance and career development reviews	Annual Report 2023, p. 28 Advancing a sustainable people journey		All Oriola employees are in the scope of annual development discussions, in which personal goals are set to guide work, and individual development goals and measures are mapped.	SDG 8
<b>GRI 405: Diversity and equal opportunity</b>					
3-3	Management of material topics, 405	Annual Report 2023, p. 48 Management of material topics			
405-1	Diversity of governance bodies and employees	Annual Report 2023, p. 53 Data charts and tables			SDG 8
<b>GRI 406: Non-discrimination</b>					
3-3	Management of material topics, 406	Annual Report 2023, p. 48 Management of material topics			
406-1	Incidents of discrimination and corrective actions taken	Annual Report 2023, p. 34 Sustainability governance		During 2023, no discrimination-related incidents were reported.	SDG 8
<b>GRI 418: Customer privacy</b>					
3-3	Management of material topics, 406	Annual Report 2023, p. 48 Management of material topics			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			Oriola is not aware of any fine, penalty or warning for non-compliance with regulations and voluntary codes regarding Oriola's products or services in 2023.	

**Abbreviation**

SDG United Nations Sustainable Development Goals

## Management of material topics

### GRI 3-3

This table describes the management of material topics identified in the material assessment (2023), including actions taken to manage the topic and related impacts. Oriola's impacts on the topics are described within the description of Oriola's value chain [here](#).

Oriola's key themes and material topics	GRI Standards	Policies and commitments	Actions related to the management of material topics and managing the impacts
<b>ENVIRONMENT</b>			
<ul style="list-style-type: none"> <li>Minimise environmental impact of pharmaceutical waste</li> <li>Minimise waste and increase recycling rate</li> <li>Energy efficiency</li> <li>Reduce CO<sub>2</sub> emissions</li> </ul>	<ul style="list-style-type: none"> <li>GRI 302: Energy</li> <li>GRI 305: Emissions</li> <li>GRI 306: Waste</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Policy</li> </ul>	<ul style="list-style-type: none"> <li>GHG emissions reporting according to the Greenhouse Gas Protocol</li> <li>Energy efficiency measures</li> <li>Sustainability requirements for suppliers, including emissions reporting requirement in the transport agreements</li> <li>Climate-related Financial Disclosures (TCFD) guidance</li> <li>ISO 14 001 environmental management</li> </ul>
<b>SOCIAL</b>			
<ul style="list-style-type: none"> <li>Competence and development of personnel</li> <li>Promoting health, wellbeing and safety as an employer</li> <li>An equal and fair workplace supporting diversity</li> </ul>	<ul style="list-style-type: none"> <li>GRI 401: Employmen,</li> <li>GRI 403: Occupational health and safety</li> <li>GRI 404: Training and education</li> <li>GRI 405: Diversity and equal opportunity</li> <li>GRI 406: Non-discrimination</li> </ul>	<ul style="list-style-type: none"> <li>People Policy (to be implemented in 2024)</li> <li>Code of Conduct</li> <li>Privacy Policy</li> </ul>	<ul style="list-style-type: none"> <li>Human rights due diligence</li> <li>Employee engagement system</li> <li>Employee satisfaction surveys</li> <li>Performance management and onboarding processes</li> <li>OHS (Occupational Health and Safety) management</li> <li>Diversity and equal opportunities</li> <li>Health and safety trainings</li> </ul>
<b>GOVERNANCE &amp; SOCIETY</b>			
<ul style="list-style-type: none"> <li>Safe and timely delivery of medicines</li> <li>Sustainable usage of medicines</li> <li>Advancing health and wellbeing in the society</li> <li>Cooperation with ethical partners</li> </ul>	<ul style="list-style-type: none"> <li>GRI 201: Economic performance</li> <li>GRI 205: Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Quality Policy</li> <li>Privacy Policy</li> <li>Risk Management Policy</li> </ul>	<ul style="list-style-type: none"> <li>Standardised procurement principles and supplier selection and approval processes</li> <li>Sustainability requirements and Good Distribution Practice requirements for partners</li> <li>Regular geographical risk assessments of direct non-pharmaceutical products</li> <li>ISO 9001 certification</li> <li>Code of Conduct trainings</li> <li>Whistleblowing channel</li> </ul>

Oriola has an anonymous reporting channel for misconduct and a number of mechanisms, processes and procedures in place to prevent and mitigate potential negative impacts.



## Data charts and tables

This section provides information on the topic-specific disclosures that are not reported elsewhere in the Annual Report.

### Economic performance (201)

#### Direct economic value generated and distributed (GRI 201-1)

Direct economic value generated and distributed, MEUR	2023	2022*	2021	2020
<b>Economic value generated, total</b>	<b>1,496.7</b>	<b>1,544.8</b>	<b>1,453.3</b>	<b>1,399.4</b>
Revenues <sup>1</sup>	1,496.7	1,544.8	1,453.3	1,399.4
<b>Economic value distributed, total</b>	<b>1,492.6</b>	<b>1,534.3</b>	<b>1,457.6</b>	<b>1,417.9</b>
Operating costs <sup>2</sup>	1,417.6	1,462.3	1,373.2	1,329.0
Wages and benefits <sup>3</sup>	52.8	62.7	75.6	71.1
Payments to providers of capital <sup>4</sup>	18.1	7.6	4.7	16.4
Income taxes <sup>5</sup>	4.0	1.7	4.1	1.4
Donations <sup>6</sup>	0.0	0.0	0.0	0.0
<b>Economic value retained</b>	<b>4.1</b>	<b>10.5</b>	<b>-4.3</b>	<b>-18.5</b>

\* Year 2022 information has been restated due to a correction of an error in the elimination of net sales and cost of goods sold. The gross effect on the total correction was EUR 23.6 million. The correction had no impact on Group's profit.

All years are presented from continuing operations.

<sup>1</sup> Revenues include income from the sale of goods, distribution fees and the sale of services as well as other operating income. Sales are adjusted with indirect taxes, discounts and currency translation differences resulting from sales in foreign currencies.

<sup>2</sup> Operating costs include purchases of goods and services from suppliers, rental costs as well as other operating expenses.

<sup>3</sup> Wages and benefits include wages, salaries and bonuses paid to employees as well as share-based payments, pension benefits and social costs for the financial year.

<sup>4</sup> Payments to providers of capital include interest paid and other financial expenses less interest received and other financial income as well as dividends distributed to the parent company shareholders during the financial year.

<sup>5</sup> Income taxes include income taxes based on the taxable profit for the financial year as well as prior period adjustments to the income taxes. Changes in deferred taxes are excluded.

<sup>6</sup> Donations include contributions to non-profit organisations.

### Energy (302)

#### Energy consumption within the organisation, MWh (GRI 302-1)

	2023	2022	2021	2020
Electricity	11,430	11,865	12,710	12,263
Heat	5,886	4,282	5,584	5,086
<b>Total energy consumption</b>	<b>17,316</b>	<b>16,148</b>	<b>18,294</b>	<b>17,349</b>

Electricity information restated to base year 2019 due to Kronans Apotek divestment in 2021.

Brunna excluded from the scope from 2023 onwards.

Mölnlycke utilises geothermal heat. No district heating data available.

### Emissions (305)

#### Direct (Scope 1) GHG emissions and energy indirect (Scope 2) GHG emissions, tCO<sub>2</sub> (GRI 305-1, 305-2)

	2023	2022	2021	2020
Scope 1 -emissions <sup>1</sup>	326	87	534	1,002
Scope 2 -emissions (location-based) <sup>2</sup>	1,102	971	1,249	1,189
Scope 2 -emissions (market-based) <sup>2</sup>	265	179	162	843

<sup>1</sup> Scope 1 emissions include fugitive emissions and leased cars emissions. Source for fugitive emission factors is EPA.

<sup>1</sup> Leasing cars emissions included in to scope 1 in 2023. Restatement made to scope 1 emissions to base year 2019.

<sup>1</sup> Scope 1 emissions restated to base year 2019 due to Kronans Apotek divestment in 2021.

<sup>1</sup> Emission data obtained from travel agencies, leasing companies and Oriola payroll department. Calculations based on refueling litres.

<sup>2</sup> Sources for Scope 2 emission factors are from Fingrid, Statistics Finland, Energiföretagen and energy suppliers.

<sup>2</sup> Scope 2 location-based emissions have been restated from 2019 to 2021 due to Kronans Apotek divestment in 2021.

<sup>2</sup> Scope 2 location-based and market-based emissions restated due to changes in emission factors in district heating. Restatements has been performed to emissions from 2019-2022 in historical data.

Oriola reports Scope 1 and 2 greenhouse gas (GHG) emissions from its operations according to the GHG Protocol standard.

### Other indirect (Scope 3) GHG emissions, tCO<sub>2</sub> (GRI 305-3)

	2023	2022	2021	2020
Category 1: Purchased goods and services (tCO <sub>2</sub> e) <sup>1</sup>	370	789	725	677
Category 4: Upstream transportation and distribution (tCO <sub>2</sub> e) <sup>2</sup>	2,545	2,497	3,039	2,969
Category 5: Waste <sup>3</sup>	110	302	315	310
Category 6: Business travel <sup>4</sup>	292	164	81	126

- 1 Category purchased goods and services covers purchased packaging materials. Source for emission factors is DEFRA database for material use. Category purchased goods and services has been restated from 2019 to 2021 due to Kronans Apotek divestment in 2021.
- 2 Category upstream transportation and distribution covers transportation and distribution of goods. Emission data is obtained from the suppliers.
- 3 Category waste covers non-pharmaceutical waste generated in everyday business operations and collected from Oriola Group facilities. Emission factors: GHG emission factors were updated during 2023. Source: DEFRA.
- 4 Category business travel covers business travel by air, train and car. Calculations restated from years 2019-2022, since leasing cars was included in scope 1 emissions. Business travel by car train included in business travel emission from 2023 onwards.

Oriola reports Scope 3 greenhouse gas (GHG) emissions according to the GHG Protocol standard.

### Greenhouse gas emissions intensity, tCO<sub>2</sub>e/MEUR (GRI 305-4)

	2023	2022
Scope 1 (tCO <sub>2</sub> e/MEUR)	0.22	0.06
Scope 2 (location-based) (tCO <sub>2</sub> e/MEUR)	0.74	0.63
Scope 2 (market-based) (tCO <sub>2</sub> e/MEUR)	0.18	0.12
Scope 3 (tCO <sub>2</sub> e/MEUR)	2.22	2.44
Emissions intensity scope 1-3 (tCO <sub>2</sub> e/MEUR) (Scope 2 market-based included)	2.62	2.61
Emissions intensity scope 1-3 (tCO <sub>2</sub> e/MEUR) (Scope 2 location-based included)	3.18	3.13

Total emission intensity for scope 1-3 calculated based on both scope 2 market-based and location-based emissions.

## Waste (306)

### Waste generated, waste diverted from disposal and waste directed to disposal (GRI 306-3, 306-4, 306-5)

	2023	2022	2021	2020
<b>Non-hazardous waste, tons</b>				
Recycling	1,447	1,862	1,652	1,354
Energy recovery	333	375	448	473
Landfill	0	0	0	0
<b>Total</b>	<b>1,780</b>	<b>2,237</b>	<b>2,100</b>	<b>1,827</b>

	2023	2022	2021	2020
<b>Hazardous waste<sup>1</sup>, tons</b>				
Recycling	0	0	0	0
Energy recovery	298	430	327	274
Landfill	0	0	0	0
<b>Total</b>	<b>298</b>	<b>430</b>	<b>327</b>	<b>274</b>

<sup>1</sup> Hazardous waste is pharmaceutical waste that is used for energy. Emission factors updated in 2023. Source: Defra (2023) and EU & DK Input Output Database (2022). Non-hazardous and hazardous waste is managed offsite by waste handling operators. Non-hazardous and hazardous waste figures restated from 2019 to 2021 due to divestment of Kronans Apotek in 2021.

## Employment (2, 401)

### Employees (GRI 2-7)

Information on employees, by gender and region	Indicator	2023	2022	2021	2020
<b>Number of employees</b>	Total	932	933	4,139	4,334
<b>Employees by employment contract, by gender %</b>	<b>Female</b>				
	Permanent	93	95	76	74
	Temporary	7	5	24	26
	<b>Male</b>				
	Permanent	92	98	83	78
	Temporary	8	2	17	22
	<b>Undeclared</b>				
	Permanent	100			
	Temporary	0			
<b>Employees by employment contract, by region %</b>	<b>Finland</b>				
	Permanent	97	95	98	96
	Temporary	3	5	2	4
	<b>Sweden</b>				
	Permanent	94	97	73	70
	Temporary	6	3	27	30
<b>Employees by employment contract and working hours, %</b>	<b>Full time</b>	91			
	out of which permanent	97			
	out of which temporary	3			
	<b>Part time</b>	5			
	out of which permanent	88			
	out of which temporary	12			
	<b>Non-guaranteed hours</b>	4			
	out of which permanent	0			
	out of which temporary	100			

Employee data is based on headcounts. Gender selection is initially done by manager during the hiring process. To change gender selection the employee needs to actively make the change in the company's HR system.

Data on employees by employment contract and working hours is reported as of 2023.

Historical data (2021-2019) has not been restated for divestments. Farenta Oy, Finland, is included in the figures until 30 March 2022 and Kronans Apotek AB, Sweden, is excluded from the scope in 2022. Comparability of historical figures is limited.

## New employee hires and employee turnover (GRI 401-1)

Category	Indicator	2023			2022			2021			2020		
		Number of new hires	% of total new hires	New hire rate %	Number of new hires	% of total new hires	New hire rate %	Number of new hires	% of total new hires	New hire rate %	Number of new hires	% of total new hires	New hire rate %
New hires by age group	< 30	78	44	8	51	29	-	137	33	25	123	35	21
	30 - 49	75	42	8	96	55	-	218	53	12	191	54	11
	> 50	25	14	3	26	15	-	59	14	7	40	11	5
New hires by gender	Female	89	50	9	84	49	-	317	77	13	239	68	10
	Male	89	50	9	89	51	-	97	23	13	115	32	15
New hires by region	Finland	91	51	9	90	52	-	138	33	18	97	27	12
	Sweden	87	49	9	83	48	-	276	67	11	257	73	11
<b>Total new hires</b>	<b>Total</b>	<b>178</b>		<b>18.5</b>	<b>173</b>		<b>17.4</b>	<b>414</b>		<b>12.9</b>	<b>354</b>		<b>10.9</b>

Category	Indicator	2023			2022			2021			2020		
		Number of leavers	% of total leavers	Turnover rate %	Number of leavers	% of total of leavers	Turnover rate %	Number of leavers	% of total of leavers	Turnover rate %	Number of leavers	% of total of leavers	Turnover rate %
Leavers by age group	< 30	86	36	9	50	27	-	123	27	4	96	29	16
	30 - 49	115	48	12	100	54	-	260	58	8	182	55	10
	> 50	39	16	4	35	19	-	69	15	2	54	16	6
Leavers by gender	Female	146	61	15	112	61	-	330	73	10	239	72	10
	Male	94	39	10	73	39	-	122	27	4	91	27	12
	Undeclared	0	0	0	0	0	-	0	0	0	1	0	N/A
Leavers by region	Finland	86	36	9	89	48	-	147	33	5	115	35	14
	Sweden	154	64	16	96	52	-	305	67	10	217	65	9
<b>Total leavers</b>	<b>Total</b>	<b>240</b>		<b>25.0</b>	<b>185</b>		<b>19.8</b>	<b>452</b>		<b>14.4</b>	<b>332</b>		<b>10.2</b>

In 2023, the decrease in the number of personnel was mainly due to organisational changes in the Swedish Dose business.

New hires are calculated as new permanent employees per total number of permanent employees during the reporting period.

Leavers are calculated as resigned permanent employees per total number of permanent employees during the reporting period.

## Parental leave (GRI 401-3)

Category	Indicator	2023		2022		2021		2020	
		Number of employees	% of total no. of employees	Number of employees	% of total no. of employees	Number of employees	% of total no. of employees	Number of employees	% of total no. of employees
Number of employees that took parental leave	Female	26	3	46	5	491	15	479	14
	Male	15	2	22	2	106	11	102	11

Part-time and hourly parental leaves are not included in the calculation.

Historical data (2021-2019) has not been restated for divestments. Farenta Oy, Finland, is included in the figures until 30 March 2022 and Kronans Apotek AB, Sweden, is excluded from the scope in 2022. Comparability of historical figures is limited.

## Diversity and equal opportunity (2, 405, 406)

### Diversity of governance bodies and employees

(GRI 405-1)

Category	Indicator	2023	2022	2021	2020
Board of Directors	<b>By gender %</b>				
	Female	50	50	50	57
	Male	50	50	50	43
	<b>By age group %</b>				
	< 30	0	0	0	0
	30 - 49	33	17	0	14
> 50	67	83	100	86	
Oriola Management Team	<b>By gender %</b>				
	Female	14	30	70	60
	Male	86	70	30	40
	<b>By age group %</b>				
	< 30	0	0	0	0
	30 - 49	29	45	50	50
> 50	71	55	50	50	
Employees	<b>By gender %</b>				
	Female	55	57	78	78
	Male	45	43	22	22
	Undeclared	0	-	-	-
	<b>By age group %</b>				
	< 30	18	20	24	26
30 - 49	58	54	50	48	
> 50	25	25	26	26	

### Anti-corruption, Non-discrimination

(GRI 205, GRI 406)

	2023	2022	2021	2020
# of whistleblowing cases	3	8	17	16
<b>Type of cases</b>				
Health & Safety	1		-	-
Non relevant	2	4	-	-
HR		4	-	-

## Occupational health and safety (403)

### Work-related injuries

(GRI 403-9)

Lost time incidents	2023	2022	2021	2020
Number of fatalities and high-consequence work-related injuries	0	0	0	0
Number of lost-time injuries (LTI)	9	11	5	5
Lost-time injury rate (LTIF) <sup>1</sup>	6.09	5.49	2.61	3.19

Main injury types: Individual falling/slipping, bodypart stuck in machine/door, falling object, cutting injuries.

<sup>1</sup> Lost-time injury rate reflects the number of injuries resulting in an absence of at least one workday per million hours worked.

Incidents included: Accidents at work, no commuting incidents. Rental workers are excluded.

Total recordable injuries	2023
<b>Total recordable injuries</b>	66
Oriola employees	51
Contractors working at Oriola site	15

Main injury types: Individual falling/slipping, bodypart stuck in machine/door, falling object, cutting injuries.

These hazards have been determined based on the fact-based information from the internal and external data sources. All incidents and accidents are investigated, immediate corrective conducted and proactive preventive actions taken based on the procedure to handle these cases. Eliminating other work-related hazards and minimizing the risks is based on the legally required regular risk assessment practices.

Data compiled based on the data available from the accident insurance company and internally documented incidents, accidents and close-by situations.

# Independent Assurance Statement

## Oriola Corporation's Environmental Performance Data in 2023

### To the Management and Stakeholders of Oriola Corporation

Ecobio Oy (hereafter Ecobio) has been commissioned by Oriola Corporation (hereafter Oriola) to perform a limited third-party assurance engagement regarding selected topics of environmental performance disclosed in the Oriola's Sustainability Report in the Annual Review for the period of January 1st to December 31st 2023.

### Oriola's Responsibility

Oriola was responsible for the collection, preparation and presentation of the environmental information according to the reporting guidelines of Global Reporting Initiative's (GRI) Standards. Ecobio, as an independent assessor, was not involved in the preparation of any disclosures, apart from the independent assurance engagement. The Management of Oriola has approved the information provided in the Sustainability Report.

### Assurance provider's Responsibility

Ecobio's responsibility was to present an independent conclusion on the environmental performance disclosures subject to the limited assurance engagement.

The scope of work included assurance of completeness and correctness of the following information presented by Oriola in the Sustainability Report as part of Oriola's Annual Review:

- Direct (Scope 1) GHG emissions
- Energy indirect (Scope 2) GHG emissions
- Other indirect (Scope 3) GHG emissions in categories:
  - 1 Purchased goods and services
  - 4 Upstream transportation and distribution
  - 5 Waste

- 6 Business travel
- Renewable energy and carbon neutral heat
- Waste management

Ecobio disclaims any liability or responsibility for any third-party decision based upon this assurance statement.

### Methodology

Ecobio based the assurance process on the following guidelines and standards: the Global Reporting Initiative (GRI) Standards, the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and Oriola's internal reporting instructions (the Reporting principles in the Annual Review).

Concerning limited assurance engagements, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained. This assurance engagement was conducted from October 2023 to February 2024.

The assurance process included:

- Interviewing employees responsible for data collection and reporting at Oriola.
- Evaluating procedures for gathering, analysing, and aggregating quantitative data as well as performing cross-checks and calculations on a sample basis.
- Performing cross-checks on a sample basis concerning the reported data.
- Performing cross-checks on a sample basis on background data.
- Evaluating internal guidelines for data collection.

- Evaluating the sufficiency of documentation of the data gathering process.
- Checking the consistency of the reported data compared to the guidelines.

### Conclusions

Based on the work described in this statement, nothing has come to our attention that would cause us to believe that the information presented by Oriola on its environmental performance is not fairly stated, or that it would not comply with the reporting guidelines stated before.

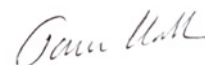
### Assurance provider's Independence and Qualifications

Ecobio is an independent sustainability consulting company with more than 30 years of history. Ecobio's assessors are skilled and experienced in environmental and corporate responsibility assurance and have good knowledge of industry related sustainability issues.

Ecobio has no financial dependencies on Oriola beyond the scope of this engagement. Ecobio has conducted this assurance independently and impartially from Oriola, and there has been no conflict of interest.

Helsinki, 1st of February 2024

### Ecobio Oy



Taru Halla (M.Sc.)  
Managing Director



Katrine Hoset  
Senior Consultant (Ph.D.)

