AGM 2021 – questions and answers

Q: According to the proposal by the company's Board of Directors, the payment of dividend should be made in accordance with authorisation unless the Board of Directors decides otherwise for a justified reason.

a) **What could be classified as this kind of justified reason from the Board of Directors' perception?**
b) **How does this differ from potential decision to pay dividend in two separate instances without authorisation?**

A: Item 8 on the agenda, the second paragraph: "In addition, it is proposed that the Annual General Meeting would authorise the Board of Directors to decide at its discretion on the payment of dividend up to a maximum of EUR 0.03 per share. The authorisation would be valid until the beginning of the next Annual General Meeting of the Company. Unless the Board of Directors decides otherwise for a justified reason, the authorisation will be used to pay dividend in one instalment during the period of validity of the authorisation. In this case the Board of Directors will make a separate resolution on the payment of dividend so that the dividend would preliminarily be paid by the end of November 2021.[…]"

The Board of Directors must carefully act to advance the company's best interest. A justified reason to not realise payment of dividend in accordance with authorisation includes situations, among others, where the company's business development would be weaker than expected, operating environment would have significant uncertainty factors or payment of the dividend in accordance with authorisation would not otherwise be in the best interest of the company.

Instead of a dividend in two fixed instalments, the authorisation allows the Board of Directors to better assess the prerequisites of potential payment of dividend at a later stage. In assessing the potential second payment of dividend, the Board of Directors can consider, for example, the progression of the COVID-19 pandemic and other factors impacting on the company's business and cash flow. Based on its consideration, the Board of Directors of the company can also decide the amount of dividend to be paid up to EUR 0.03 per share at maximum.

Q: The other operating expenses of the parent company have increased by EUR 1.4 million from the previous year to EUR 1.6 million in 2020. The increase is substantial. According to the financial statements, the expenses in question are mainly related to the ownership.

a) **What are these expenses?**
b) **Can they be seen as one-off expenses?**
c) **At which stage of the fiscal year 2020 they have occurred?**
d) **Will there be similar expenses also in 2021?**

A: In 2019, a provision totalling EUR 1.4 million that was recognised in 2018 related to Hehku, a joint venture established with Kesko, was released to the income statement. As a consequence, the other operating expenses in 2019 totalled only approximately 200,000 euros. Without the release of the provision, the other operating expenses in 2019 would have been approximately on the same level as in 2020.

The level of other operating expenses in 2021 is not expected to differ substantially from the level of 2020.

Q: A question regarding the matter 19: Authorising the Board of Directors to decide on the repurchase of the Company's own Class B shares.

Is the Board of Directors of Oriola Corporation when exercising a repurchase of shares on the basis of the authorisation, willing to pay a price per share for repurchase shares that exceeds the balance sheet value of a share in the company? The balance sheet value of a Class B Oriola share was on 1 March 2021 roughly 2.15 times higher than the trading price of 2.05 €.

A: Only funds belonging to the company's non-restricted equity can be used for a potential repurchasing of the company's own shares. According to the authorisation, the shares can be purchased "at the price of class B shares quoted on regulated market organised by the Nasdaq Helsinki Ltd or otherwise established on the market at the time of the repurchase". Additionally, when using the authorisation, the Board of Directors must naturally comply with the Companies Act, as in force at the time.

The proposed authorisation to the Board of Directors to decide on the repurchase of the Company's own shares is substantially identical with the authorisation to repurchase shares granted for the Board of Directors by the Annual General Meeting 2020. The authorisation to repurchase shares has also been valid continuously for many years. The valid authorisation has not been used, nor have the previous Board of Directors since 2017 used authorisations to repurchase shares granted to them. In a way, the authorisation is a tool granted for the Board of Directors, which use has not been decided. Therefore, it has not been assessed, when and at which price company's own shares would potentially be repurchased.

Q: Why a dividend of EUR 5.4 million is proposed to be paid only on 10 June 2021, even though company's cash funds are EUR 168.2 million?

A: In accordance with item 8 on the agenda, the Board of Directors has decided to propose a dividend of EUR 5.4