A woman with blonde hair, wearing glasses and a white button-down shirt, is smiling and looking towards a man. She is holding a pen in her right hand. The man, also in a white shirt, is seen from the side, looking at her. They appear to be in a meeting or collaborative work environment. In the background, other people are blurred, suggesting a busy office. A laptop is open on a table in the foreground, and some papers are visible. The overall atmosphere is professional and positive.

Governance

# Corporate governance statement 2023

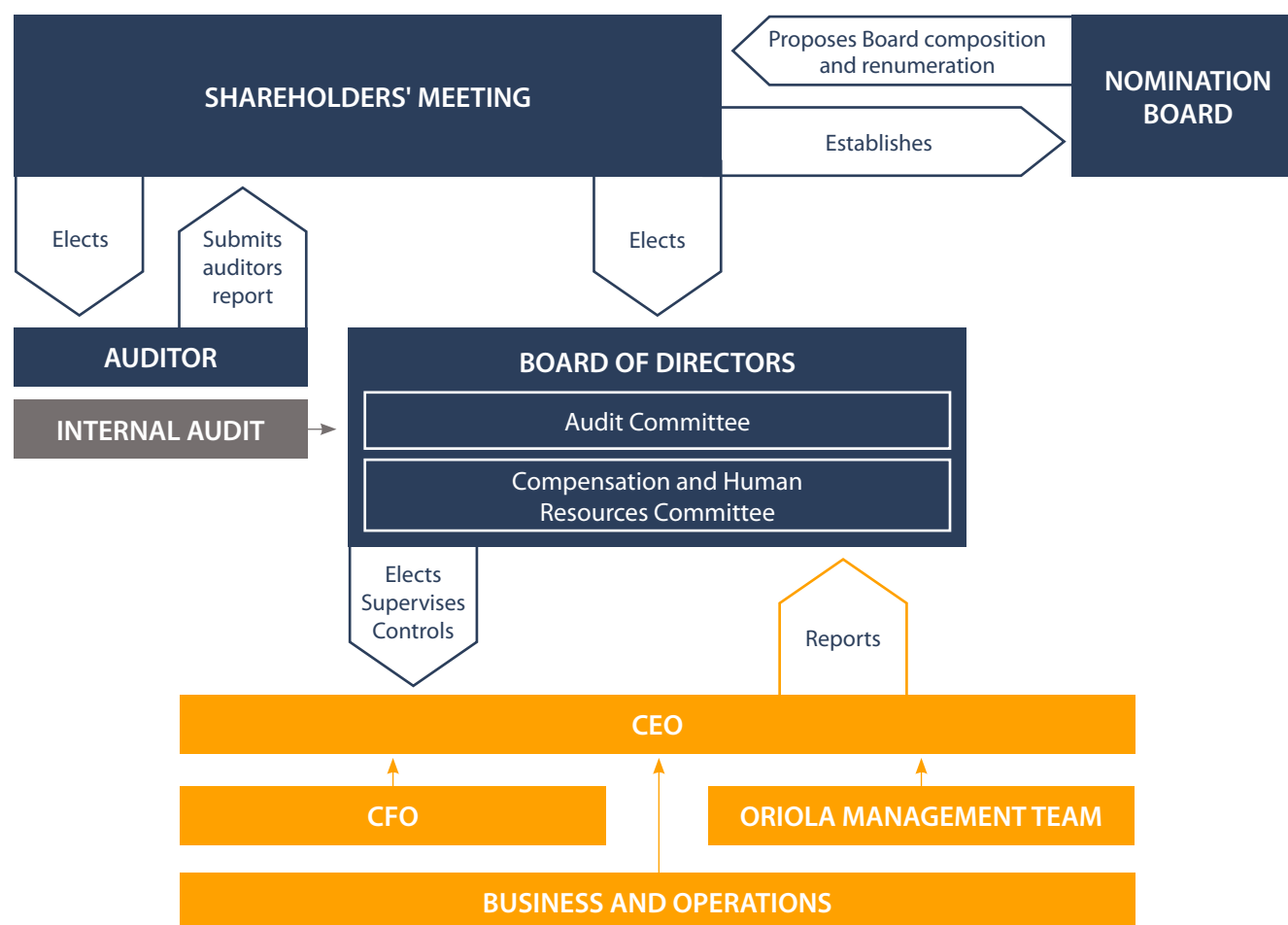
This Corporate governance statement has been prepared in accordance with the Finnish Corporate Governance Code 2020 (the "Corporate Governance Code") and chapter 7, section 7 of the Finnish Securities Markets Act.

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](http://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](http://www.cgfinland.fi).

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

## Governing structures of Oriola





### 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 2023

The Annual General Meeting of Oriola, held on 21 March 2023, 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 2022. According to the decision of the Annual General Meeting, a dividend of EUR 0.06 per share was paid on the basis of the balance sheet adopted for the financial year ending 31 December 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 2023 are available on the company's website [www.oriola.com](http://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](http://www.oriola.com).

The largest shareholders of Oriola Corporation elected on 27 September 2023 the following persons as members of the Nomination Board:

- Annika Ekman
- Peter Immonen
- Timo Maasilta
- Pekka Pajamo
- Jukka Ylppö

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

On 24 January 2024, the Shareholders' Nomination Board submitted its proposal to the 2024 Annual General Meeting concerning the composition of the Board of Directors as follows: The number of members of the Board of Directors would be seven. The present members of the Board of Directors, Nina Mähönen, Yrjö Närhinen, Ellinor Persdotter Nilsson, Harri Pärssinen and Heikki Westerlund would be re-elected. Petra Axdorff and Ann Carlsson Meyer would be elected new members of the Board of Directors. Heikki Westerlund would be re-elected as Chairman of the Board of Directors. Eva Nilsson Bågenholm has informed the Nomination Board that she is 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 2023 represents diversity related of nationalities, professional competencies and genders.

### Board of Directors 2022–2023

The Annual General Meeting of Oriola held on 21 March 2023 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
Heikki Westerlund (Chairman)	1966	M.Sc. (Economics), independent of the company and its major shareholders	11/11	Compensation and HR Committee 4/4
Eva Nilsson Bågenholm (Vice Chairman)	1960	Physician, independent of the company and its major shareholders	15/15	Compensation and HR Committee 5/5
Nina Mähönen	1975	M.Sc. (Technology), independent of the company and its major shareholders	15/15	Audit Committee 6/6
Yrjö Närhinen	1969	B.Sc. (Business Admin.), independent of the company and its major shareholders	10/11	Audit Committee 2/4
Ellinor Persdotter Nilsson	1979	M.Sc. (Economics), independent of the company and its major shareholders	11/11	Compensation and HR Committee 4/4
Harri Pärssinen	1963	M.Sc. (Economics), independent of the company and its major shareholders	15/15	Audit Committee 6/6

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–21 March 2023:

Name	Year of birth	Education and independence	Attendance at Board Meetings	Attendance at Committee Meetings
Juho-Juko Hakala	1970	M.Sc. (Economics), independent of the company and its major shareholders	4/4	Compensation and HR Committee 1/1
Lena Ridström	1965	M.Sc. (Economics), independent of the company and its major shareholders	4/4	Audit Committee 2/2
Panu Routila	1964	M.Sc. (Economics), independent of the company and its major shareholders	4/4	Compensation and HR Committee 1/1 and 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 2023, the Board of Directors of Oriola convened 15 times, of which one was held as a per capsulam meeting.

### 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.

### 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 21 March 2023, the Chairman of the Audit Committee is Harri Pärssinen and the other members are Nina Mähönen and Yrjö Närhinen. 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 21 March the Board appointed from among its members the following members to the Compensation and Human Resources Committee: Eva Nilsson Bågenholm (Chairman), Ellinor Persdotter Nilsson and Heikki Westerlund. 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 2023 the President and CEO of the company is Katarina Gabrielson, M.Sc., born in 1969.

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 2023 the Company does not have an appointed deputy to the President and CEO.

## Oriola Management Team

At the end of the year 2023, the Oriola Management Team consisted of seven 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 2023:

- Katarina Gabrielson, President and CEO
- Petri Boman, Chief Supply Chain Officer
- Hannes Hasselrot, Chief Commercial Officer
- Timo Leinonen, Chief Financial Officer
- Niklas Lindholm, Chief People Officer
- Mikael Nurmi, Chief Digital 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](http://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 (July 1, 2023) 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.

##### 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 21 March 2023 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 2023 totalled EUR 236 thousand. In addition, EUR 59 thousand was paid for other audit related services provided to Group companies.

# Board of Directors



## Heikki Westerlund

Born 1966, Finnish citizen  
Chairman  
Board Professional  
M.Sc. (Economics)  
Independent member of the Board since 2023  
Key positions of trust: Chairman of the Board of Aspo Plc and Heiwes Oy, Member of the Board of Oras Invest Oy, Kemppe Oy, Duuri Group Oy and Marinetek Group Oy  
Shareholding: 181,759 B shares\*



## Yrjö Närhinen

Born 1969, Finnish citizen  
Board professional, investor and advisor  
B.Sc. (Business Admin.)  
Independent member of the Board since 2023  
Key positions of trust:  
Chairman of the Board of Ambea AB (publ),  
Chairman of the Board of Leaddesk Oy,  
Member of the Board of NoHo Partners Oyj (Vice Chairman) and Avonova AS  
Shareholding: 8,379 B shares



## Eva Nilsson Bågenholm

Born 1960, Swedish citizen  
Vice Chairman, Chairman of the Compensation and Human Resources Committee  
Board Professional, Physician  
Independent member of the Board since 2015  
Key positions of trust: Chairman of the Board of Medichex AB and SportsMed AB.  
Member of the Board of Nordic Health Group Oy, Avanto Care AB and Svensk Provtagning AB.  
Shareholding: 50,729 B shares



## Ellinor Persdotter Nilsson

Born 1979, Swedish citizen  
Musti Group Plc, Chief Commercial Officer  
M.Sc. (Economics)  
Independent member of the Board since 2023  
Key positions of trust:  
Member of the Board of Geia Food A/S  
Shareholding: 8,379 B shares



## Nina Mähönen

Born 1975, Finnish citizen  
CEO, Leijona Catering Oy  
M.Sc. (Technology)  
Independent member of the Board since 2022  
Shareholding: 16,211 B shares



## Harri Pärssinen

Born 1963, Finnish citizen  
Chairman of the Audit Committee  
Board Professional  
M.Sc. (Economics)  
Independent member of the Board since 2019  
Key positions of trust:  
Member of the Board of JF Capital Oy  
Shareholding: 99,647 B shares\*

\* Shares held by Board members and companies in which they have control.

# Executive Management Team



**Katarina Gabrielson**  
President & CEO  
Born 1969  
Swedish citizen  
M. Sc.  
Shareholding: 65,124 B shares



**Petri Boman**  
Chief Supply Chain Officer  
Born 1966  
Finnish citizen  
M.Sc. (Tech)  
Shareholding: -



**Niklas Lindholm**  
Chief People Officer  
Born 1968  
Finnish citizen  
Ph. D. (Economics)  
Shareholding: -



**Hannes Hasselrot**  
Chief Commercial Officer  
Born 1980  
Swedish citizen  
University studies in Chemical Biology  
Shareholding: 11,414 B shares



**Mikael Nurmi**  
Chief Digital Officer  
Born 1967  
Finnish citizen  
M.Sc (Industrial Economics)  
Shareholding: 10,000 B shares



**Timo Leinonen**  
Chief Financial Officer  
Born 1970  
Finnish citizen  
M. Sc. (Admin)  
Shareholding: 16,000 B shares



**Petter Sandström**  
General Counsel  
Born 1976  
Finnish citizen  
LL.M  
Shareholding: 27,864 B shares



# Remuneration Report 2023

## Introduction

The Remuneration Report 2023 describes the remuneration for Oriola's governing bodies as required by the Finnish Securities Market Act, the Finnish Limited Liability Companies Act and the Finnish Corporate Governance Code 2020 issued by the Securities Markets Association. The report presents information on the remuneration of the Board of Directors and the President & CEO during the financial year 2023. The Remuneration Report 2023 will be presented to Oriola's Annual General Meeting 2024 for an advisory vote.

In 2023 Oriola complied with the company's Remuneration Policy, as approved in 2020 and revised in 2023 Annual General Meeting.

The Board may deviate from the Policy in extraordinary circumstances.

The Remuneration Report 2022 presented to the Annual General Meeting 2023 was adopted through an advisory resolution.

For further information on company, Board of Directors and executive remuneration, please see Oriola's website [www.oriola.com](http://www.oriola.com) for the Remuneration Policy and other remuneration related information.

### Remuneration principles

According to Oriola's Remuneration Policy, the goal of Oriola's executive remuneration is to commit executives to develop the company and its financial success in the long term.

Oriola's remuneration supports achieving strategic targets, profitability and increase of shareholder value.

When setting the remuneration for executives, Oriola follows the same main principles as for other employees in the company. Remuneration across the company is reviewed regularly to secure its competitiveness in the market.

### Remuneration developments

The following section describes the development of the company's performance, the remuneration of the Board of Directors and the CEO, and the average salary of Oriola's employees in 2019–2023.

In 2023 Oriola's focus was on strengthening the company's distribution business and role as an infrastructure company in securing the availability of pharmaceuticals in society. Oriola made strong progress in the distribution business throughout the year, by signing new distribution agreements and improving overall efficiency in operations.

In 2023, Oriola's net sales on a constant currency basis grew by 2% and were EUR 1.6 billion. Growth was driven by the distribution business in both Finland and Sweden. The distribution business grew by 7.3% on constant currency basis in 2023, offsetting the negative impacts of lower volumes in the Swedish dose dispensing business. Oriola's share of the pharmaceutical distribution market remained stable.

Adjusted EBIT for the year 2023 was EUR 19.5 (11.9) million, when excluding the negative impact of the Swedish dose dispensing

business. The reported adjusted EBIT was EUR 16.7 (19.7) million and on a constant currency basis, the adjusted EBIT was EUR 17.1 million. Oriola has successfully managed the inflationary pressure both with strict cost control and by price increases. Operating expenses were below last year's level, including transport costs in Sweden. The improved efficiency in operations also contributed positively on the result.

The remuneration of the Board of Directors, decided by the Annual General Meeting, has remained unchanged since 2019. The members of the Board of Directors are not participants in the company's incentive schemes. Over the five-year review period, the CEO's remuneration has varied according to the level of performance, as has the remuneration of Oriola's personnel.

		2019	2020	2021	2022	2023
Chair of the Board	EUR thousand	72.0	87.0	86.0	93.0	79.5
Average remuneration of Board members <sup>1</sup>	EUR thousand	40.2	47.1	45.2	50.1	34.1
CEO remuneration	EUR thousand	690.8	777.0	1 567.8	598.0	668.4
Employee remuneration on average <sup>2</sup>	EUR thousand	45.5	46.5	47.0	44.8	43.7
1-year TSR <sup>3</sup>	%	-5	-6	6	-9	-41
Adjusted EBIT, % <sup>4</sup>	%	1.2	1.2	1.0	1.3	1.1
Adjusted EBIT <sup>4</sup>	EUR million	20.5	21.0	14.9	19.7	16.7

<sup>1</sup> In 2023, the Board of Directors had 15 meetings.

<sup>2</sup> Employee remuneration on average is total average pay for employees working in Finland in years 2019–2021 and including employees in Finland and Sweden in 2022 onwards, the total average pay including all earned salaries, benefits and bonuses.

<sup>3</sup> Based on the 2-month closing average prior to the end of the financial year. Dividends treated as reinvested on payment.

<sup>4</sup> Year 2022 figures have been restated and exclude the share of result in joint venture.

## Remuneration of the Board of Directors in 2023

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

As stated in Oriola's Remuneration Policy, the Board of Directors' remuneration consists of annual fees for Board membership and separate Board and Committee attendance fees. The Board of Directors' compensation can be paid out in shares or cash or combination of those. The Board of Directors are not employees of Oriola and do not participate in any Oriola incentive schemes or pension arrangements.

The Annual General Meeting 2023 confirmed the following fees to be paid to members of the Board of Directors for their term ending after the Annual General Meeting 2024:

Annual fees (EUR)	2023
Chair	60,000
Vice Chair	36,000
Chair of the Audit Committee	36,000
Member	30,000
Attendance fees per meeting (EUR)	2023
Board meeting	
Chair	1,000
Member	500
Committee meeting	
Chair of a Committee	1,000
Member	500

The Annual General Meeting 2022 also resolved that of the annual fee, 60% shall be paid in cash and 40% shall be used to acquire Oriola's class B shares for the Board members on the Nasdaq Helsinki Stock Exchange within two weeks from the release of Oriola's January–March interim report. Travel expenses are reimbursed in accordance with the travel policy of the company.

The attendance fees decided by the Annual General Meeting 2022 were applied in 2023 with the change that the attendance fees for members participating to Board or Committee meetings outside their home country receive a double attendance fee.

The fees paid to the members of the Board of Directors are summarised in the table below. No other fees or remuneration were paid to any member of the Board, nor did any Board member receive remuneration from any other company within the Oriola Group. All payments to members of the Board of Directors during the financial year 2023 were in compliance with the Remuneration Policy.

### Remuneration of the Board of Directors in 2023

Board Member	Annual fee, EUR <sup>1</sup>	Annual remuneration paid in shares, pcs <sup>2</sup>	Attendance fees, EUR			Total fees paid, EUR
			Board	Audit Committee	Compensation and Human Resources Committee	
Westerlund Heikki, Chairman (from 21 March 2023)	60,000	16,759	13,000	-	2,000	75,000
Nilsson Bågenholm Eva, Vice Chair, Chair of the Compensation and Human Resources Committee	36,000	10,055	9,000	-	5,000	50,000
Pärssinen Harri, Chair of the Audit Committee	36,000	10,055	8,000	6,000	-	50,000
Mähönen Nina	30,000	8,379	7,500	4,000	-	41,500
Närhinen Yrjö (from 21 March 2023)	30,000	8,379	8,500	1,000	-	39,500
Persdotter Nilsson Ellinor (from 21 March 2023)	30,000	8,379	6,000	-	2,000	38,000
Ruotila Panu (until 21 March 2023)	-	-	3,000	1,000	500	4,500
Hakala Juko <sup>3</sup> (until 21 March 2023)	-	-	1,500	-	500	7,000
Ridström Lena (until 21 March 2023)	-	-	1,500	1,000	-	2,500
<b>Total</b>	<b>222,000</b>	<b>62,006</b>	<b>58,000</b>	<b>13,000</b>	<b>10,000</b>	<b>308,000</b>

<sup>1</sup> Annual fee decided by the Annual General Meeting, consisting of the remuneration paid in cash and in shares.

<sup>2</sup> Of the annual fee, 40% was paid in Oriola's class B shares.

<sup>3</sup> Includes the remuneration of EUR 5 000 for Doktor.se.

## CEO remuneration in 2023

The Board of Directors reviews and decides annually on the remuneration and benefits of the President & CEO based on the proposal of the Compensation and Human Resources Committee.

According to Oriola's Remuneration Policy, the main components of the President & CEO's total remuneration are base salary and short- and long-term incentives. If targets are met, over half of the President & CEO's total remuneration is based on variable remuneration, with more emphasis on the long-term incentive.

### Fixed Compensation

In 2023, the fixed compensation for President & CEO Katarina Gabrielson was EUR 417,720.06.

### Short-term Incentive Plan

According to the Remuneration Policy, the Short-term Incentive (STI) Plan is based on the achievement of the company's financial targets and personal targets. The Board of Directors decides annually on the earnings criteria and the determination of the STI based on the proposal of the Compensation and Human Resources Committee.

The maximum performance bonus potential in 2023 for the President & CEO was 60% of the annual base salary (excluding holiday bonus pay).

### Short-term Incentive Plan 2022

Criteria	Outcome	Payment, EUR (due in 2024)
Adjusted EBIT	0%	0

### Long-term Incentive Plan

In May 2022, the Board of Directors decided on the establishment of a new share-based Long-term Incentive (LTI) Plan for the company's key employees, including the President & CEO.

The new incentive plan comprises a Performance Share Plan 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 as a complementary long-term share-based retention plan for individually selected key employees in specific situations.

The objectives of the Long-Term Incentive Plan are to promote shareholder value creation in the long term, to commit management and key employees to achieving Oriola's strategic targets and the retention of Oriola's key resources.

President & CEO's participation in the Long-term Incentive Plan:

### Performance Share Plan 2022–2025

Criteria	Weight	Pay-out year	Achievement
Time based	50%		
Earnings per share	40%	2026	In progress
Environmental target (CO <sub>2</sub> )	10%		

### Bridge Plan 2022–2023

Criteria	Weight	Pay-out year	Achievement
Share price development of Oriola's class B shares *	45 %		
Earnings per share	45 %	2024	12.6%
Environmental target (CO <sub>2</sub> )	10 %		

\* Excluding dividends and other distribution to shareholders.

If the President & CEO's employment with Oriola terminates before the payment of the reward, the President & CEO is, as a main rule, not entitled to any reward. The value of the reward payable to the President & CEO based on the plans is limited to three times of Oriola's share price increase. Oriola also applies a share ownership requirement to the President & CEO. The President & CEO is expected to retain ownership of at least half of the net shares received under the incentive plans until the value of her/his ownership in the company corresponds to at least her/his annual gross base salary.

### Summary of President & CEO remuneration in 2023

For the year 2023, the base salary for President & CEO Gabrielson equalled 69% of the total remuneration, while the variable, performance-based remuneration equalled 31% of the total.

### Remuneration paid to the President & CEO in 2023

EUR	Fixed compensation*	Short-term incentives (STI) earned in 2022	Long-term incentives (LTI)	Additional pension payment	Other (medical insurance)	Total compensation
President & CEO Katarina Gabrielson	417,720.06	204,944.67	3,559.18	41,855.72	340.80	668,420.43

\* Includes car, mobile benefit, holiday bonus pay.

### Due payments in 2024

The outcome of President & CEO Gabrielson's short-term incentive in 2023 was 0% and thus, a bonus won't be paid. A reward of 12.6% of the base salary will be paid to CEO Gabrielson in 2024 from the Long-term Incentive Plan based on the 2021-2022 performance.

A man with glasses and a beard, wearing a light blue shirt, is holding a tablet and looking at it with a smile. A woman with long blonde hair, wearing a mustard-colored sweater, is leaning in and looking at the tablet with a smile. The background is a blurred office setting with a green plant on the left.

# Financial review

*This is a voluntarily published pdf report, that does not fulfil the disclosure obligation pursuant to Section 7:5§ of the Securities Markets Act.*

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

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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 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.

# Report of the Board of Directors

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.

## Reporting segments

At the beginning of 2022, Oriola implemented a country-based organisation. Since then, Oriola's continuing operations have included one reportable segment, which includes business areas Oriola Finland and Oriola Sweden. From the beginning of 2024 Oriola's reporting segments will be Distribution and Wholesale.

Distribution segment will consist of pharmaceutical logistics and dose dispensing services. Wholesale segment will consist of wholesale of traded goods and over-the-counter (OTC) products, parallel import and special licensed medicines, as well as advisory services. Oriola will publish the comparative information for 2023 before the release of the first quarter 2024 results.

## 1. Business review

### Operating environment

High cost inflation and rising interest rates have impacted consumer confidence and weakened consumers' expectations of their own economy.

In the fourth quarter, volumes in the pharmaceutical distribution market in Sweden grew while volumes in Finland declined. Market value continued steady growth in both countries.

The solid underlying long-term market drivers such as ageing population, wellbeing and health remain unchanged.

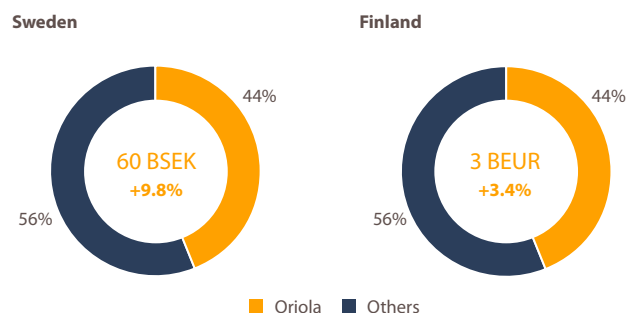
The challenges in the availability of some pharmaceuticals have remained tight across Europe. Energy and fuel prices have stabilised.

### Market environment

In Sweden, the value of the pharmaceutical distribution market at wholesale prices, measured in Swedish krona, grew by 9.8% (8.0%) in 2023 (source: IQVIA). In Finland, the market value grew by 3.4% (3.9%) (source: LTK).

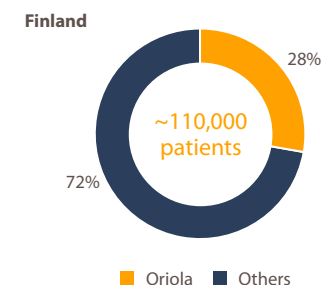
According to Oriola's estimate, Oriola's share of the pharmaceutical wholesale market in Sweden was approximately 44% (45%) and in Finland approximately 44% (44%) in 2023.

### 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 in Finland is 110,000 (100,000) patients of which Oriola serves approximately 30,000 (30,000).

### Dose dispensing - market share



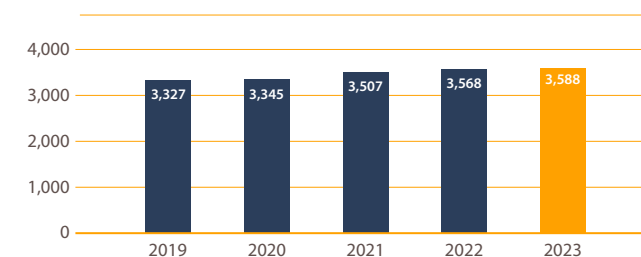
## The Group's financial performance

### Invoicing and net sales, continuing operations

Invoicing increased by 0.6% (increased 1.7%) to EUR 3,587.7 (3,568.0) million. On a constant currency basis invoicing increased by 5.7% (increased 4.9%). The weak Swedish krona had a negative impact on invoicing and net sales.

### Invoicing

EUR million



Net sales decreased by 2.9% (increased 4.4%) to EUR 1,493.8 (1,539.1) million. On a constant currency basis, net sales increased

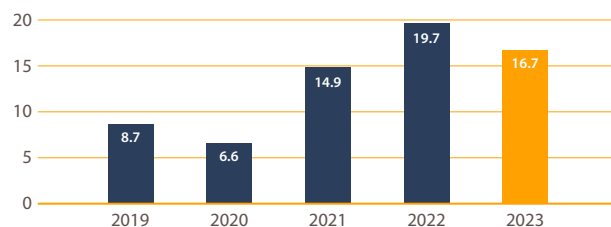
by 2.0% (increased 7.6%). Sales were supported by the solid development in the distribution of pharmaceuticals.

### Profitability

Adjusted EBIT decreased by 15.4% (increased 32.3%) to EUR 16.7 (19.7) million due to lower volumes in Swedish dose dispensing. This decline was related to the loss of public tenders and consequently fewer patients. The adjusted EBIT excluding the impact of the Swedish dose dispensing business was EUR 19.5 (11.9) million. As a result of cost reductions in the Swedish dose dispensing and strict cost control, operating expenses were below last year's level despite the inflationary environment. The efficiency improvements in operations also contributed positively on the result. Adjusting items totalled EUR -21.9 (-10.2) million mainly related to an impairment loss of goodwill in dose dispensing cash generating unit. Adjusted EBIT on a constant currency basis was EUR 17.1 million. EBIT was EUR -5.3 (9.5) million.

### Adjusted EBIT

EUR million



Net financial expenses were EUR 7.6 (0.7) million. Increase was mainly related to the higher interest rates in loans and sold receivables and that the comparative information includes EUR 3.5 million interest income from discontinued operations. Loss for the period from continuing operations was EUR -20.7 (4.8) million. Income taxes were EUR -3.1 (-2.1) million, which corresponds to an effective tax rate of -17.4% (30.8%). Earnings per share were EUR -0.11 (0.03).

For more information on the Group's financial performance, please see the section Financial indicators 2019-2023.

### Balance sheet, cash flow and financing

Oriola's total assets at the end of December 2023 were EUR 934.7 (960.9) million. Equity attributable to the equity holders was EUR 171.3 (225.6) million. The equity was decreased by the dividend of EUR 10.9 million distributed to the shareholders in April 2023. In 2023, Oriola recognised a decrease of EUR 20.6 million in the fair value of shareholdings in Doktor.se due to the realised transactions at lower price. Oriola's ownership of shares in Doktor.se has not changed during the financial year.

Cash and cash equivalents totalled EUR 138.4 (160.6) million. Net cash flow from operating activities in 2023 was EUR 9.6 (77.9) million, of which changes in working capital accounted for EUR -13.2 (27.7) million. Increase in inventories and in trade receivables have impacted working capital negatively. Strong fluctuation in working capital is typical to Oriola's industry. Net cash flow from investing activities was EUR -3.5 (3.0) million. Net cash flow from financing activities was EUR -28.3 (-29.3) million.

At the end of December 2023, interest-bearing debt was EUR 117.7 (136.9) million. The non-current interest-bearing liabilities amounted to EUR 7.1 (69.9) million and current interest-bearing liabilities amounted to EUR 110.7 (67.0) million. Non-current interest-bearing liabilities mainly consist of loans from financial institutions totalling EUR 1.0 (59.1) million and non-current lease liabilities totalling EUR 6.1 (10.9) million. Current interest-bearing liabilities mainly consist of commercial paper issues of EUR 39.3 (49.8) million, advance payments from Finnish pharmacies totalling EUR 10.4 (11.8) million, loans from financial institutions totalling EUR 58.1 (2.0) million and current lease liabilities totalling EUR 2.8 (3.4) million. Interest-bearing net debt was EUR -20.6 (-23.7) million and gearing -12.1% (-10.5%).

The non-recourse trade receivables sales programmes are in use in Sweden. At the end of December 2023, a total of EUR 97.1 (100.8) million in trade receivables had been sold. The average interest

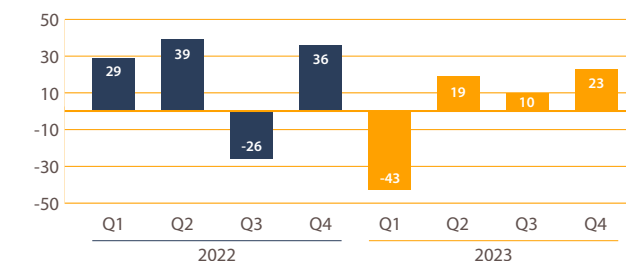
rate on the interest-bearing liabilities excluding lease liabilities was 3.76% (2.59%). Interest rate risk relating to the cash flow from selling of trade receivables has been partly hedged with interest rate swaps.

In June 2021, Oriola signed a new unsecured revolving credit facility agreement for a total of EUR 140 million. In April 2023, the maturity of the agreement was extended by one year, and the revolving credit facility will mature in June 2026. The facility is committed. 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 34.5 million were unused at the end of December 2023.

At the end of December 2023, Oriola's equity ratio was 18.5% (23.8%). Return on capital employed was -1.6% (2.4%) and return on equity -10.4% (2.2%).

### Net cash flow from operating activities

EUR million



For more information on the Group's balance sheet and cash flow and related key figures, see the section Financial indicators 2019-2023.



## Investments and depreciation

Gross investments in 2023 totalled EUR 3.5 (3.4) million and consisted mainly of investments in logistics and information systems.

Depreciation, amortisation and impairment amounted to EUR 35.4 (25.2) million. Oriola recognized an impairment loss of goodwill totalling EUR 21.4 million in dose dispensing cash generating unit. In 2022, 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.

## Joint venture Swedish Pharmacy Holding AB (Kronans Apotek)

From the beginning of 2023, Oriola reports its 50% share of the net result in the Swedish Pharmacy Holding AB under the EBIT line in the consolidated statement of comprehensive income. Comparative information has been restated accordingly. In 2022 consolidated financial statements the share of the net result was reported above the EBIT line. The change clarifies the reporting and communication of Oriola's own operations performance and profitability.

In 2023, Swedish Pharmacy Holding AB reported net sales of EUR 1,126.9 (1,158.2) million. EBITA (Earnings before interest, taxes and amortisation) was EUR 0.7 million. Adjusted EBIT was EUR -2.0 million, synergies during the reporting period totalled to EUR 13.5 million and one-off costs related to the integration of the two companies were EUR 6.0 million. At the end of December 2023, net interest-bearing debt was EUR 93.0 (95.3) million.

In 2023, Oriola booked a loss of EUR 4.8 (loss of 2.0) million from Swedish Pharmacy Holding AB.

## Assets held for sale

Oriola announced on 13 October 2023 that it has signed an agreement to sell all shares in Svensk dos AB to Apotekstjänst Sverige AB and is thereby exiting the dose dispensing business in Sweden as part of Oriola's strategic decision to strengthen focus

on wholesale business. Svensk dos AB has lost market share due to the loss of public tender contracts and during the strategy process Oriola has not identified a recovery of the business within a foreseeable future. Svensk dos AB has been classified as held for sale in the consolidated financial statements. The transaction is subject to the approval of the Swedish Competition Authority and is expected to be completed in the second quarter of 2024.

In dose dispensing business, Svensk dos AB offers pharmaceuticals and dose dispensing for private and public healthcare sector operators. The net sales of dose dispensing Sweden was EUR 25.3 million in 2023 and EBIT was EUR -6.1 million, of which EUR -3.3 million relates to the goodwill impairment loss.

## 2. Personnel

At the end of December 2023, the number of employees in full-time equivalents (FTE) was 801 (833), of which 412 (402) worked in Finland and 389 (431) in Sweden. The decrease in the number of personnel was due to organizational changes in the Swedish dose business. The average number of employees (FTE) in 2023 was 800 (914).

The total amount of wages, salaries and bonuses in 2023 was EUR 39.8 million (EUR 45.3 million in 2022 and EUR 54.6 million in 2021).

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

## 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 2023 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 20 May 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 (CO2). 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 (CO2). 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

The share savings plan for the key personnel that Oriola has had since 2013 was terminated in 2022 and a total of 22,138 Oriola Corporation's class B treasury shares were conveyed in 2023 without consideration to the key personnel who participated in the plan.

### 3. Governance

Separate Corporate Governance Statement 2023 and Remuneration Report 2023 can be found in Annual Report 2023.

#### Annual General Meeting 2023

The Annual General Meeting of Oriola, held on 21 March 2023, 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 2022. According to the decision of the Annual General Meeting, a dividend of EUR 0.06 per share was paid on the basis of the balance sheet adopted for the financial year ending 31 December 2022.

#### Auditor

Authorised Public Accountants KPMG Oy Ab, who has put forward authorised public accountant Ms Kirsi Jantunen as principal auditor, was re-elected as the auditor of the company. The auditor's fees shall be paid according to an invoice approved by the company.

#### Board of Directors

The AGM confirmed that the Board of Directors is composed of six members. Ms Eva Nilsson Bågenholm, Ms Nina Mähönen and Mr Harri Pärssinen were re-elected to the Board of Directors and Ms Ellinor Persdotter Nilsson, Mr Yrjö Närhinen and Mr Heikki Westerlund were elected as new members of the Board of Directors. Mr Heikki Westerlund was elected as Chairman of the Board of Directors.

#### Board remuneration

The AGM 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. Of the annual fee, 60 per cent is paid in cash and 40 per cent is used to acquire Oriola Corporation's class B shares for the Board members on the Nasdaq Helsinki Stock Exchange. The Chairman of the Board of Directors receives an attendance fee

of EUR 1,000 per meetings of the Board of Directors held in the Chairman's home country and EUR 2,000 for meetings of the Board of Directors held elsewhere and the other members of the Board of Directors receive attendance fees of EUR 500 per meeting for meetings held in the home country of the respective member of the Board of Directors and EUR 1,000 for meetings held elsewhere. Attendance fees are correspondingly also paid to the Chairman and members of company committees. Travel expenses are compensated in accordance with the travel policy of the company.

#### 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 2023 are available on the company's website [www.oriola.com](http://www.oriola.com).

#### Shareholder's 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 largest shareholders of Oriola Corporation elected on 27 September 2023 the following persons as members of the Nomination Board:

- Annika Ekman
- Peter Immonen
- Timo Maasilta
- Pekka Pajamo
- Jukka Ylppö

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

#### CEO and Oriola Management Team

At the end of the year 2023, the Oriola Management Team consisted of seven members, including the President and CEO, to whom the other Oriola Management Team members report.

On 23 May 2023 Niklas Lindholm, Ph. D. (Econ) was appointed Chief People Officer and member of the Oriola Management Team as of 1 August 2023.

The following persons were members of Oriola Management Team on 31 December 2023:

- Katarina Gabrielson, President and CEO
- Petri Boman, Chief Supply Chain Officer
- Hannes Hasselrot, Chief Commercial Officer
- Timo Leinonen, Chief Financial Officer
- Niklas Lindholm, Chief People Officer
- Mikael Nurmi, Chief Digital Officer
- Petter Sandström, General Counsel

## 4. Oriola Corporation shares

Oriola Corporation's market capitalisation on 31 December 2023 was EUR 199.2 (321.4) million.

Trading of shares	Jan–Dec 2023		Jan–Dec 2022	
	class A	class B	class A	class B
Trading volume, million	3.1	57.1	6.6	29.9
Trading volume, EUR million	4.0	61.6	13.2	59.2
Highest price, EUR	1.93	1.82	2.30	2.31
Lowest price, EUR	1.02	0.89	1.75	1.70
Closing quotation, end of period, EUR	1.12	1.09	1.85	1.74

In 2023, the traded volume of Oriola Corporation shares, excluding treasury shares, corresponded to 33.2% (20.1%) of the total number of shares.

At the end of 2023, 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 87,426 (109,564) treasury shares, of which 63,650 (63,650) were class A shares and 23,776 (45,914) were class B shares. The treasury shares held by the company account for 0.05% (0.06%) 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 2023 and 2022, no class A shares were converted into class B shares.

### Management's holding

On 31 December 2023, the members of the Board of Directors, the CEO and the members of the Oriola Management Team, including their controlled corporations, owned a total of 495,506 class B shares corresponding to 0.27% of the total number of shares and 0.04% of the votes.

### Flagging notifications

No flagging notifications during 2023.

## Shares and shareholders

### Shareholders by type of owner, 31 December 2023

	Shareholders			% of shareholders			% of shares		
	A shares	B shares	Total	A shares	B shares	Total	A shares	B shares	Total
Individuals	12,395	25,776	33,774	97.3	95.8	96.2	44.1	44.0	44.1
Corporations and partnerships	214	740	888	1.7	2.8	2.5	29.9	29.4	29.6
Banks and insurance companies	13	48	50	0.1	0.2	0.1	1.6	7.7	5.9
Public entities	8	17	22	0.1	0.1	0.1	14.8	7.1	9.4
Non-profit institutions	51	179	209	0.4	0.7	0.6	8.1	2.8	4.4
Foreign shareholders	60	138	172	0.5	0.5	0.5	0.3	0.3	0.3
<b>Total</b>	<b>12,741</b>	<b>26,898</b>	<b>35,115</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>98.9</b>	<b>91.4</b>	<b>93.6</b>
Nominee registrations							1.1	8.6	6.4

### Shareholders by number of shares held, 31 December 2023

Number of shares	Shareholders			% of shareholders		
	A shares	B shares	Total	A shares	B shares	Total
1-100	3,023	3,901	5,906	23.7	14.5	16.8
101-1,000	6,212	13,650	17,401	48.8	50.7	49.6
1,001-10,000	3,143	8,327	10,374	24.7	31.0	29.5
10,001-100,000	323	939	1,318	2.5	3.5	3.8
over 100,001	40	81	116	0.3	0.3	0.3
<b>Total</b>	<b>12,741</b>	<b>26,898</b>	<b>35,115</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Of which nominee registered	9	10	10			

Number of shares	Shares			% of shares		
	A shares	B shares	Total	A shares	B shares	Total
1-100	139,652	201,587	341,239	0.3	0.2	0.2
101-1,000	2,685,103	6,186,422	8,871,525	5.0	4.8	4.9
1,001-10,000	8,964,608	24,862,802	33,827,410	16.7	19.5	18.6
10,001-100,000	8,327,437	23,404,106	31,731,543	15.5	18.3	17.5
over 100,001	33,631,513	73,082,983	106,714,496	62.6	57.2	58.8
<b>Total</b>	<b>53,748,313</b>	<b>127,737,900</b>	<b>181,486,213</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Of which nominee registered	607,788	11,005,668	11,613,456	1.1	8.6	6.4
<b>Total number of shares</b>	<b>53,748,313</b>	<b>127,737,900</b>	<b>181,486,213</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

## Largest shareholders, 31 December 2023

By number of shares held	A shares	B shares	Total shares	% of total shares	Votes	% of total votes
1. Mariatorp Oy	7,100,000	19,200,000	26,300,000	14.49	161,200,000	13.40
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	2,289,018	5,895,432	3.25	74,417,298	6.19
5. Vakuutusosakeyhtiö Henki-Fennia	555,000	3,869,835	4,424,835	2.44	14,969,835	1.24
6. Maa- ja Vesiteknikan Tuki ry.	4,025,358	0	4,025,358	2.22	80,507,160	6.69
7. Greenzap Oy	2,850,000	80,000	2,930,000	1.61	57,080,000	4.75
8. Kansaneläkelaitos. KELA	0	1,991,481	1,991,481	1.10	1,991,481	0.17
9. Ylppö Jukka	1,496,562	286,992	1,783,554	0.98	30,218,232	2.51
10. Sijoitusrahasto Seligson & Co Phoebus	220,000	1,280,000	1,500,000	0.83	5,680,000	0.47
11. Ehnrooth Helene	0	1,304,333	1,304,333	0.72	1,304,333	0.11
12. S-Pankki Fenno Osake Sijoitusrahasto	0	1,238,654	1,238,654	0.68	1,238,654	0.10
13. Herlin Olli	200,000	1,000,000	1,200,000	0.66	5,000,000	0.42
14. Proprius Partners Micro Finland	0	1,100,000	1,100,000	0.61	1,100,000	0.09
15. Medical Investment Trust Oy	181,000	852,540	1,033,540	0.57	4,472,540	0.37
16. Drumbo Oy	0	1,000,000	1,000,000	0.55	1,000,000	0.08
17. Paloniemi Jari	0	1,000,000	1,000,000	0.55	1,000,000	0.08
18. Säästöpankki Kotimaa-sijoitusrahasto	619,649	376,939	996,588	0.55	12,769,919	1.06
19. Ylppö Into	693,522	240,200	933,722	0.51	14,110,640	1.17
20. Laakkonen Mikko	196,320	689,080	885,400	0.49	4,615,480	0.38
<b>Total</b>	<b>28,664,425</b>	<b>47,472,072</b>	<b>76,136,497</b>	<b>41.95</b>	<b>620,760,572</b>	<b>51.61</b>
Nominee registred	607,788	11,005,668	11,613,456	6.40	23,161,428	1.93
Oriola Corporation	63,650	23,776	87,426	0.05	1,296,776	0.11
Other	24,412,450	69,236,384	93,648,834	51.60	557,485,384	46.35
<b>All shareholders total</b>	<b>53,748,313</b>	<b>127,737,900</b>	<b>181,486,213</b>	<b>100.00</b>	<b>1,202,704,160</b>	<b>100.00</b>

## 5. Non-financial information

### Business model and value creation

Oriola operates in the health and wellbeing market in Finland and Sweden and employed 930 people at the end of 2023.

The company serves its markets 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, accurate manner, and on time. 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 and expert services to the pharmaceutical companies and pharmacies, the company's supply network consists of pharmaceutical suppliers and retail suppliers and covers both Finland and Sweden. These include, for example, manufacturers of healthcare products as well as suppliers of packaging materials used in the warehousing of these products. As Oriola does not operate its own fleet of transport vehicles, working closely with transport service providers is essential in warehousing and distribution operations. The main part of Oriola's direct non-pharmaceutical product purchases come from Europe.

Being a preferred partner and building the supply and partner network on trust and accountability is a prerequisite for Oriola's whole value chain. Standardised procurement principles, as well as supplier selection and approval processes, are important to the company. With these tools Oriola assesses the business partners' ways of operating and ensure that they meet the requirements set by the company. Systematic risk management with supplier evaluation process and audits and compliance with national and international pharmaceutical sector laws and regulations form the foundation of a continuous improvement at Oriola.

### Sustainability agenda and reporting

Oriola discloses its short and long-term sustainability 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 based on a double-materiality assessment.

During 2023, Oriola updated its materiality process and conducted a double-materiality assessment. Double materiality in sustainability is defined by two dimensions: impact materiality and financial materiality. Consistent with this principle, the assessment involved considering both the effect the company has on society (impact materiality) and the potential risks and opportunities that these identified themes may pose for its business (financial materiality).

In addition to defining the focus areas of sustainability efforts, the materiality analysis guides the company's work and actions related to sustainability. Through this analysis, Oriola has identified, evaluated and prioritised the key topics in the value chain that are important to its stakeholders and business.

The identified material topics reflect Oriola's business and strategy. They address the company's ongoing efforts to enhance the wellbeing of people and minimise the negative environmental impact of Oriola's operations. Going forward, the company will also increasingly focus on the sustainability of the value chain, both in terms of climate impact and human rights. Oriola will report according to the new materiality and the updated sustainability agenda with its objectives and indicators from the year 2024 onwards.

Human rights due diligence at Oriola is an ongoing process as guided by United Nations Guiding Principles on Business and Human Rights (UNGP). It entails identification and assessment of potential and actual negative impacts on people, addressing those impacts, tracking the effectiveness of actions as well as communicating about the actions and results. As a part of its sustainability agenda, Oriola has committed to further develop these practices.

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 accordance to the GRI (Global Reporting Initiative) Standards. The environmental data published in this statement of non-financial information and elsewhere in the Annual Report has been assured by a third party (limited assurance).

Oriola is committed to the UN's Sustainable Development Goals. Oriola reports on risk management and management practices related to climate change in CDP's climate change programme. For 2023, Oriola's CDP score was C. The company was also awarded with a gold medal in the EcoVadis sustainability rating.

### ESG risk management

ESG (environment, social and governance) 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 processed 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.

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 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. Furthermore, Oriola is committed to integrating human rights considerations into its various policies and processes, thereby ensuring alignment with Group risk management. Other sustainability risks include

information security risks related to information security and cyber-attack, which Oriola mitigates through security trainings and implementation of data protection tools. As part of information security, continuous mitigations and improvements are done within technical protection, security organisation and security awareness.

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 CO2 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 a consistent way of working for the entire company. In 2023, the company's operations in Sweden (Oriola Sweden AB) and Finland (Oriola Corporation and Oriola Finland) renewed their ISO 14001 environmental management standard certifications. 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

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 is committed to achieving carbon-neutrality in own operations by 2025 and across the value chain by 2030. The target related to own operations 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 cold storage. Oriola's carbon footprint has been calculated in accordance with the Greenhouse Gas Protocol accounting principles and covers the entire company. The company is also committed to initiate the Science Based Targets (SBT) process in 2024.

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 2023, Oriola's CO2 emissions from the own operations (Scope 1 & 2) decreased by 73% compared to the 2019 level. This has been driven by energy optimisation and increasing the share of renewable electricity. As much as 91% of Oriola's total energy consumption now comes from renewable or carbon-neutral sources.

The most significant environmental impacts of Oriola's business and operations stem from transport emissions and packaging waste (Scope 3) due to wholesale and distribution operations. Around 85% of Oriola's emissions originate from the supply chain, and transport is Oriola's largest source of indirect emissions. The company continuously works together with its transport service providers to find opportunities to reduce emissions and requires its partners to report emissions on a regular basis.

In practice, this means, for example, optimising routes, using capacity efficiently and expanding the use of alternative fuels. In 2023, Oriola's total Scope 3 emissions decreased by 16% from the 2019 baseline.

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. In October 2023, Oriola implemented new order times for pharmacies in Finland. Driven by customer feedback on transport boxes' low filling rate, the company aimed for operational efficiency and sustainability improvements. This change showed positive results already in following months, with a significant improvement in the filling rate. Furthermore, emission reduction potential has been observed in the transition of several last-mile routes to electric vehicles by our transport partners.

### MANAGING CLIMATE CHANGE RISK

Oriola manages climate risks by focusing on most relevant low carbon technologies when acquiring new or modernising existing equipment. In addition, physical climate risks are managed by adopting clear risk management practices.

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

Increasing energy self-sufficiency in Europe and use of 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.

Managing energy supply risk is crucial for Oriola because it could impact on Oriola's ability to ensure that pharmaceuticals, essential for 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 the 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<sub>2</sub> 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. In addition, new waste compactors to mitigate waste management have been introduced.

In 2023, the company's recycling rate of non-pharmaceutical waste was 81% (2022: 83%). The company aims to further increase Group-level recycling rate to 90% by 2025.

### 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 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. To attract the right talent and enable employees to focus on what they do best, Oriola wants to offer a fair and equal workplace, where everyone can succeed and develop.

Change leadership is one of the key areas in Oriola's leadership development, as the company's business environment, structure, culture and ways of working are changing. In 2023, special attention was paid to collaborative culture, which is based on the company's refreshed values and reflects more what Oriola is today. To ensure continuous development, Oriola annually measures the quality of leadership. In 2023, leadership index improved slightly to 79 from 78 (2022).

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.

During the first half of the year, the People team examined the whole lifecycle of employment and its processes. Transforming from country based organisational structures to a common cross-functional organisation has required harmonisation of processes between business units. In 2023, some 140 managers attended monthly information and training sessions to enhance the common ways of working.

Oriola stresses the importance of a healthy and safe working environment. That starts from the prevention of work-related accidents and illnesses and extends into maintaining employees'

functional capacity at the various stages of their working lives. The company has set a long-term target to have zero accidents and will monitor this target. Health and safety training is included in the induction process, consisting of guidelines and instructions to ensure safe work for all, especially in our distribution centres. In addition, Oriola's businesses provide tailored occupational safety training when needed.

Oriola's annual employee satisfaction survey was conducted in November. One of the important indicators is eNPS. The target for 2023 was to improve the eNPS by 21%-points. However, the result declined and was -25 (2022: -22), reflecting the ongoing changes in the company. On the other hand, the employee engagement rate remained at the same high level as in 2022 (76/100), which shows that the personnel are committed to the company.

### 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 17 principles which all employees and businesses are expected to comply with. Each year the company conducts a salary review to enhance pay equality.

The current gender balance for all Oriola employees is 54% female and 46% male. At the end of 2023, 14% of the members of the Oriola Management Team were women (2022: 33%).

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 2023, the channel received 3 reports (2022: 8) related to among others health and safety. No cases related to corruption or discrimination were reported. 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. The company supports and respects 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.

Human rights due diligence at Oriola is an ongoing process as guided by United Nations Guiding Principles on Business and Human Rights (UNGP). With the help of a third-party service provider, Oriola conducted corporate-level human rights impact mapping in 2023. The mapping covered Oriola's own operations and its value chain upstream and downstream. In the mapping Oriola identified its salient human rights issues, meaning the most important human rights topics that we must attend to as a company. The process showed that in many parts of its value chain Oriola already has processes in place for managing human rights impacts, but there are some considerations for future and clear development areas where the company can still improve the integration of human rights perspectives into its operations. Oriola aims to strengthen its supply chain due diligence further by integrating human rights aspects in its existing supplier and subcontractor evaluation and engagement processes. This includes additional elaboration of the group's expectations towards its suppliers and subcontractors and enhancing its screening and assessment methods to better manage the salient issues occurring further along the supply chain.

Integrating human rights due diligence practices in a more profound manner in the current core processes will also enable Oriola to act upon the findings and monitor efficiently how impacts are addressed across the value chain.

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, which is under preparations. 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 nonpharmaceutical suppliers and promotes close cooperation with the transport partners to strengthen their commitment to responsible business conduct.

## 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 delivers pharmaceuticals within 24 hours of ordering to all pharmacies and hospital pharmacies, as well as other healthcare units in Sweden and Finland. During 2023, the company continued the work on simplification and harmonisation of processes, including core IT systems. Oriola has also improved efficiency in deliveries through improved demand-supply planning and tighter collaboration with the sales teams. Additionally, optimisation of delivery routes in the supply chain has been one of our initiatives.

Oriola closely monitors the quality and accuracy of pharmaceutical deliveries. In 2023, the picking quality was at 99.8% (2022 for Finland only: 99.6%).

## Quality management

Oriola operates in 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's tax footprint 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](http://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 CO2 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 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.

Oriola's Code of Conduct forms the basis for ethical sourcing. The company requires direct and indirect suppliers either to

commit to our Business Partner Code of Conduct, or to their own similar policy, covering principles related to anti-bribery, anti-corruption, and discrimination, respecting labour and human rights, and promoting occupational safety and health. 89% of Oriola's key suppliers have signed our Business Partner of Code of Conduct. The main part of Oriola's direct non-pharmaceutical product purchases come from Europe. In Sweden, 28 supplier evaluations were performed in 2023 and 14 of them were new suppliers. In Finland, 10 supplier evaluations were performed in 2023 and all of them were new suppliers.

### 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 a healthier tomorrow. Oriola's values – "openness", "together", "responsibility" and "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 avoid 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 the onboarding process

for all employees. Oriola's target is that 100% of its own workforce complete the Code of Conduct training as well as other mandatory trainings annually from 2025 onwards.

## 6. EU Taxonomy

The EU taxonomy is a classification system for environmentally sustainable economic activities for directing investments at more sustainable activities. Economic activities are classified as taxonomy-eligible or taxonomy-non-eligible according to the delegated acts supplementing the Taxonomy Regulation (Regulation (EU) 2020/852).

Taxonomy-eligible activities are considered as taxonomy-aligned if they comply with the technical screening criteria as defined in the delegated act (commission delegated regulation (EU) 2021/2139, partially supplemented by the delegated act (EU) 2023/2486) and are carried out in compliance with minimum safeguards. In order to meet the technical screening criteria an economic activity must contribute substantially to one or more environmental objectives while not doing significant harm to any of the other environmental objectives. Environmental objectives in the EU taxonomy include the following: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems.

Oriola is required to disclose information about environmentally sustainable economic activities in accordance with the Finnish Accounting Act as defined in the EU taxonomy. Reporting in accordance with the EU taxonomy requires presenting the shares of taxonomy-eligible, taxonomy non-eligible and taxonomy-aligned turnover, capital expenditure (CapEx) and operating expenditure (OpEx) as defined in the delegated act (EU) 2021/2178).

Oriola has conducted an analysis all of its economic activities to

identify taxonomy eligible activities as described in the delegated regulations ((EU) 2021/2139 and (EU) 2023/2486). Based on the assessment and the company's best interpretation of the EU taxonomy regulation no economic activities have been identified as taxonomy eligible. As part of the assessment process, a few economic activities have been considered as possibly eligible for which further analysis has been conducted on. However, after further considerations these have been concluded on being non-eligible. Therefore, no further assessment on the taxonomy-alignment has been conducted as there are no eligible activities for which alignment should be evaluated for.

As there are neither eligible nor aligned activities sections A.1. (taxonomy-aligned) and A.2. (taxonomy-eligible, but not aligned) include only zero values on the KPI tables below. Accordingly in the KPI templates section B (non-eligible) the proportion of turnover, CapEx and OpEx is 100%.

Oriola notes that the EU Taxonomy Regulation will keep evolving and will continue to consider its impacts as well as future reporting obligations.







## 7. 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 eventual 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.

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

Risks related to instability in financial markets, cost inflation, salary inflation and overheated labour markets, uncertain product availability due to material and supply chain constraints, and electricity shortages, remain. In addition, cyber-attacks against critical areas of society are expected to increase. These factors

may have a significant impact on Oriola's operations, net sales and profitability.

Oriola is deemed as a critical entity under the directive (2022/2557) of the European Parliament on the resilience of critical entities. Recognition of full-service healthcare distributors as critical infrastructure reduces Oriola's risks. The directive entered into force on 16 January 2023 and will have to be implemented at national level.

In regular contingency planning, the company has focused especially on securing the health of its personnel, availability of workforce and safety in the distribution centres, as well as the growing need for pharmaceutical stocking. In addition, Oriola engages in active dialogue with both customers and authorities about the quickly changing requirements and how to manage them. Oriola also aims to actively mitigate cost pressures.

Oriola's strategic development projects involve operational risks which may have an effect on the company's profitability if realised. Oriola has IT system projects underway. The company has defined separate risk management plans for all major IT projects and aims to ensure seamless implementation of the systems through careful planning.

Oriola's distribution capabilities relies on well-functioning distribution centres with automation and information systems. If the systems experience long or short-term malfunctions, Oriola's delivery accuracy might be affected.

From time to time, Oriola is 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, legal actions, claims and other proceedings are not expected to have a material impact on the financial position of the Group.

## Profit distribution proposal

Oriola Group's parent company is Oriola Corporation, whose distributable funds according to the balance sheet as at 31 December 2023 were EUR 190.7 (208.6) million. Oriola Corporation's result for the financial year 2023 was EUR -6.9 (-49.4) million. Earnings per share of the Oriola Group were EUR -0.11 (-0.01).

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.07 (0.06) per share would be paid for 2023. The Board of Directors further proposes that the remaining non-restricted equity, EUR 177,991,837.01 be retained and carried forward.

## Annual General Meeting 2024

Oriola Corporation's Annual General Meeting will be held on 19 March 2024. 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](http://www.oriola.com) on 26 February 2024 at the latest.

## Outlook for 2024

In 2024, the pharmaceutical distribution market is expected to continue to grow. A continuation of a weak consumer confidence might impact the wholesale market development. The recent

overall inflationary environment and related cost pressures may have an impact on Oriola's profitability.

Oriola expects the adjusted EBIT, excluding the dose dispensing business in Sweden, for the year 2024 to increase from the adjusted EBIT for 2023 (EUR 19.5 million).

## Events after the balance sheet date

### **Oriola to invest in ERP and warehouse management as part of the recently launched strategy to enhance efficiency and operational excellence**

On 10 January 2024, Oriola announced that it will be investing in its infrastructure as part of its refined strategy, published in October 2023, with the aim to enhance efficiency and operational excellence. Enhanced efficiency is one of the three goals set by Oriola to drive the strategy forward.

The investment comprises the renewal of Oriola's ERP (enterprise resource planning) and warehouse management during the years 2025–2027. The aim of the project is to have one common system which will enable to harmonise business processes, strengthen data management and enhance customer experience. The value of the total investment is about EUR 35 million. The new ERP and warehouse management system will replace the current two separate systems in Sweden and Finland. The project will start in 2024 and the new system will be deployed in phases during 2025–2027. The first deployment will be in Sweden followed by the deployment in Finland.

### **The Swedish Competition Authority moves its investigation of Oriola's sale of Svensk dos AB to Apotekstjänst Sverige AB into phase II**

On 31 January 2024, Oriola announced that the Swedish Competition Authority (Konkurrensverket) moved its investigation of Oriola's sale of Svensk dos AB to Apotekstjänst Sverige AB into phase II. Oriola expects, based on currently available information, that the transaction will be completed in the second quarter of 2024.

### **Reporting segments**

Oriola's reporting segments from 1 January 2024 are Distribution and Wholesale.

Espoo, 15 February 2024  
Oriola Corporation

Board of Directors



# Information on shares

## Share-related key figures

			2023	2022	2021	2020	2019
Earnings per share	EUR		-0.11	-0.01	0.06	0.06	0.04
Earnings per share, continuing operations	EUR		-0.11	0.03	0.05	0.02	0.06
Equity per share	EUR		0.94	1.24	1.20	0.94	0.87
Total dividends	EUR million		12.7*	10.9	7.3	5.4	16.3
Dividend per share	EUR		0.07*	0.06	0.04	0.03	0.09
Payout ratio	%		-61.4*	-453.7	63.9	48.2	203.5
Dividend yield	A	%	6.25*	3.25	2.02	1.51	4.46
Dividend yield	B	%	6.43*	3.45	2.00	1.58	4.44
P/E ratio, continuing operations	A		-9.82	70.34	41.67	112.61	36.35
P/E ratio, continuing operations	B		-9.54	66.33	42.09	107.63	36.44
Share price on 31 Dec	A	EUR	1.12	1.85	1.99	1.99	2.02
Share price on 31 Dec	B	EUR	1.09	1.74	2.01	1.90	2.03
Average share price	A	EUR	1.38	1.96	2.04	2.01	2.10
Average share price	B	EUR	1.27	1.93	1.94	1.93	2.11
Lowest share price	A	EUR	1.02	1.75	1.78	1.62	1.86
Lowest share price	B	EUR	0.89	1.70	1.73	1.52	1.86
Highest share price	A	EUR	1.93	2.30	2.37	2.25	2.56
Highest share price	B	EUR	1.82	2.31	2.20	2.27	2.53
Market capitalisation		EUR million	199.2	321.4	362.8	349.9	367.2
Trading volume							
A shares		pc	3,140,653	6,636,366	8,115,284	3,320,057	3,758,001
% of average number of A shares		%	5.8	12.3	15.1	6.1	6.8
B shares		pc	57,073,164	29,890,534	50,733,906	48,554,934	24,054,806
% of average number of B shares		%	44.7	23.4	39.7	38.2	19.1
% of average number of all shares		%	33.2	20.1	32.4	28.6	15.3
Number of shares 31 Dec	A	pcs	53,748,313	53,748,313	53,748,313	53,748,313	55,434,273
Number of shares 31 Dec	B	pcs	127,737,900	127,737,900	127,737,900	127,737,900	126,051,940
<b>Total number of shares 31 Dec</b>		<b>pcs</b>	<b>181,486,213</b>	<b>181,486,213</b>	<b>181,486,213</b>	<b>181,486,213</b>	<b>181,486,213</b>
Total number of A shares, annual average		pcs	53,748,313	53,748,313	53,748,313	54,390,973	55,434,273
Total number of B shares, annual average		pcs	127,737,900	127,737,900	127,737,900	127,095,240	126,051,940
<b>Total number of shares, annual average</b>		<b>pcs</b>	<b>181,486,213</b>	<b>181,486,213</b>	<b>181,486,213</b>	<b>181,486,213</b>	<b>181,486,213</b>

\* Proposal by the Board of Directors.

## Calculation of share related key figures

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

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

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

---

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

---

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

---

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

---

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

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$$\text{Market capitalisation, EUR} = \text{Number of shares at the end of the financial period} \times \text{closing price on the last trading day of the financial period}$$

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## Financial indicators and performance measures

### Financial indicators 2019–2023

<b>Consolidated income statement</b>		<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Net sales	EUR million	1,493.8	1,539.1	1,452.2	1,398.6	1,333.4
Adjusted EBIT	EUR million	16.7	19.7	14.9	6.6	8.7
% of net sales	%	1.1	1.3	1.0	0.5	0.7
EBIT	EUR million	-5.3	9.5	10.7	5.1	10.0
% of net sales	%	-0.4	0.6	0.7	0.4	0.8
Financial income and expenses	EUR million	-7.6	-0.7	0.3	-0.5	3.6
% of net sales	%	-0.5	0.0	0.0	-0.0	0.3
Profit before taxes	EUR million	-17.6	6.9	11.0	4.6	13.7
% of net sales	%	-1.2	0.4	0.8	0.3	1.0
Profit for the period	EUR million	-20.7	4.8	8.6	3.2	10.1
% of net sales	%	-1.4	0.3	0.6	0.2	0.8

<b>Consolidated balance sheet</b>	<b>EUR million</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Non-current assets		347.5	419.1	539.3	537.3	509.9
Goodwill		35.2	61.1	273.5	278.7	270.5
Current assets		587.1	541.8	553.9	628.3	520.7
Inventories		162.9	148.5	229.2	250.1	234.2
Equity attributable to the parent company shareholders		171.3	225.6	216.8	169.6	157.2
Liabilities total		763.4	735.4	876.4	996.0	873.4
Interest-bearing liabilities		117.7	136.9	209.9	295.3	190.3
Non-interest-bearing liabilities		645.7	598.4	666.5	700.8	683.1
Total assets		934.7	960.9	1,093.2	1,165.6	1,030.6

Key figures		2023	2022	2021	2020	2019
Equity ratio*	%	18.5	23.8	20.1	14.8	15.5
Equity per share*	EUR	0.94	1.24	1.20	0.94	0.87
Return on capital employed (ROCE)*	%	-1.6	2.4	4.6	5.0	4.1
Return on equity*	%	-10.4	2.2	5.9	6.9	4.9
Net interest-bearing debt*	EUR million	-20.6	-23.7	100.8	127.1	119.6
Gearing*	%	-12.1	-10.5	46.5	75.0	76.1
Earnings per share from continuing operations	EUR	-0.11	0.03	0.05	0.02	0.06
Earnings per share incl. discontinued operations	EUR	-0.11	-0.01	0.06	0.06	0.04
Average number of shares**	pcs	181,389,629	181,371,235	181,341,203	181,388,782	181,394,589
Average number of personnel from continuing operations, full time equivalents	pers.	800	914	1,077	1,091	1,126
Gross capital expenditure incl. discontinued operations	EUR million	3.5	8.4	22.8	32.8	21.8

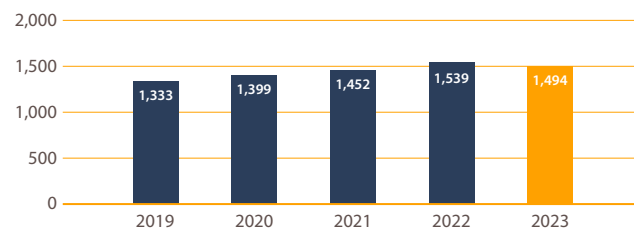
\* The comparative figures include discontinued operations.

\*\* Company-owned treasury shares are not included.

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

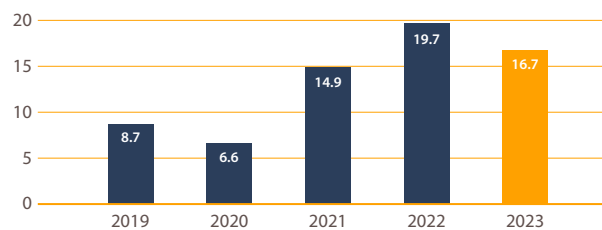
#### Net sales

EUR million



#### Adjusted EBIT

EUR million



## 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	2023	2022
Net sales	1,493.8	1,539.1
+ Acquisition cost of consignment stock	2,093.4	2,028.9
+ Cash discounts	0.0	0.1
+ Exchange rate differences on sales	0.5	0.0
<b>Invoicing</b>	<b>3,587.7</b>	<b>3,568.0</b>

#### Adjusted EBIT

EUR million	2023	2022
EBIT	-5.3	9.5
- Adjusting items included in EBIT	21.9	10.2
<b>Adjusted EBIT</b>	<b>16.7</b>	<b>19.7</b>

### Alternative performance measures on a constant currency basis

EUR million	2023	2022
Invoicing	3,587.7	3,568.0
Translation difference	182.5	110.7
Invoicing calculated on a constant currency basis	3,770.3	3,678.7
Net sales	1,493.8	1,539.1
Translation difference	75.6	48.6
Net sales calculated on a constant currency basis	1,569.5	1,587.7
Adjusted EBIT	16.7	19.7
Translation difference	0.4	0.4
Adjusted EBIT calculated on a constant currency basis	17.1	20.2

### 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 currency basis 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), %	= $\frac{\text{EBIT}}{\text{Total assets} - \text{Non-interest-bearing liabilities (average between the beginning and the end of the year)}} \times 100$	Return on capital employed measures how efficiently the Group generates profits from its capital employed.
Return on equity (ROE), %	= $\frac{\text{Profit for the period}}{\text{Equity total (average between the beginning and the end of the year)}} \times 100$	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, %	= $\frac{\text{Net debt}}{\text{Equity total}} \times 100$	Gearing provides information of the Group's financial risk level and the level on the Group's indebtedness.
Equity ratio, %	= $\frac{\text{Equity total}}{\text{Total assets} - \text{Advances received}} \times 100$	Equity ratio provides information on the Group's financial risk level and the level of the Group's capital used in operations.

Financial Statements **2023**

## Consolidated statement of comprehensive income (IFRS)

EUR million	Note	2023	2022*
<b>Continuing operations</b>			
<b>Net sales</b>	<b>4.2.</b>	<b>1,493.8</b>	<b>1,539.1</b>
Other operating income	4.2.	2.9	5.8
Materials and supplies	4.3.	-1,334.1	-1,353.2
Employee benefit expenses	4.4.	-52.8	-61.1
Other operating expenses	4.3.	-79.8	-95.9
Depreciation, amortisation and impairments	6.1./6.2.	-35.4	-25.2
<b>EBIT</b>		<b>-5.3</b>	<b>9.5</b>
Financial income and expenses	8.1.	-7.6	-0.7
Share of results in joint venture	10.4.	-4.8	-2.0
<b>Profit before taxes</b>		<b>-17.6</b>	<b>6.9</b>
Income taxes	9.1.	-3.1	-2.1
<b>Profit for the period from continuing operations</b>		<b>-20.7</b>	<b>4.8</b>
Profit for the period from discontinued operations	10.3.	-	-7.2
<b>Profit for the period</b>		<b>-20.7</b>	<b>-2.4</b>
<b>Other comprehensive income</b>			
<b>Items which may be reclassified subsequently to profit or loss:</b>			
Translation differences recognised in comprehensive income during the reporting period		0.1	40.8
Translation differences reclassified to profit and loss during the reporting period		-	-29.0
Cash flow hedge	8.3.	-1.8	2.8
Income tax relating to other comprehensive income	9.1.	0.4	-0.6
		<b>-1.4</b>	<b>13.9</b>
<b>Items which will not be reclassified to profit or loss:</b>			
Financial assets recognised at fair value through other comprehensive income	8.2.	-20.6	-
Actuarial gains/losses on defined benefit plans	4.4.	-1.4	5.2
Income tax relating to other comprehensive income	9.1.	0.3	-1.1
		<b>-21.7</b>	<b>4.2</b>
<b>Total comprehensive income for the period</b>		<b>-43.8</b>	<b>15.7</b>

EUR million	Note	2023	2022*
<b>Profit attributable to</b>			
Parent company shareholders		-20.7	-2.4
<b>Total comprehensive income attributable to</b>			
Parent company shareholders		-43.8	15.7
<b>Earnings per share attributable to parent company shareholders:</b>			
<b>Basic earnings per share, EUR</b>			
From continuing operations	8.5.	-0.11	0.03
From discontinued operations	8.5.	-	-0.04
From profit for the period	8.5.	-0.11	-0.01
<b>Diluted earnings per share, EUR</b>			
From continuing operations	8.5.	-0.11	0.03
From discontinued operations	8.5.	-	-0.04
From profit for the period	8.5.	-0.11	-0.01

\* Comparative information has been restated due to a correction of an error in the elimination of net sales and cost of goods sold. The gross effect on the total correction was EUR 23.6 million. The correction has no impact on the Group's profit or the statement of financial position.

Year 2022 EBIT has been changed retroactively and no longer includes the share of result in joint venture (presented below EBIT).

## Consolidated statement of financial position (IFRS)

EUR million	Note	2023	2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6.1.	45.0	57.7
Goodwill	6.2.	35.2	61.1
Other intangible assets	6.2.	16.0	20.6
Investments in joint ventures	10.4.	235.4	240.4
Other non-current assets	6.3.	15.5	38.3
Deferred tax assets	9.2.	0.4	1.2
<b>Non-current assets total</b>		<b>347.5</b>	<b>419.1</b>
<b>Current assets</b>			
Inventories	5.2.	162.9	148.5
Trade receivables	5.1.	259.5	226.8
Income tax receivables	5.1.	0.6	1.1
Other receivables	5.1.	13.8	4.7
Cash and cash equivalents	8.2.	138.4	160.6
Assets held for sale	10.3.	12.0	-
<b>Current assets total</b>		<b>587.1</b>	<b>541.8</b>
<b>ASSETS TOTAL</b>		<b>934.7</b>	<b>960.9</b>

EUR million	Note	2023	2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		36.2	36.2
Fair value reserve		6.6	28.7
Contingency fund		19.4	19.4
Invested unrestricted equity reserve		74.8	74.8
Other reserves		0.1	0.1
Translation differences		-16.7	-16.7
Retained earnings		50.8	83.2
<b>Equity attributable to the parent company shareholders</b>	<b>8.4.</b>	<b>171.3</b>	<b>225.6</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	9.2.	2.9	4.9
Pension obligations	4.4.	13.4	11.8
Interest-bearing liabilities	8.2.	7.1	69.9
Other non-current liabilities	5.3.	0.8	0.7
<b>Non-current liabilities total</b>		<b>24.3</b>	<b>87.3</b>
<b>Current liabilities</b>			
Trade payables	5.3.	607.5	557.3
Interest-bearing liabilities	8.2.	110.7	67.0
Income tax payables	5.3.	0.1	1.0
Other current liabilities	5.3.	19.1	22.8
Liabilities related to assets held for sale	10.3.	1.8	-
<b>Current liabilities total</b>		<b>739.1</b>	<b>648.0</b>
<b>EQUITY AND LIABILITIES TOTAL</b>		<b>934.7</b>	<b>960.9</b>



## Consolidated statement of cash flows (IFRS)

EUR million	Note	2023	2022
<b>Net cash flow from operating activities</b>			
Profit for the period		-20.7	-2.4
Adjustments			
Depreciation and amortisation	6.1./6.2.	13.8	18.3
Impairment	6.1./6.2.	21.6	9.8
Share of results in joint venture	6.3.	4.8	2.0
Financial income and expenses	8.1.	7.6	5.5
Loss on sale of discontinued operations	10.3.	-	29.4
Income taxes	9.1.	3.1	7.9
Change in pension asset and pension obligation		0.2	0.4
Other adjustments		1.7	-1.3
		32.0	69.6
Change in working capital			
Change in current receivables increase (-)/ decrease (+)		-38.6	-12.0
Change in inventories increase (-)/ decrease (+)		-14.9	10.8
Change in non-interest-bearing current liabilities increase (+)/ decrease (-)		40.4	28.8
		-13.2	27.7
Interest paid and other financial expenses		-9.0	-16.6
Interest received and other financial income		4.1	1.2
Income taxes paid		-4.4	-4.0
<b>Net cash flow from operating activities</b>		<b>9.6</b>	<b>77.9</b>
<b>Net cash flow from investing activities</b>			
Investments in property, plant and equipment and intangible assets	6.1./6.2.	-3.6	-8.5
Proceeds from sales of property, plant and equipment and intangible assets	6.1./6.2.	0.0	0.4
Investments in joint ventures	10.4.	-	24.3
Investments in other shares and shareholdings	6.3.	-	-0.0
Sales of business operations, net of cash disposed		-	3.2
Sales of discontinued operations, net of cash disposed	10.3.	-	-16.3
<b>Net cash flow from investing activities</b>		<b>-3.5</b>	<b>3.0</b>

EUR million	Note	2023	2022
<b>Net cash flow from financing activities</b>			
Repayments of long-term loans		-2.0	-2.0
Change in other current financing *		-11.9	-4.2
Amortisations of lease liabilities		-3.5	-15.7
Purchasing of own shares		-0.1	-0.1
Dividends paid		-10.9	-7.3
<b>Net cash flow from financing activities</b>		<b>-28.3</b>	<b>-29.3</b>
Net change in cash and cash equivalents		-22.3	51.6
Cash and cash equivalents at the beginning of the period		160.6	109.1
Translation differences		0.0	-0.1
Net change in cash and cash equivalents		-22.3	51.6
<b>Cash and cash equivalents at the end of the period</b>	<b>8.2.</b>	<b>138.4</b>	<b>160.6</b>

\* Includes cash flows from commercial papers.

## Consolidated statement of changes in equity (IFRS)

EUR million	Note	Share capital	Funds	Translation differences	Retained earnings	Equity total
<b>Equity 1 January 2022</b>		<b>36.2</b>	<b>120.7</b>	<b>-28.5</b>	<b>88.3</b>	<b>216.8</b>
Comprehensive income for the period						
Net profit for the period		-	-	-	-2.4	-2.4
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
<b>Comprehensive income for the period, total</b>		<b>-</b>	<b>2.2</b>	<b>11.7</b>	<b>1.8</b>	<b>15.7</b>
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
<b>Transactions with owners, total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-6.9</b>	<b>-6.9</b>
<b>Equity 31 December 2022</b>		<b>36.2</b>	<b>122.9</b>	<b>-16.7</b>	<b>83.2</b>	<b>225.6</b>
Comprehensive income for the period						
Net profit for the period		-	-	-	-20.7	-20.7
Other comprehensive income:						
Financial assets recognised at fair value through other comprehensive income:						
Change in fair value	8.2.	-	-20.6	-	-	-20.6
Cash flow hedge	8.3.	-	-1.8	-	-	-1.8
Actuarial gains and losses	4.4.	-	-	-	-1.4	-1.4
Income tax relating to other comprehensive income	9.1.	-	0.4	-	0.3	0.7
Translation difference		-	-	0.1	-	0.1
<b>Comprehensive income for the period, total</b>		<b>-</b>	<b>-22.1</b>	<b>0.1</b>	<b>-21.8</b>	<b>-43.8</b>
Transactions with owners						
Dividend distribution	8.5.	-	-	-	-10.9	-10.9
Share-based incentive	4.4.	-	-	-	0.5	0.5
Purchase of own shares		-	-	-	-0.1	-0.1
<b>Transactions with owners, total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-10.5</b>	<b>-10.5</b>
<b>Equity 31 December 2023</b>		<b>36.2</b>	<b>100.9</b>	<b>-16.7</b>	<b>50.8</b>	<b>171.3</b>

## 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 2024. 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 2023. 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 2023. 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 2023. 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.

From the beginning of 2023, Oriola has reported its share of the net result in the Swedish Pharmacy Holding AB under the EBIT line in the consolidated statement of comprehensive income. Comparative information has been restated accordingly. In 2022 consolidated financial statements the share of the net result was

reported above the EBIT line. The change clarifies the reporting and communication of Oriola's own operations performance and profitability.

Comparative information has been restated due to a correction of an error in elimination of net sales and cost of goods sold. The cross effect on the total correction was EUR 23.6 million. The correction has no impact on the Group's profit or the statement of financial position.

In October 2023, Oriola signed an agreement to sell all shares in Svensk dos AB to Apotekstjänst Sverige AB, and is thereby exiting the dose dispensing business in Sweden. The transaction is subject to the approval of the Swedish Competition Authority and is expected to be completed no later than in the second quarter of 2024. Svensk dos AB was classified as held for sale in the consolidated financial statements starting from October 2023.

### 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. The application of accounting principles also requires judgement.

#### Use of judgements

Information about judgements the Group management has made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Item	Nature of management judgement	Note
Revenue recognition	Principal vs. agent assessment	4.2.
Other shares	Changes in the fair value of the investment	6.3.
Lease liabilities	Determining lease term for contracts	7.1.

#### Estimates and assumptions

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

Item	Nature of assumptions and estimates	Note
Defined benefits	Key actuarial assumptions	4.4.
Impairment testing	Projection parameters and key assumptions used in determining the underlying recoverable amounts	6.2.

### 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 segment.

At the beginning of 2022, Oriola implemented a country-based organisation with two business areas, Oriola Finland and Oriola Sweden. Oriola reports these operations as one reportable segment. From the beginning of 2024 Oriola's reporting segments will be Distribution and Wholesale.

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.

#### Adjusting items

Adjusting items included in EBIT EUR million	2023	2022
Restructuring costs	-0.2	-0.5
Impairments and write-downs	-21.6	-9.8
Other	-0.2	0.1
<b>Total</b>	<b>-21.9</b>	<b>-10.2</b>

Adjusting items in 2023 include an impairment loss on goodwill totalling EUR 21.4 million in the dose dispensing cash generating unit and a write-down of assets of EUR 0.2 million at Brunna warehouse, which was closed. Restructuring costs in 2023 relate to expert services and other adjusting items relate to the sale of dose dispensing business in Sweden.

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.

#### Geographical information

EUR million 2023	Sweden	Finland	Other countries	Total
Sales to external customers	836.7	536.5	120.7	1,493.8
Non-current assets*	55.1	290.2	-	345.3
Investments	0.8	2.7	-	3.5
Average number of personnel, full time equivalents	389	411	-	800

EUR million 2022	Sweden	Finland	Other countries	Total
Sales to external customers	917.3	508.4	113.4	1,539.1
Non-current assets*	81.5	332.5	-	414.0
Investments	1.4	2.0	-	3.4
Average number of personnel, full time equivalents	466	448	-	914

\* Non-current assets exclude financial instruments and deferred tax assets.

## 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 and other healthcare and wellbeing products 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 judgements:** 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 where 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. Oriola is the principal if it controls the goods and services before they are provided to the customer. Analysis of the agreements and the related revenue recognition method requires management judgement, considering various contractual terms. In such cases, the Group assesses, for example, whether Oriola has the primary responsibility for the supply of the goods or services in question, the risk associated with inventories and the discretion to determine the price of the goods and services.

#### Net sales by currency

Million	2023		2022	
	SEK	EUR	SEK	EUR
Sweden	10,864.3	946.5	10,846.7	1,020.4
Finland		547.4		518.7
<b>Total</b>		<b>1,493.8</b>		<b>1,539.1</b>

#### Disaggregation of revenue

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

EUR million	2023	2022
Wholesale	1,347.8	1,311.5
Other*	146.1	227.6
<b>Total</b>	<b>1,493.8</b>	<b>1,539.1</b>

\* 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 2023	31 Dec 2022
Advances received from pharmacies	10.4	11.8
Advances received related to other services	0.2	0.2
<b>Total</b>	<b>10.6</b>	<b>12.0</b>

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.

#### Other operating income

EUR million	2023	2022
Gains on sales of tangible and intangible assets	0.0	0.0
Rental income	0.2	0.5
Service charges	1.3	0.6
Other operating income	1.4	4.7
<b>Total</b>	<b>2.9</b>	<b>5.8</b>

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 procurement.

#### Materials and supplies

EUR million	2023	2022
Purchases during the period	1,348.1	1,346.0
Change in inventories	-13.8	7.3
Products for own use	-0.1	0.0
Foreign exchange differences	-0.1	-0.1
<b>Total</b>	<b>1,334.1</b>	<b>1,353.2</b>

#### Materials and supplies by currency

Million	2023	
	SEK	EUR
Sweden	9,857.4	858.7
Finland		475.3
<b>Total</b>		<b>1,334.1</b>

Million	2022	
	SEK	EUR
Sweden	9,629.4	905.9
Finland		447.3
<b>Total</b>		<b>1,353.2</b>

**Other operating expenses**

EUR million	2023	2022
Freights and other variable costs	32.4	38.0
Marketing	0.4	0.4
Information management	9.3	10.5
Premises	5.9	5.1
External services	21.8	30.1
Other operating expenses	9.9	11.9
<b>Total</b>	<b>79.8</b>	<b>95.9</b>

**Audit fees**

EUR million	2023	2022
To member firms of KPMG network		
Audit related services	0.3	0.3
<b>Total</b>	<b>0.3</b>	<b>0.3</b>

**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. Share-based payments are paid in cash and in equity.

**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	2023	2022
Wages, salaries and bonuses	39.8	45.3
Share-based payments	0.5	0.6
Pension costs		
Defined contribution plans	5.2	5.9
Defined benefit plans	0.3	0.4
Other personnel expenses	7.0	8.8
<b>Total</b>	<b>52.8</b>	<b>61.1</b>

Government grants were not received in 2023 and in 2022.

**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 0.5 million during 2024 financial year. The weighted average duration of the defined benefit obligation is 19.4 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	2023	2022
Present value of funded obligations	14.8	13.2
Fair value of plan assets	-1.4	-1.4
Deficit/surplus	13.4	11.8
Net liability (+) / assets (-) in the statement of financial position	13.4	11.8

#### Change in defined benefit obligation and plan assets:

EUR million	Present value of funded obligation	Fair value of plan assets	Total
<b>1 Jan 2022</b>	<b>20.0</b>	<b>-2.0</b>	<b>18.0</b>
Current service cost	0.8	-	<b>0.8</b>
Interest cost or income	0.3	-0.0	<b>0.3</b>
	21.0	-2.0	<b>19.0</b>
Remeasurements			
Actuarial gains (-) and losses (+) arising from changes in demographical assumptions	0.5	-	<b>0.5</b>
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	-7.3	0.4	<b>-6.9</b>
Experience profits (-) or losses (+)	1.2	-	<b>1.2</b>
	15.4	-1.6	<b>13.8</b>
Differences in foreign exchange rates	-1.4	-	<b>-1.4</b>
Contributions			
Plan participants	-	-0.0	<b>-0.0</b>
Expenses arising from the plans			
Benefits paid	-0.7	0.2	<b>-0.6</b>
<b>31 Dec 2022</b>	<b>13.2</b>	<b>-1.4</b>	<b>11.8</b>
Current service cost	0.4	-	<b>0.4</b>
Interest cost or income	0.5	-0.1	<b>0.4</b>
	14.1	-1.5	<b>12.6</b>
Remeasurements			
Actuarial gains (-) and losses (+) arising from changes in demographical assumptions	0.2	-	<b>0.2</b>
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	0.7	0.1	<b>0.8</b>
Experience profits (-) or losses (+)	0.5	-	<b>0.5</b>
	15.4	-1.4	<b>14.0</b>
Differences in foreign exchange rates	0.1	-	<b>0.1</b>
Contributions			
Plan participants	-	-0.1	<b>-0.1</b>
Expenses arising from the plans			
Benefits paid	-0.7	0.2	<b>-0.5</b>
<b>31 Dec 2023</b>	<b>14.8</b>	<b>-1.4</b>	<b>13.4</b>

Significant actuarial assumptions 31 Dec:	2023	2022
Discount rate (%)	3.10-4.00	3.60-3.70
Salary increases (%)	2.80-3.40	2.90-3.60

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 10.3
Increase in discount rate	+0.5	reduce by 9.1
Increase in salaries	+0.5	increase by 1.9
Increase in benefits	+0.5	increase by 10.1

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

Oriola has a share-based long-term incentive plan for the company's key employees, including the CEO and the Oriola Management Team.

The incentive plan comprises a Performance Share Plan (the "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 (the "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 (CO2). The first plan, PSP 2022, commenced 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 0.4 (0.2) million in 2023.

#### 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 (CO2). 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 (0.1) million in 2023.

#### 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, commenced 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

The share savings plan for the key personnel that Oriola Corporation has had since 2013 was terminated in 2022 and a total of 22,138 Oriola Corporation's class B treasury shares were conveyed in 2023 without consideration to the key personnel who participated in the plan.

## 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 allowance for all trade receivables. Loss allowances 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	2023	2022
Trade receivables	259.5	226.8
Income tax receivables	0.6	1.1
Prepaid expenses and accrued income	2.0	2.1
VAT receivables	10.4	1.7
Rental prepayments	-0.1	0.1
Prepayments	0.0	0.0
Other receivables	1.5	0.8
<b>Total</b>	<b>273.9</b>	<b>232.7</b>

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 97.1 (100.8) million on the balance sheet date. No significant changes are anticipated in the scope of the agreements to sell trade receivables in 2024.

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 10.4 (11.8) 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 loss allowance of trade receivables at the closing date

EUR million	2023		2022	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Not past due	239.3	-0.0	220.2	-0.0
Past due 1 - 30 days	7.7	-0.0	5.4	-0.0
Past due 31 - 180 days	12.9	-0.2	1.4	-0.0
Past due more than 180 days	-0.0	-0.1	-0.1	0.0
<b>Total</b>	<b>259.8</b>	<b>-0.3</b>	<b>226.9</b>	<b>-0.0</b>

The carrying amount 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	2023	2022
Raw materials and consumables	0.1	0.1
Work in progress	0.0	0.6
Finished goods	162.8	147.8
<b>Total</b>	<b>162.9</b>	<b>148.5</b>

The inventories as of 31 December 2023 included pharmaceuticals and health related products. No significant valuation allowances have been recognised on inventories.

## 5.3. Trade payables and other liabilities

EUR million	2023	2022
Trade payables	607.5	557.3
Income tax payables	0.1	1.0
Accrued liabilities	10.8	15.0
Derivatives measured at fair value through profit and loss	0.6	0.0
VAT liabilities	5.6	5.9
Other current liabilities	2.1	1.8
<b>Total</b>	<b>626.7</b>	<b>581.0</b>

### Material items included in accrued liabilities

EUR million	2023	2022
Accrued wages, salaries and social security payments	7.9	10.7
Other accrued liabilities	2.9	4.3
<b>Total</b>	<b>10.8</b>	<b>15.0</b>

### Other non-current liabilities

EUR million	2023	2022
Derivatives	0.4	0.5
Other non-current liabilities *	0.4	0.3
<b>Total</b>	<b>0.8</b>	<b>0.7</b>

\* 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 2023 and 2022 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. Impairment of tangible assets is disclosed in the note 6.2.

#### Property, plant and equipment

EUR million 2023	Land and water	Buildings and constructions	Machinery and equipment	Right-of-use assets*	Other tangible assets	Advance payments and construction in progress	Total
Historical cost 1 Jan 2023	1.8	59.7	60.0	31.6	0.7	3.4	157.2
Increases	-	0.5	0.4	3.2	0.1	0.4	4.7
Decreases	-	-0.2	-2.9	-6.5	-0.0	-0.0	-9.6
Reclassifications	-	0.1	0.2	-	-	-0.3	0.0
Transfer to assets held for sale (note 10.3.)	-	-	-5.4	-3.6	-0.2	-	-9.3
Foreign exchange rate differences	0.0	0.0	0.1	0.1	0.0	0.0	0.2
<b>Historical cost 31 Dec 2023</b>	<b>1.8</b>	<b>60.1</b>	<b>52.4</b>	<b>24.7</b>	<b>0.5</b>	<b>3.5</b>	<b>143.2</b>
Accumulated depreciation 1 Jan 2023	-	-42.6	-35.5	-17.8	0.3	-3.2	-99.5
Accumulated depreciation related to decreases and reclassifications	-	0.2	2.3	1.6	-	-	4.1
Depreciation for the financial year	-	-1.7	-4.3	-3.1	-0.1	-	-9.1
Impairments	-	-	-0.2	-	-	-	-0.2
Transfer to assets held for sale (note 10.3.)	-	-	3.4	3.3	0.1	-	6.9
Foreign exchange rate differences	-	-0.0	-0.2	-0.1	-0.0	-0.0	-0.3
<b>Accumulated depreciation 31 Dec 2023</b>	<b>-</b>	<b>-44.1</b>	<b>-34.4</b>	<b>-16.1</b>	<b>-0.3</b>	<b>-3.3</b>	<b>-98.2</b>
Carrying amount 1 Jan 2023	1.8	17.1	24.5	13.8	0.3	0.1	57.7
<b>Carrying amount 31 Dec 2023</b>	<b>1.8</b>	<b>16.0</b>	<b>18.0</b>	<b>8.6</b>	<b>0.3</b>	<b>0.3</b>	<b>45.0</b>
<b>2022</b>							
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	-40.6	-189.0	-39.3	-2.2	-271.2
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
<b>Historical cost 31 Dec 2022</b>	<b>1.8</b>	<b>59.7</b>	<b>60.0</b>	<b>31.6</b>	<b>0.7</b>	<b>3.4</b>	<b>157.2</b>
Accumulated depreciation 1 Jan 2022	-	-41.3	-71.2	-162.0	-28.1	-	-302.5
Accumulated depreciation related to disposal of operations	-	-	35.5	129.7	25.8	-	191.0
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
<b>Accumulated depreciation 31 Dec 2022</b>	<b>-</b>	<b>-42.6</b>	<b>-35.5</b>	<b>-17.8</b>	<b>-0.3</b>	<b>-3.2</b>	<b>-99.5</b>
Carrying amount 1 Jan 2022	1.9	18.8	31.2	79.4	14.9	9.8	155.9
<b>Carrying amount 31 Dec 2022</b>	<b>1.8</b>	<b>17.1</b>	<b>24.5</b>	<b>13.8</b>	<b>0.3</b>	<b>0.1</b>	<b>57.7</b>

\* Decreases in 2023 mainly relate to Brunna warehouse, which was closed. For more details about the right-of-use assets please refer to section 7. Leases.

## 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

## 6.2. Goodwill and other intangible assets

EUR million	Goodwill	Intangible rights	Other intangible assets*	Advance payments and construction in progress**	Total
<b>2023</b>					
Historical cost 1 Jan 2023	61.1	20.1	32.4	7.0	120.6
Increases	-	0.1	0.1	1.8	2.0
Decreases	-	-0.6	-1.9	-5.9	-8.4
Impairments	-21.4	-	-	-	-21.4
Reclassifications	-	0.5	0.1	-0.6	-0.0
Transfer to assets held for sale (note 10.3.)	-4.5	-4.5	-	-	-9.0
Foreign exchange rate differences	0.0	0.0	-	0.0	0.0
<b>Historical cost 31 Dec 2023</b>	<b>35.2</b>	<b>15.5</b>	<b>30.8</b>	<b>2.4</b>	<b>83.9</b>
Accumulated amortisation 1 Jan 2023	-	-17.6	-14.9	-6.4	-38.9
Accumulated amortisation related to decreases and reclassifications	-	0.6	1.9	5.9	8.4
Amortisation for the financial year	-	-0.6	-4.2	-	-4.7
Transfer to assets held for sale (note 10.3.)	-	2.6	-	-	2.6
Foreign exchange rate differences	-	-0.0	-	-0.0	-0.0
<b>Accumulated amortisation 31 Dec 2023</b>	<b>-</b>	<b>-15.1</b>	<b>-17.2</b>	<b>-0.5</b>	<b>-32.7</b>
Carrying amount 1 Jan 2023	61.1	2.5	17.5	0.6	81.7
<b>Carrying amount 31 Dec 2023</b>	<b>35.2</b>	<b>0.5</b>	<b>13.6</b>	<b>1.9</b>	<b>51.2</b>
<b>2022</b>					
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	-84.0	-0.8	-14.7	-296.1
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
<b>Historical cost 31 Dec 2022</b>	<b>61.1</b>	<b>20.1</b>	<b>32.4</b>	<b>7.0</b>	<b>120.6</b>
Accumulated amortisation 1 Jan 2022	-	-82.5	-15.6	-	-98.1
Accumulated amortisation related to disposal of operations (note 10.3.)	-	59.4	0.3	-	59.7
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
<b>Accumulated amortisation 31 Dec 2022</b>	<b>-</b>	<b>-17.6</b>	<b>-14.9</b>	<b>-6.4</b>	<b>-38.9</b>
Carrying amount 1 Jan 2022	273.5	28.8	19.9	22.3	344.5
<b>Carrying amount 31 Dec 2022</b>	<b>61.1</b>	<b>2.5</b>	<b>17.5</b>	<b>0.6</b>	<b>81.7</b>

\* Other intangible assets include significant expenses for installation and specialist work related to the implementation of computer software.

\*\* 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 0.2 million impairment of machinery and equipment related to Brunna warehouse in Sweden, which was closed.

In 2022, an impairment loss of EUR 3.4 million recorded in other tangible assets and EUR 6.4 million in other intangible assets not yet available for use relate to the earlier automation

development, outdated technology and partially implemented project that were discontinued.

### 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 2026. 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

Oriola announced in October 2023 that it will divest its dose dispensing business in Sweden and in the third quarter of the year recognised a goodwill impairment loss of EUR 21.4 million in the dose dispensing cash generating unit. 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 further impairment of goodwill was recognised in 2023. In 2022, no impairment of goodwill was recognised.

### GOODWILL AND PROJECTION PARAMETERS APPLIED

	Dose dispensing	Distribution services	Expert services
<b>2023</b>			
Goodwill	2.3	25.9	6.9
Pre-tax discount rate %	10.7	9.5	9.9
Terminal growth %	2.0	2.0	2.0
<b>2022</b>			
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

Goodwill of EUR 4.5 million relates to the dose dispensing business in Sweden and has been classified as held for sale in 2023. More information is presented in the note 10.3.

Sensitivity analysis for the following projection parameters have been performed: discount rate, EBIT percentage, terminal growth percentage, and net sales growth percentage. For Dose dispensing CGU the recoverable amount would equal the carrying amount if pre-tax rate increased 0.8 percentage points, or if EBIT percentage decreased 0.2 percentage points, or if terminal growth percentage decreased 0.9 percentage point, or if sales growth percentage decreased 0.8 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.

### 6.3. Other non-current assets

EUR million 2023	Other shares and share- holdings	Other non- current assets	Total
Carrying amount 1 Jan 2023	34.2	4.0	38.3
Decreases	-	-2.1	-2.1
Changes in fair value	-20.6	-	-20.6
Foreign exchange rate differences	-	0.0	0.0
<b>Carrying amount 31 Dec 2023</b>	<b>13.6</b>	<b>1.9</b>	<b>15.5</b>
<b>2022</b>			
Carrying amount 1 Jan 2022	34.2	0.7	34.9
Increases	-	3.4	3.4
Decreases	-0.0	-0.0	-0.0
Foreign exchange rate differences	-0.0	-0.0	-0.0
<b>Carrying amount 31 Dec 2022</b>	<b>34.2</b>	<b>4.0</b>	<b>38.3</b>

#### 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. Doktor.se offers personal digital healthcare services to its customers. Doktor.se has a comprehensive organisation with specialist nurses, doctors and psychologists.

The applied valuation method for the shares in Doktor.se is based on realised transactions. In 2023, a decrease of EUR 20.6 million was recognised in the fair value of shareholdings in Doktor.se due to the realised transactions at lower price.

Oriola's ownership at the end of the reporting period was approximately 5% of the total number of shares in Doktor.se. Oriola's ownership of shares in Doktor.se has not changed during years 2022 and 2023.

**Use of judgements:** 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 5 or 6 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 sales or usage. 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:** The Group's most significant leases relate to the office and warehouse premises, for which the management has taken into account the location of the premises, their importance to the Group's operations and the availability of the alternative premises when determining the lease term. The probable lease term for the leases, which are valid until further notice is estimated based on the business plans, taking into account the costs of termination. 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	2023	2022
Real estate	7.5	13.1
IT equipment	0.0	0.0
Vehicles	1.0	0.5
Other machinery and equipment	0.1	0.1
<b>Total</b>	<b>8.6</b>	<b>13.8</b>

### Lease liabilities

EUR million	2023	2022
Current	2.8	3.4
Non-current	6.1	10.9
<b>Total</b>	<b>8.9</b>	<b>14.3</b>

Additions to the right-of-use assets during year 2023 were EUR 3.2 (5.5) 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	2023	2022
Depreciation charge of right-of-use assets		
Real estate	-2.6	-3.5
IT equipment	-0.0	-0.1
Vehicles	-0.4	-0.4
Other machinery and equipment	-0.0	-0.0
<b>Total depreciation</b>	<b>-3.1</b>	<b>-4.0</b>
Interest expense (included in financial expenses)	-0.3	-0.4
Expense relating to short-term leases		
Expense relating to short-term leases (included in other operating expenses)	-0.1	-0.2
Expense relating to leases of low-value assets (included in other operating expenses)	-0.3	-0.3
Gains from changes in leases (included in other operating income)	0.1	0.1

The total cash outflow for leases in 2023 was EUR 4.3 (4.6) 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 3.76% (2.59%) in 2023.

#### Financial income and expenses

EUR million	2023	2022
<b>Financial income</b>		
Interest income on financial assets measured at amortised cost	1.8	3.8
Interest income on financial assets and liabilities recognised at fair value	0.0	0.3
Changes in fair values of financial assets and liabilities recognised at fair value, net	0.1	-
Foreign exchange rate gains from financial assets and liabilities measured at amortised cost, net	-	2.1
<b>Total</b>	<b>2.0</b>	<b>6.2</b>
<b>Financial expenses</b>		
Interest expenses on financial liabilities measured at amortised cost	5.0	1.8
Interest expenses on leases	0.3	0.4
Changes in fair values of financial assets and liabilities recognised at fair value, net	-	1.9
Foreign exchange rate losses on financial assets and liabilities measured at amortised cost, net	0.2	-
Other financial expenses	4.1	2.9
<b>Total</b>	<b>9.6</b>	<b>6.9</b>
<b>Financial income and expenses, total</b>	<b>-7.6</b>	<b>-0.7</b>

Other financial expenses are mainly related to the sale of trade receivables in Sweden.

### 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 assets and liabilities by category

EUR million	Note	2023			2022		
		Fair value	Book value	Hierarchy	Fair value	Book value	Hierarchy
<b>Derivatives designated as hedges</b>	8.3	1.8	1.8	Level 2	3.3	3.3	Level 2
<b>Financial assets recognised at fair value through profit and loss</b>							
Derivatives measured at fair value through profit and loss	8.3.	0.9	0.9	Level 2	0.8	0.8	Level 2
Other investments measured at fair value through OCI	6.3.	13.6	13.6	Level 3	34.2	34.2	Level 3
Trade receivables for sale	5.1.	8.0	8.0	Level 2	6.1	6.1	Level 2
<b>Financial assets measured at amortised cost</b>							
Cash equivalents		138.4	138.4	Level 2	160.6	160.6	Level 2
Trade receivables and other receivables	5.1.	254.0	254.0	Level 2	223.6	223.6	Level 2
<b>Financial assets, total</b>		<b>416.8</b>	<b>416.8</b>		<b>428.6</b>	<b>428.6</b>	
<b>Derivatives designated as hedges</b>	8.3.	0.4	0.4	Level 2	-	-	Level 2
<b>Financial liabilities recognised at fair value through profit and loss</b>							
Derivatives measured at fair value through profit and loss	8.3.	0.6	0.6	Level 2	0.5	0.5	Level 2
<b>Financial liabilities measured at amortised cost</b>							
Non-current interest-bearing liabilities		7.1	7.1	Level 2	69.9	69.9	Level 2
Current interest-bearing liabilities		110.7	110.7	Level 2	67.0	67.0	Level 2
Trade payables and other current liabilities	5.3.	620.2	620.2	Level 2	573.9	573.9	Level 2
<b>Financial liabilities, total</b>		<b>738.9</b>	<b>738.9</b>		<b>711.3</b>	<b>711.3</b>	

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	2023	2022
Carrying amount 1 Jan	34.2	34.2
Change in fair value	-20.6	-
Carrying amount 31 Dec	13.6	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 2023 a decrease of EUR 20.6 million was recognised in the fair value of shareholdings in Doktor.se due to the realised transactions. 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	2023	2022
Loans from financial institutions	1.0	59.1
Lease liabilities	6.1	10.9
<b>Total</b>	<b>7.1</b>	<b>69.9</b>

#### Current

EUR million	2023	2022
Loans from financial institutions	58.1	2.0
Issued commercial papers	39.3	49.8
Advances received from pharmacies	10.4	11.8
Lease liabilities	2.8	3.4
<b>Total</b>	<b>110.7</b>	<b>67.0</b>

#### Interest-bearing liabilities by currency

EUR million	2023	2022
EUR	84.0	97.9
SEK	33.8	39.0
<b>Total</b>	<b>117.7</b>	<b>136.9</b>

### Net debt

EUR million	2023	2022
Loans from financial institutions	1.0	59.1
Lease liabilities	6.1	10.9
<b>Non-current interest-bearing liabilities</b>	<b>7.1</b>	<b>69.9</b>
Loans from financial institutions	58.1	2.0
Issued commercial papers	39.3	49.8
Advances received from pharmacies	10.4	11.8
Lease liabilities	2.8	3.4
<b>Current interest-bearing liabilities</b>	<b>110.7</b>	<b>67.0</b>
<b>Interest-bearing liabilities, total</b>	<b>117.7</b>	<b>136.9</b>
<b>Cash and cash equivalents</b>	<b>138.4</b>	<b>160.6</b>
<b>Net debt</b>	<b>-20.6</b>	<b>-23.7</b>

## Change in net debt

EUR million 2023	Loans from financial institutions	Commercial papers	Advances from pharmacies	Lease liabilities	Cash and cash equivalents	Total
Carrying value, at 1 January 2023	-61.1	-49.8	-11.8	-14.3	160.6	23.7
Change in net debt, cash:						
Repayments of non-current loans	2.0	-	-	-	-	2.0
Repayments of lease liabilities	-	-	-	3.5	-	3.5
Change in other current liabilities	-	10.5	1.4	-	-	11.9
Change in cash and cash equivalents	-	-	-	-	-22.3	-22.3
<b>Cash flows, total</b>	<b>2.0</b>	<b>10.5</b>	<b>1.4</b>	<b>3.5</b>	<b>-22.3</b>	<b>-4.9</b>
Change in net debt, non-cash:						
Change in lease liabilities	-	-	-	1.6	-	1.6
Changes arising from losing control of subsidiaries	-	-	-	0.2	-	0.2
Foreign exchange adjustments	-0.1	-	-	0.1	-0.0	0.1
<b>Non-cash movements, total</b>	<b>-0.1</b>	<b>-</b>	<b>-</b>	<b>1.9</b>	<b>-0.0</b>	<b>1.8</b>
<b>Carrying value, at 31 December 2023</b>	<b>-59.1</b>	<b>-39.3</b>	<b>-10.4</b>	<b>-8.9</b>	<b>138.4</b>	<b>20.6</b>
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 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
<b>Cash flows, total</b>	<b>2.0</b>	<b>-0.0</b>	<b>4.3</b>	<b>15.7</b>	<b>51.6</b>	<b>73.6</b>
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
<b>Non-cash movements, total</b>	<b>2.2</b>	<b>-</b>	<b>-</b>	<b>48.8</b>	<b>-0.1</b>	<b>50.9</b>
<b>Carrying value, at 31 December 2022</b>	<b>-61.1</b>	<b>-49.8</b>	<b>-11.8</b>	<b>-14.3</b>	<b>160.6</b>	<b>23.7</b>

### 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 (26.1) 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 0.0 (0.4) 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 66.2 (92.5) million. Translation risk sensitivity: A 10% weakening/strengthening of Swedish krona would have an impact of EUR -/+6.0 (-/+8.7) 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 an unsecured revolving credit facility agreement for a total of EUR 140 million. The facility is committed. In April 2023, the maturity of the agreement was extended by one year, and the revolving credit facility matures in June 2026. 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 34.5 (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 39.3 (49.8) million had been issued on the balance sheet date. Maturity distribution of financial assets and liabilities is presented on the following page. Oriola's cash and cash equivalents at the end of 2023 totalled EUR 138.4 (160.6) 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 -185.0 (-182.0) 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 2024.

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 97.1 (100.8) million in total on the balance sheet date. No significant changes are anticipated in the scope of the agreements to sell trade receivables in 2024.

**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 138.4 (160.6) million in cash assets, EUR 117.7 (136.9) million in interest-bearing liabilities, and EUR 97.1 (100.8) million from sales

of non-recourse trade receivables in Sweden. The interest-bearing liabilities at the end of 2023 include lease liabilities totalling EUR 8.9 (14.3) million. On the balance sheet date, a total of EUR 64.8 (64.8) million of the interest rate risk was hedged, which covers 61.7% (60.5%) of total sales of non-recourse trade receivables. 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 3.76% (2.59%), and the interest rate duration was 11 (13) months. Interest rate hedges are mainly long-term contracts. Oriola applies hedge accounting to part of the 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 -2.5 (-4.7) million (including derivatives) and on equity EUR 3.0 (5.6) 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 -0.3 (-0.0) 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 equity. The Group's long-term targets are to grow at the rate of the market, minimum 4%, adjusted EBIT margin above 3% and return on equity over 20%. In addition, Oriola's aim is to pay out an increasing annual dividend of 2/3 of its net profit.

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

#### Maturity distribution of financial assets and liabilities

<b>31 Dec 2023</b>					
EUR million	2024	2025	2026	2027>	Total
<b>Interest-bearing</b>					
Loans from financial institutions and commercial paper loans	97.5	1.0	-	-	<b>98.5</b>
Lease liabilities	2.8	2.4	2.1	1.6	<b>8.9</b>
Advance payments received	10.4	-	-	-	<b>10.4</b>
<b>Non-interest-bearing</b>					
Trade payables and other current liabilities	620.2	-	-	-	<b>620.2</b>
Receivables from interest rate swaps	-0.3	-0.8	-1.1	-	<b>-2.2</b>
Liabilities from interest rate swaps	-	-	-	0.4	<b>0.4</b>
Receivables from foreign currency derivatives	-76.0	-	-	-	<b>-76.0</b>
Payables on foreign currency derivatives	76.1	-	-	-	<b>76.1</b>
<b>Total</b>	<b>730.5</b>	<b>2.6</b>	<b>1.0</b>	<b>2.0</b>	<b>736.1</b>
Interest payments	3.6	0.2	0.1	0.0	3.8

<b>31 Dec 2022</b>					
EUR million	2023	2024	2025	2026>	Total
<b>Interest-bearing</b>					
Loans from financial institutions and commercial paper loans	51.8	58.1	1.0	-	<b>110.9</b>
Lease liabilities	3.4	3.0	2.7	5.2	<b>14.3</b>
Advance payments received	11.8	-	-	-	<b>11.8</b>
<b>Non-interest-bearing</b>					
Trade payables and other current liabilities	573.9	-	-	-	<b>573.9</b>
Receivables from interest rate swaps	-	-0.7	-1.4	-1.9	<b>-4.0</b>
Receivables from foreign currency derivatives	-115.5	-	-	-	<b>-115.5</b>
Payables on foreign currency derivatives	116.0	-	-	-	<b>116.0</b>
<b>Total</b>	<b>641.3</b>	<b>60.4</b>	<b>2.3</b>	<b>3.3</b>	<b>707.3</b>
Interest payments	3.1	2.5	0.2	0.2	5.9

## 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 to part of 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 2023	Positive fair value	Negative fair value	Nominal value
<b>Derivatives recognised as cash flow hedges</b>			
Interest rate swaps, in hedge accounting	1.8	0.4	54.1
<b>Derivatives measured at fair value through profit and loss</b>			
Interest rate swaps	0.3	-	10.8
Foreign currency forward and swap contracts	0.6	0.6	75.5
<b>Total</b>	<b>2.8</b>	<b>1.0</b>	<b>140.4</b>

### 2022

<b>Derivatives recognised as cash flow hedges</b>			
Interest rate swaps, in hedge accounting	3.3	-	53.9
<b>Derivatives measured at fair value through profit and loss</b>			
Interest rate swaps	0.7	-	10.8
Foreign currency forward and swap contracts	0.1	0.5	115.4
<b>Total</b>	<b>4.1</b>	<b>0.5</b>	<b>180.2</b>

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 2.8 (4.1) for Oriola and EUR 1.0 (0.5) 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 2023 stood at EUR 147,899,766.14. All issued shares have been paid up in full. There were no changes in share capital in 2023.

**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. At the balance sheet date, the change in fair value of financial assets measured at fair value through other comprehensive income recognised in the fair value reserve totalled EUR -20.6 million. The change in fair value of derivative financial instruments recognised in the reserve totalled EUR -1.5 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 2023, and the fund stood at EUR 19.4 million on 31 December 2023.

### 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 2023, and the fund stood at EUR 74.8 million on 31 December 2023.

**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 2023, 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 2023 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 87,426 treasury shares, of which 63,650 are class A shares and 23,776 are class B shares. The treasury shares held by the company account for 0.05% of the company's shares and 0.11% of the votes.

**Share trading and prices:** In 2023, the traded volume of Oriola Corporation shares, excluding treasury shares, corresponded to 33.2% of the total number of shares. The traded volume of class A shares amounted to 5.8% of the average stock, and that of class B shares, excluding treasury shares, to 44.7% of the average stock.

The average share price of Oriola Corporation's class A shares was EUR 1.38 and of its class B shares EUR 1.27. The market value of all Oriola Corporation shares at 31 December 2023 was EUR 199.2 (321.4) million, of which the market value of class A shares was EUR 60.2 million and of class B shares EUR 139.0 million.

**Shareholders:** On 31 December 2023 Oriola Corporation had a total of 35,115 registered shareholders. There were 11,613,456 nominee-registered shares on 31 December 2023, corresponding to 6.4% of all shares and 1.9% 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 2023, no class A shares were converted into class B shares.

**Management shareholdings:** On 31 December 2023, 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 495,506 shares, corresponding to 0.27% of the total number of shares in the company and 0.04% of the votes.

#### Management shareholding

	2023 B shares	2022 B shares
<b>Board of Directors</b>		
Heikki Westerlund, Chairman (from 16 March 2023)	31,759	-
Heiwes Oy (Heikki Westerlund's controlling corporation)	150,000	-
Eva Nilsson Bågenholm, Vice Chairman	50,729	40,674
Nina Mähönen (from 15 March 2022)	16,211	5,832
Yrjö Närhinen (from 16 March 2023)	8,379	-
Ellinor Persdotter Nilsson (from 16 March 2023)	8,379	-
Harri Pärssinen	34,647	24,592
JF Capital Oy (Harri Pärssinen's controlling corporation)	65,000	-
Lena Ridström (until 16 March 2023)	-	31,573
Panu Routila, Chairman (until 16 March 2023)	-	35,223
Juko-Juho Hakala (until 16 March 2023)	-	38,611
<b>CEO and President</b>		
Katarina Gabrielson (from 15 March 2022)	65,124	53,157
<b>Oriola Management team</b>		
Petri Boman (from 3 October 2022)	-	-
Hannes Hasselrot	11,414	4,712
Timo Leinonen (from 1 December 2022)	16,000	6,000
Niklas Lindholm (from 1 August 2023)	-	-
Mikael Nurmi (from 23 January 2023)	10,000	-
Petter Sandström	27,864	26,521
Elina Niemelä (until 3 March 2023)	-	-

**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 2023 are available on the company's website [www.oriola.com](http://www.oriola.com).

## Share capital

Share capital		A shares	B shares	Total
Number of shares 1 Jan 2023	pcs	53,748,313	127,737,900	181,486,213
Conversion of A shares to B shares	pcs	-	-	0
<b>Number of shares 31 Dec 2023</b>	<b>pcs</b>	<b>53,748,313</b>	<b>127,737,900</b>	<b>181,486,213</b>
Treasury shares 31 Dec 2023	pcs	63,650	23,776	87,426
Votes 31 Dec 2023	pcs	1,074,966,260	127,737,900	1,202,704,160
Share capital per share class 31 Dec 2023	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 2022	pcs	53,748,313	127,737,900	181,486,213
Conversion of A shares to B shares	pcs	-	-	0
<b>Number of shares 31 Dec 2022</b>	<b>pcs</b>	<b>53,748,313</b>	<b>127,737,900</b>	<b>181,486,213</b>
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
<b>EUR million</b>			<b>2023</b>	<b>2022</b>
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
<b>Consolidated share capital 31 Dec</b>			<b>36.2</b>	<b>36.2</b>

## 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 2/3 of the Group's net profit. The Company's strategy and financial position shall be taken into consideration when determining the annual dividend payout ratio. The dividend paid for 2022 was EUR 10.9 million (EUR 0.06 per share) and for 2021 EUR 7.3 million (EUR 0.04 per share). The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 12.7 million, EUR 0.07 per share is paid for 2023.

### Earnings per share

<b>Profit for the period</b> EUR million	<b>2023</b>	<b>2022</b>
Profit attributable to equity owners of the parent		
Continuing operations	-20.7	4.8
Discontinued operations	-	-7.2
<b>Total</b>	<b>-20.7</b>	<b>-2.4</b>

### Average number of outstanding shares pcs

Basic	181,389,629	181,371,235
Diluted	181,422,563	181,422,563

### Earnings per share, EUR

Basic		
Continuing operations	-0.11	0.03
Discontinued operations	-	-0.04
<b>Total</b>	<b>-0.11</b>	<b>-0.01</b>
Diluted		
Continuing operations	-0.11	0.03
Discontinued operations	-	-0.04
<b>Total</b>	<b>-0.11</b>	<b>-0.01</b>

## 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.

Oriola Group is within the scope of the Pillar Two legislation, where the Group is liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. All entities within the Group have an effective tax rate that exceeds 15% and therefore the Group does not expect to be subject to the top-up tax. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

#### Income taxes

EUR million	2023	2022
Taxes for current year	3.1	1.8
Taxes for previous years	0.9	-0.1
Deferred taxes	-1.0	0.4
<b>Total</b>	<b>3.1</b>	<b>2.1</b>

#### Taxes related to other comprehensive income

EUR million	Before taxes	Tax effect	After taxes
<b>2023</b>			
Cash flow hedge	-1.8	-0.4	-1.5
Financial assets recognised at fair value through other comprehensive income	-20.6	-	-20.6
Actuarial gains and losses	-1.4	-0.3	-1.1
Translation differences	0.0	-	0.0
<b>Total</b>	<b>-23.8</b>	<b>-0.7</b>	<b>-23.1</b>

#### 2022

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
<b>Total</b>	<b>19.7</b>	<b>1.6</b>	<b>18.1</b>

#### Tax rate reconciliation

EUR million	2023	2022
Profit before taxes	-17.6	6.9
Corporate income taxes calculated at Finnish tax rate	-3.5	1.4
Effect of different tax rates of foreign subsidiaries	-0.0	0.0
Impairment of goodwill - non-deductible	4.3	-
Non-deductible expenses and tax-exempt income	0.4	0.4
Share of result in joint venture	1.0	0.4
Adjustments recognised for taxes of previous years	0.9	-0.1
Other items	-0.0	-0.1
<b>Income taxes in the income statement</b>	<b>3.1</b>	<b>2.1</b>
Effective tax rate	-17.4%	30.8%

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 lease agreements, depreciation of property, plant and equipment and defined pension benefit plans. 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 offset in the consolidated statement of financial position 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

2023	1 Jan	Items recognised in income statement	Items recognised in other comprehensive income	Classified as held for sale	Translation differences	31 Dec
<b>Deferred tax assets</b>						
Confirmed losses	-	0.8	-	-0.8	-	-
Pension liabilities	0.7	-0.2	0.3	-	0.0	0.7
Employee benefits	0.2	0.0	-	-	-	0.3
Lease agreements	3.1	-1.1	-	-0.1	0.0	1.9
Other temporary differences	0.0	-0.3	0.4	-0.0	0.0	0.0
<b>Deferred tax assets</b>	<b>4.0</b>	<b>-0.8</b>	<b>0.7</b>	<b>-0.9</b>	<b>0.0</b>	<b>3.0</b>
Set-off of tax	-2.8					-2.6
<b>Net deferred tax assets</b>	<b>1.2</b>					<b>0.4</b>
<b>Deferred tax liabilities</b>						
Depreciation difference and other untaxed reserves	4.9	-0.9	-	-0.2	0.0	3.8
Acquisitions	-0.1	-0.0	-	-	-	-0.1
Lease agreements	2.8	-1.0	-	-0.0	0.0	1.8
Other temporary differences	0.1	0.0	-	-0.1	-	0.0
<b>Deferred tax liabilities</b>	<b>7.7</b>	<b>-1.9</b>	<b>-</b>	<b>-0.4</b>	<b>0.0</b>	<b>5.5</b>
Set-off of tax	-2.8					-2.6
<b>Net deferred tax liabilities</b>	<b>4.9</b>					<b>2.9</b>

2022	1 Jan	Items recognised in income statement	Items recognised in other comprehensive income	Discontinued operations	Translation differences	31 Dec
<b>Deferred tax assets</b>						
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	17.5	-0.4	-	-12.6	-1.4	3.1
Other temporary differences	0.1	-0.0	-	-0.0	-0.0	0.0
<b>Deferred tax assets</b>	<b>20.2</b>	<b>-0.8</b>	<b>-1.1</b>	<b>-12.8</b>	<b>-1.5</b>	<b>4.0</b>
Set-off of tax	-16.3					-2.8
<b>Net deferred tax assets</b>	<b>3.9</b>					<b>1.2</b>
<b>Deferred tax liabilities</b>						
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
Lease agreements	16.3	-0.4	-	-11.8	-1.3	2.8
Other temporary differences	0.1	0.0	-	-	-	0.1
<b>Deferred tax liabilities, total</b>	<b>28.1</b>	<b>-0.4</b>	<b>-</b>	<b>-17.8</b>	<b>-2.2</b>	<b>7.7</b>
Set-off of tax	-16.3					-2.8
<b>Net deferred tax liabilities</b>	<b>11.8</b>					<b>4.9</b>

## 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.

The consolidation principles for joint ventures are presented in the note 10.4.

**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.

## 10.1. Subsidiaries

31 Dec 2023	Domicile	Group		Parent company	
		Owner-ship %	Share %	Owner-ship %	Share %
<b>Parent company Oriola Corporation</b>					
	<b>Finland</b>				
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		

31 Dec 2022	Domicile	Group		Parent company	
		Owner-ship %	Share %	Owner-ship %	Share %
<b>Parent company Oriola Corporation</b>					
	<b>Finland</b>				
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		

## 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, other members of the Oriola Management Team (key management), the immediate family of the aforementioned persons and companies in which they have control or joint control, the Group's subsidiaries and joint ventures.

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	2023	2022
Sales	496.5	130.9
Purchases of goods and services	0.4	0.1
Trade and other receivables	70.5	20.7
Trade and other payables	0.8	0.2
Commitments	0.1	0.3

The income statement items for 2022 do not represent full-year 2022 (1-12) figures.

### Key management benefits

EUR thousand	2023	2022
Salaries and other short-term employee benefits	2,515.9	2,286.2
Termination benefits	159.0	408.0
Share-based payments	97.4	168.3
<b>Total</b>	<b>2,772.3</b>	<b>2,862.5</b>

### Employee benefits to President and CEO

EUR thousand	2023	2022
<b>Katarina Gabrielson</b>		
15 Mar - 9 May 2022 interim CEO, from 10 May 2022 CEO		
Basic salary	418.1	448.3
Bonuses	204.9	-
Share-based payments	3.6	22.9
Pension expenses (statutory)	33.0	35.9
Pension expenses (voluntary)	41.9	36.6
<b>Total</b>	<b>701.4</b>	<b>543.8</b>

### Elisa Markula

EUR thousand	2023	2022
9 Aug 2021 - 15 Mar 2022		
Basic salary	-	103.5
Termination expenses*	-	275.4
Pension expenses (statutory)	-	19.5
<b>Total</b>	<b>-</b>	<b>398.5</b>

**Employee benefits to President and CEO total** **701.4** **942.3**

\* Termination expenses include the salary for the notice period.

### Employee benefits to other members of the Oriola Management Team

EUR thousand	2023	2022
Basic salary	1,001.7	1,141.5
Bonuses	337.1	39.5
Share-based payments	5.1	55.3
Termination expenses *	159.0	132.6
Pension expenses (statutory)	238.1	180.0
Pension expenses (voluntary)	23.5	20.4
<b>Total</b>	<b>1,764.4</b>	<b>1,569.2</b>

\* 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	2023	2022
Heikki Westerlund, Chairman*	75.0	-
Eva Nilsson Bågenholm, Vice Chairman	50.0	60.5
Nina Mähönen**	41.5	38.0
Yrjö Närhinen*	39.5	-
Ellinor Persdotter Nilsson*	38.0	-
Harri Pärssinen	50.0	53.5
Juko-Juho Hakala***	7.0	54.0
Lena Ridström***	2.5	45.0
Panu Routila***	4.5	93.0
Anja Korhonen****	-	7.0
<b>Total</b>	<b>308.0</b>	<b>351.0</b>

\* from 21 March 2023

\*\* from 15 March 2022

\*\*\* until 21 March 2023

\*\*\*\* until 15 March 2022

Annual General Meeting in 2023 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. Of the annual fee, 60 per cent shall be paid in cash and 40 per cent shall be used to acquire Oriola Corporation's class B shares. The Chairman of the Board of Directors receives an attendance fee of EUR 1,000 per meeting for meetings of the Board of Directors held in the Chairman's home country and EUR 2,000 for meetings of the Board of Directors held elsewhere and the other members of the Board of Directors receive attendance fees of EUR 500 per meeting for meetings held in the home country of the respective member of the Board of Directors and EUR 1,000 for meetings held elsewhere. Attendance fees are correspondingly also paid to the Chairman and members of company committees. Travel expenses are compensated in accordance with the travel policy of the company.

For the apportionment paid in shares, an expense of EUR 0.1 (0.1) million was recognised in 2023.

## 10.3. Assets held for sale and discontinued operations

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. The recognition criteria are met when a sale is highly probable, the asset or a disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for the sales of such assets, the management is committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of classification.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted. From the date of the classification, assets held for sale or disposal group are measured at the lower of its carrying amount and fair value less costs to sell.

Operations are classified as discontinued operations in case a component of an entity has either been disposed of, or is classified as held for sale, and it represents a separate major line of business or geographical area of operations, it is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or it is a subsidiary acquired exclusively with a view to resale.

The result for the period of discontinued operations is presented as a separate item in the consolidated statement of comprehensive income.

## Assets held for sale

Oriola announced on 13 October 2023 that it has signed an agreement to sell all shares in Svensk dos AB to Apotekstjänst Sverige AB and is thereby exiting the dose dispensing business in Sweden as part of Oriola's strategic decision to strengthen focus on wholesale business. Svensk dos AB has lost market share due to the loss of public tender contracts and during the strategy process Oriola has not identified a recovery of the business within a foreseeable future. Svensk dos AB has been classified as held for sale in the consolidated financial statements. Transaction is subject to the approval of the Swedish Competition Authority and is expected to be completed in the second quarter of 2024.

In dose dispensing business, Svensk dos AB offers pharmaceuticals and dose dispensing for private and public healthcare sector operators. The net sales of dose dispensing Sweden was EUR 25.3 million in 2023 and EBIT was EUR -6.1 million, of which EUR -3.3 million relates to the goodwill impairment loss.

The following assets and liabilities were classified as held for sale:

EUR million	2023	2022
Property, plant and equipment	2.4	
Goodwill	4.5	
Other intangible assets	1.9	
Deferred tax assets	0.5	
Inventories	1.2	
Trade and other receivables	1.5	
Cash and cash equivalents	0.0	
<b>Total assets</b>	<b>12.0</b>	
<b>EUR million</b>		
Deferred tax liabilities	0.1	
Current interest-bearing liabilities	0.2	
Current trade and other payables	1.5	
<b>Total liabilities</b>	<b>1.8</b>	

**Discontinued operations**

There were no discontinued operations in 2023.

In 2022, discontinued operations included Consumer business area until the completion of the divestment on 3 October 2022.

**Profit for the period from discontinued operations**

EUR million	2023	2022
Net sales		595.5
Other operating income		10.0
Materials and supplies		-452.7
Employee benefit expenses		-78.4
Other operating expenses		-38.6
Depreciation, amortisation and impairments		-3.0
<b>EBIT</b>		<b>32.8</b>
Financial income and expenses		-4.7
<b>Profit before taxes</b>		<b>28.1</b>
Income taxes		-5.8
<b>Results from operating activities</b>		<b>22.3</b>
Loss of sale of business		-29.4
<b>Loss for the period from discontinued operations</b>		<b>-7.2</b>

**Cash flows from discontinued operations**

EUR million	2023	2022
Net cash flow from operating activities		4.7
Net cash flow from investing activities		22.4
Net cash flow from financing activities		-12.0
<b>Total cash flows</b>		<b>15.1</b>

**Assets and liabilities of discontinued operations**

EUR million	2023	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
<b>Total assets</b>		<b>423.0</b>

**EUR million**

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
<b>Total liabilities</b>		<b>158.8</b>

**Net assets disposed of**

		<b>264.2</b>
Cash consideration received		24.3
Cash and cash equivalents disposed of		-15.9
<b>Impact on cash flows</b>		<b>8.3</b>

**Loss on sale of discontinued operations**

EUR million	2023	2022
Consideration received in shares		242.3
Consideration received in cash		24.3
Net assets disposed of		-264.2
Cost to sell		-2.7
<b>Total</b>		<b>-0.4</b>
Translation differences reclassified from other comprehensive income		-29.0
<b>Loss on sale of discontinued operations</b>		<b>-29.4</b>

## 10.4. Investments in joint ventures

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 after EBIT.

Oriola has 50% shareholding in Swedish Pharmacy Holding AB, which controls pharmacy chains Kronans Apotek and Apoteksgruppen in Sweden.

EUR million	2023	2022
Carrying amount 1 Jan	240.4	-
Increases	-	242.3
Share of result for the period	-4.8	-2.0
Foreign exchange rate differences	-0.2	0.1
<b>Carrying amount 31 Dec</b>	<b>235.4</b>	<b>240.4</b>

### Summarised financial information for joint venture

The summary below is based on the financial statements of the joint venture prepared in accordance with IFRS.

Balance sheet EUR million	Swedish Pharmacy Holding AB	
	31 Dec 2023	31 Dec 2022
<b>Current assets</b>		
Cash and cash equivalents	13.5	30.8
Other current assets	157.2	142.8
<b>Current assets total</b>	<b>170.6</b>	<b>173.6</b>
<b>Non-current assets</b>	<b>587.9</b>	<b>596.7</b>
<b>Current liabilities</b>		
Trade payables	114.1	116.9
Other current liabilities	59.9	51.6
<b>Current liabilities total</b>	<b>174.0</b>	<b>168.5</b>
<b>Non-current liabilities</b>	<b>116.5</b>	<b>127.7</b>
<b>Net assets total</b>	<b>468.1</b>	<b>474.1</b>

Reconciliation to carrying amounts EUR million	Swedish Pharmacy Holding AB	
	31 Dec 2023	31 Dec 2022
<b>Net assets 1 Jan</b>	<b>474.1</b>	<b>-</b>
Investment in joint venture	-	484.5
Adjustment to the opening balance	2.7	-
Translation differences	0.8	-6.5
Loss for the period	-9.5	-3.9
<b>Net assets 31 Dec</b>	<b>468.1</b>	<b>474.1</b>
<b>Group's share in joint venture</b>	<b>50%</b>	<b>50%</b>
<b>Group's share of net assets</b>	<b>234.0</b>	<b>237.1</b>
Impairment	-	-
<b>Carrying amount</b>	<b>234.0</b>	<b>237.1</b>

Income statement EUR million	Swedish Pharmacy Holding AB	
	2023	3 Oct - 31 Dec 2022
<b>Net sales</b>	<b>1,126.9</b>	<b>285.2</b>
Depreciation, amortisation and impairment losses	-45.6	-10.5
Net interest expenses	-3.9	-1.1
Income taxes	2.3	0.8
<b>Result for the period</b>	<b>-9.5</b>	<b>-3.9</b>

## 11. Unrecognised items

### 11.1. Commitments and contingent liabilities

EUR million	2023	2022
<b>Commitments for own liabilities</b>		
Guarantees on behalf of subsidiaries	6.6	6.5
Guarantees on behalf of other companies	0.1	0.3
Mortgages on company assets	1.9	1.9
Other guarantees and liabilities	3.8	5.8
<b>Total</b>	<b>12.4</b>	<b>14.5</b>

The most significant guarantees on behalf of subsidiaries are bank guarantees against Swedish wholesale company's trade payables.

### 11.2. Future lease payments

#### Committed future minimum lease payments:

EUR million	2023	2022
Within one year	0.5	0.6
One to five years	0.4	0.5
<b>Total</b>	<b>0.9</b>	<b>1.1</b>

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.

### 11.4. Events after the balance sheet date

#### Oriola to invest in ERP and warehouse management as part of the recently launched strategy to enhance efficiency and operational excellence

In January 2024, Oriola announced that it will be investing in its infrastructure as part of its refined strategy, published in October 2023, with the aim to enhance efficiency and operational excellence. Enhanced efficiency is one of the three goals set by Oriola to drive the strategy forward.

The investment comprises the renewal of Oriola's ERP (enterprise resource planning) and warehouse management system during the years 2025–2027. The aim of the project is to have one common system which will enable to harmonise business processes, strengthen data management and enhance customer experience. The value of the total investment is about EUR 35 million. The new ERP and warehouse management system will replace the current two separate systems in Sweden and Finland. The project will start in 2024 and the new system will be deployed in phases during 2025–2027. The first deployment will be in Sweden followed by the deployment in Finland.

#### The Swedish Competition Authority moves its investigation of Oriola's sale of Svensk dos AB to Apotekstjänst Sverige AB into phase II

On 31 January 2024, Oriola announced that the Swedish Competition Authority (Konkurrensverket) moved its investigation of Oriola's sale of Svensk dos AB to Apotekstjänst Sverige AB into phase II. Oriola expects, based on currently available information, that the transaction will be completed in the second quarter of 2024.

#### Reporting segments

Oriola's reporting segments from 1 January 2024 are Distribution and Wholesale.

## 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 2023 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	2023	2022
Other operating income	2	17,148.6	16,254.6
Personnel expenses	3	-7,777.8	-8,366.6
Depreciation, amortisation and impairment charges	4	-4,185.0	-10,155.9
Other operating expenses	5	-11,164.2	-17,025.5
<b>Operating result</b>		<b>-5,978.5</b>	<b>-19,293.3</b>
Financial income and expenses	6	-18,405.9	-47,827.6
<b>Result before appropriations and taxes</b>		<b>-24,384.4</b>	<b>-67,120.9</b>
Appropriations	7	19,663.5	18,086.2
Income taxes	8	-2,214.3	-355.5
<b>Result for the period</b>		<b>-6,935.1</b>	<b>-49,390.1</b>

### Parent company balance sheet (FAS)

EUR thousand	Note	31 Dec 2023	31 Dec 2022
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>	9		
Intangible rights		222.9	328.4
Other intangible assets		13,368.1	17,210.5
Advance payments and construction in progress		1,865.6	415.7
		15,456.5	17,954.6
<b>Property, plant and equipment</b>	10		
Land and water areas		77.4	77.4
Machinery and equipment		2.6	4.4
Other tangible assets		7.5	7.5
		87.5	89.3
<b>Investments</b>	11		
Holdings in group companies		284,765.1	294,591.2
Holdings in participating interest companies		242,250.0	242,250.0
Other shares		8,203.2	8,203.2
		535,218.3	545,044.4
Non-current assets, total		550,762.4	563,088.4
<b>Current assets</b>	12		
<b>Receivables</b>			
Long-term receivables			
Other receivables		1,847.4	3,960.8
Short-term receivables			
Trade receivables		233.6	257.9
Receivables from group companies		19,903.1	56,750.7
Other receivables		662.0	269.8
Accrued receivables		1,167.9	1,557.4
		23,814.1	62,796.8
Cash and cash equivalents		137,532.8	159,924.5
Current assets, total		161,346.8	222,721.2
<b>Assets total</b>		<b>712,109.2</b>	<b>785,809.6</b>

EUR thousand	Note	31 Dec 2023	31 Dec 2022
<b>Equity and liabilities</b>			
<b>Equity</b>	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		101,248.6	161,610.2
Result for the financial year		-6,935.1	-49,390.1
		338,589.5	356,496.0
<b>Appropriations</b>	14	1,597.4	1,868.4
<b>Liabilities</b>	15		
Long-term liabilities			
Borrowings		1,000.0	59,074.9
Liabilities to group companies		37,851.5	75,527.3
Accrued liabilities		391.5	471.4
		39,243.0	135,073.7
Short-term liabilities			
Borrowings		58,135.5	2,000.0
Trade payables		1,936.4	1,473.4
Liabilities to group companies		228,665.5	234,759.0
Other liabilities		41,999.0	52,229.0
Accrued liabilities		1,942.9	1,910.1
		332,679.4	292,371.5
Liabilities total		371,922.3	427,445.1
<b>Equity and liabilities total</b>		<b>712,109.2</b>	<b>785,809.6</b>

## Parent company cash flow statement (FAS)

EUR thousand	2023	2022
<b>Cash flow from operating activities</b>		
Result before appropriations and taxes	-24,384.4	-67,120.9
Adjustments		
Depreciation, amortisation and impairment charges	4,185.0	10,155.9
Unrealised foreign exchange gains and losses	1,989.7	-10,485.2
Other non-cash items	-6.9	-160.2
Financial income and expenses	16,416.2	58,312.8
	-1,800.4	-9,297.6
Change in working capital		
Change in current non-interest-bearing receivables	-941.1	7,165.6
Change in non-interest-bearing current liabilities	487.2	951.2
	-2,254.2	-1,180.8
Paid and received other financial expenses and income	-667.3	-7,523.9
Interest received	4,024.5	2,499.6
Interest paid	-9,401.0	-5,393.2
Income taxes paid	-1,433.6	-703.8
<b>Cash flow from operating activities</b>	<b>-9,731.6</b>	<b>-12,302.0</b>
<b>Cash flow from investing activities</b>		
Investments in tangible and intangible assets	-1,601.0	-170.5
Proceeds from sale of tangible and intangible assets	-	321.3
Investments to joint ventures	-	24,250.0
Change in loan receivables	-	21,634.5
Proceeds from sale of other investments	-	881.0
Dividends received	38,171.4	-
<b>Cash flow from investing activities</b>	<b>36,570.4</b>	<b>46,916.2</b>

EUR thousand	2023	2022
<b>Cash flow from financing activities</b>		
Purchase of own shares	-88.8	-88.8
Repayments of long-term loans	-40,171.4	-2,000.0
Change in other current financing	-16,282.9	12,624.8
Group contributions received	18,181.9	15,453.6
Dividends paid	-10,869.2	-7,241.8
<b>Cash flow from financing activities</b>	<b>-49,230.5</b>	<b>18,747.9</b>
<b>Change in cash and cash equivalents</b>	<b>-22,391.7</b>	<b>53,362.1</b>
Cash and cash equivalents at the beginning of period	159,924.5	106,562.3
Net change in cash and cash equivalents	-22,391.7	53,362.1
<b>Cash and cash equivalents at the end of period</b>	<b>137,532.8</b>	<b>159,924.5</b>

## 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 Corporation 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	2023	2022
Rental income	12.9	11.9
Other service charges	17,124.3	16,209.5
Other operating income	11.4	33.2
<b>Total</b>	<b>17,148.6</b>	<b>16,254.6</b>

### 3. Personnel

EUR thousand	2023	2022
Personnel costs		
Salaries and fees	6,262.9	6,837.7
Pension costs	1,018.2	1,171.8
Other personnel costs	496.7	357.0
<b>Total</b>	<b>7,777.8</b>	<b>8,366.6</b>
<b>Average number of personnel</b>	<b>62</b>	<b>68</b>
<b>Salaries and bonuses to the Management</b>		
CEO and Members of the Board of Directors	1,052.4	1,178.3

Remuneration and pension costs for the CEO and the members of the Board of Directors are disclosed in the consolidated financial statement in note 10.2. Related party transactions.

### 4. Depreciation, amortisation and impairment charges

EUR thousand	2023	2022
Depreciation	4,185.0	4,278.2
Impairment charges	-	5,877.7
<b>Total</b>	<b>4,185.0</b>	<b>10,155.9</b>

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	2023	2022
Postage, telephone and banking expenses	144.4	165.4
IT expenses	7,096.3	7,834.2
Travelling and car expenses	240.1	241.6
Administrative consultancy services	2,069.6	6,921.4
Other operating expenses	1,613.7	1,862.8
<b>Total</b>	<b>11,164.2</b>	<b>17,025.5</b>

Other operating costs are mainly costs related to the ownership.

Audit costs included in other operating costs, EUR thousand	2023	2022
Audit fees	72.8	61.5
Other fees	53.5	27.9
<b>Total</b>	<b>126.4</b>	<b>89.5</b>

## 6. Financial income and expenses

EUR thousand	2023	2022
Income from group companies		
Dividend income from group companies	-	37,763.7
Gains on sales of subsidiary shares	-	881.0
Other interest and financial income		
Interest income from group companies	140.4	3,558.2
Interest income from other companies	3,884.1	993.7
Other financial income	14,647.9	20,129.3
Interest and other financial expenses		
Interest expenses to group companies	-4,447.1	-3,395.8
Interest expenses to other companies	-5,143.9	-1,904.5
Other financial expenses	-17,661.2	-17,168.0
Expense from group companies		
Expense from sales of subsidiary shares	-	-88,685.1
Impairment on investments		
Impairment on investments in non-current assets	-9,826.1	-
<b>Total</b>	<b>-18,405.9</b>	<b>-47,827.6</b>
<b>Financial income and expenses include:</b>		
Interest income	4,024.5	4,551.9
Interest expenses	-9,591.1	-5,300.3
Exchange rate gains/losses	-28.9	758.8

Expense from sales of subsidiary shares in 2022 relate to the loss on sale of shares in Kronans Apotek AB.

## 7. Appropriations

EUR thousand	2023	2022
Change in depreciation difference	271.1	-95.7
Group contribution received	19,392.5	18,181.9
<b>Total</b>	<b>19,663.5</b>	<b>18,086.2</b>

## 8. Income taxes

EUR thousand	2023	2022
Income taxes for the financial period	1,323.4	355.5
Income taxes for previous financial periods	890.9	-
<b>Total</b>	<b>2,214.3</b>	<b>355.5</b>



## 9. Intangible assets

EUR thousand 2023	Intangible rights	Other intangible assets	Advance payments and construction in progress	Total
Historical cost 1 Jan	940.1	31,404.0	6,312.5	38,656.6
Increases	-	117.1	1,568.0	1,685.1
Decreases	-127.4	-1,819.4	-5,896.8	-7,843.6
Reclassifications	-	118.1	-118.1	-
<b>Historical cost 31 Dec</b>	<b>812.7</b>	<b>29,819.9</b>	<b>1,865.6</b>	<b>32,498.1</b>
Accumulated amortisation 1 Jan	611.7	14,193.5	5,896.8	20,702.0
Accumulated depreciation related to decreases	-127.4	-1,819.4	-5,896.8	-7,843.6
Amortisation for the financial year	105.6	4,077.7	-	4,183.3
<b>Accumulated amortisation 31 Dec</b>	<b>589.8</b>	<b>16,451.8</b>	<b>-</b>	<b>17,041.6</b>
<b>Carrying amount 31 Dec</b>	<b>222.9</b>	<b>13,368.1</b>	<b>1,865.6</b>	<b>15,456.5</b>
<b>2022</b>				
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	-
<b>Historical cost 31 Dec</b>	<b>940.1</b>	<b>31,404.0</b>	<b>6,312.5</b>	<b>38,656.6</b>
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
Impairments	-	-	5,896.8	5,896.8
<b>Accumulated amortisation 31 Dec</b>	<b>611.7</b>	<b>14,193.5</b>	<b>5,896.8</b>	<b>20,702.0</b>
<b>Carrying amount 31 Dec</b>	<b>328.4</b>	<b>17,210.5</b>	<b>415.7</b>	<b>17,954.7</b>

## 10. Property, plant and equipment

EUR thousand 2023	Land and water areas	Machinery and equipment	Other tangible assets	Total
Historical cost 1 Jan	77.4	17.7	7.5	102.6
<b>Historical cost 31 Dec</b>	<b>77.4</b>	<b>17.7</b>	<b>7.5</b>	<b>102.6</b>
Accumulated depreciation 1 Jan	-	13.3	-	13.3
Depreciation for the financial year	-	1.8	-	1.8
<b>Accumulated depreciation 31 Dec</b>	<b>-</b>	<b>15.1</b>	<b>-</b>	<b>15.1</b>
<b>Carrying amount 31 Dec</b>	<b>77.4</b>	<b>2.6</b>	<b>7.5</b>	<b>87.5</b>
<b>2022</b>				
Historical cost 1 Jan	77.4	68.0	7.5	152.9
Decreases	-	-50.3	-	-50.3
<b>Historical cost 31 Dec</b>	<b>77.4</b>	<b>17.7</b>	<b>7.5</b>	<b>102.6</b>
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
<b>Accumulated depreciation 31 Dec</b>	<b>-</b>	<b>13.3</b>	<b>-</b>	<b>13.3</b>
<b>Carrying amount 31 Dec</b>	<b>77.4</b>	<b>4.4</b>	<b>7.5</b>	<b>89.3</b>

## 11. Investments

EUR thousand 2023	Holdings in group companies	Holdings in participating interest companies	Other shares	Receivables from group companies	Total
Historical cost 1 Jan	308,750.9	242,250.0	8,203.2	-	559,204.1
<b>Historical cost 31 Dec</b>	<b>308,750.9</b>	<b>242,250.0</b>	<b>8,203.2</b>	-	<b>559,204.1</b>
Accumulated impairments 1 Jan	-14,159.7	-	-	-	-14,159.7
Impairments	-9,826.1	-	-	-	-9,826.1
<b>Impairment 31 Dec</b>	<b>-23,985.8</b>	-	-	-	<b>-23,985.8</b>
<b>Carrying amount 31 Dec</b>	<b>284,765.1</b>	<b>242,250.0</b>	<b>8,203.2</b>	-	<b>535,218.3</b>
<b>2022</b>					
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
<b>Historical cost 31 Dec</b>	<b>308,750.9</b>	<b>242,250.0</b>	<b>8,203.2</b>	-	<b>559,204.1</b>
Accumulated impairments 1 Jan	-100,559.7	-	-	-	-100,559.7
Impairments	86,400.0	-	-	-	86,400.0
<b>Impairment 31 Dec</b>	<b>-14,159.7</b>	-	-	-	<b>-14,159.7</b>
<b>Carrying amount 31 Dec</b>	<b>294,591.2</b>	<b>242,250.0</b>	<b>8,203.2</b>	-	<b>545,044.4</b>

Holdings in participating interest companies include Oriola Corporation's 50% shareholding in Swedish Pharmacy Holding AB, which controls pharmacy chains Kronans Apotek and Apoteksgruppen in Sweden.

## 12. Receivables

EUR thousand	2023	2022
<b>Receivables from group companies</b>		
Short-term receivables		
Trade receivables	35.5	17.5
Other receivables	475.1	787.6
Accrued income and prepaid expenses	19,392.5	55,945.6
<b>Total</b>	<b>19,903.1</b>	<b>56,750.7</b>
<b>Items included in accrued receivables</b>		
Arrangement fees relating to loans	236.7	295.2
Income tax receivables	-	713.3
Exchange rate profit on hedges	481.5	92.6
Compensations not received	8.0	11.4
Group contribution	19,392.5	18,181.9
Other accrued receivables	441.8	38,208.5
<b>Total</b>	<b>20,560.4</b>	<b>57,503.0</b>

### 13. Equity

EUR thousand	2023	2022
Share capital 1 Jan	147,899.8	147,899.8
<b>Share capital 31 Dec</b>	<b>147,899.8</b>	<b>147,899.8</b>
<b>Restricted equity</b>	<b>147,899.8</b>	<b>147,899.8</b>
Contingency fund 1 Jan	19,418.7	19,418.7
<b>Contingency fund 31 Dec</b>	<b>19,418.7</b>	<b>19,418.7</b>
Invested unrestricted equity reserve 1 Jan	76,957.5	76,957.5
<b>Invested unrestricted equity reserve 31 Dec</b>	<b>76,957.5</b>	<b>76,957.5</b>
Profit/ loss from previous years 1 Jan	112,220.0	168,952.9
Dividend paid	-10,882.6	-7,253.9
Share-based compensation	-121.1	-141.8
Purchase of own shares *	-88.8	-88.8
Delivery of own shares	121.1	141.8
<b>Profit/loss from previous years 31 Dec</b>	<b>101,248.6</b>	<b>161,610.2</b>
Result for the period	-6,935.1	-49,390.1
Non-restricted equity	190,689.8	208,596.3
<b>Total</b>	<b>338,589.5</b>	<b>356,496.0</b>

\* Shares purchased for the share based incentive programme.

Distributable funds 31 Dec	2023	2022
Contingency fund	19,418.7	19,418.7
Invested unrestricted equity reserve	76,957.5	76,957.5
Profit/ loss from previous years	101,248.6	161,610.2
Net profit for the period	-6,935.1	-49,390.1
<b>Distributable funds 31 Dec</b>	<b>190,689.8</b>	<b>208,596.3</b>

### 14. Appropriations

EUR thousand	2023	2022
Cumulative accelerated depreciation difference	1,597.4	1,868.4
<b>Total</b>	<b>1,597.4</b>	<b>1,868.4</b>

### 15. Liabilities

EUR thousand	2023	2022
<b>Liabilities to group companies</b>		
Long-term liabilities		
Other liabilities	37,851.5	75,527.3
Short-term liabilities		
Trade payables	94.6	75.8
Other liabilities	228,555.9	234,683.1
Accrued liabilities	14.9	-
<b>Total</b>	<b>226,516.9</b>	<b>310,286.3</b>
<b>Items included in accrued liabilities</b>		
Long-term accrued liabilities		
Change of fair value for interest rate swap	391.5	-
Short-term accrued liabilities		
Items related to personnel	1,113.8	1,696.3
Interest	342.0	151.9
Other accrued liabilities	76.4	61.9
Change of fair value for interest rate swap	410.8	471.4
<b>Total</b>	<b>2,334.4</b>	<b>2,381.5</b>

### 16. Guarantees, liability engagements and other liabilities

EUR thousand	2023	2022
<b>Guarantees and other liabilities</b>		
Guarantees for group companies	86.7	410.8
Other liabilities and engagements	3,000.0	5,000.0
<b>Total</b>	<b>3,086.7</b>	<b>5,410.8</b>
<b>Rental liabilities on real estate</b>		
Maturity within one year	33.0	33.0
<b>Total</b>	<b>33.0</b>	<b>33.0</b>
<b>Rental liabilities on machinery and fixtures</b>		
Maturity within one year	299.6	268.9
Maturity within 1–5 years	282.2	202.0
<b>Total</b>	<b>581.9</b>	<b>470.8</b>

### 17. Derivatives and financial risk management

EUR thousand	2023	2022
<b>Book values of derivative instruments</b>		
Interest rate swap agreements	64,888.2	64,737.7
Foreign currency forward and swap contracts	57,678.4	106,997.1
<b>Total</b>	<b>122,566.7</b>	<b>171,734.8</b>
<b>Fair values of derivative instruments</b>		
Interest rate swap agreements	1,800.3	3,960.8
Foreign currency forward and swap contracts	360.5	-128.3
<b>Total</b>	<b>2,160.9</b>	<b>3,832.5</b>

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.

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

## Parent company financial statements

According to the parent company's balance sheet as at 31 December 2023, the total distributable funds are:

Other funds, EUR	19,418,729.58
Invested unrestricted equity reserve, EUR	76,957,531.72
Retained earnings, EUR	101,248,628.99
Loss for the period, EUR	-6,935,138.19
Total distributable funds, EUR	190,689,752.10

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.07 per share will be distributed to 181,398,787 shares, EUR 12,697,915.09 for year 2023 and EUR 177,991,837.01 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.

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

Espoo 15 February 2024

Heikki Westerlund  
Chairman

Eva Nilsson Bågenholm  
Vice Chairman

Nina Mähönen

Yrjö Närhinen

Ellinor Persdotter Nilsson

Harri Pärssinen

Katarina Gabrielson  
President and CEO

## Auditor's Note

The Auditor's report has been issued today.

Helsinki, 15 February 2024  
KPMG Oy Ab

Kirsi Jantunen  
Authorised Public Accountant

# 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, 2023. 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 material accounting policy information, 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 IFRS Accounting Standards 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)**

After recognizing an impairment of € 21.4 million in the cash generating unit dose dispensing during the financial year, the total carrying value of goodwill amounted to € 35.2 million. In addition, the goodwill amounting to € 4.5 million related to dose dispensing business in Sweden was classified as assets held for sale in 2023.

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 162.9 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.

#### Holdings in group companies in the parent company's financial statements (refer to notes 1 and 11 to the parent company's financial statements)

After recognizing an impairment of EUR 9.8 million, the parent company has investments in subsidiaries amounting to EUR 284.8 million as at December 31, 2023.

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 IFRS Accounting Standards 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 6 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 or 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, 2024

KPMG OY AB

Kirsi Jantunen  
Authorized Public Accountant, KHT





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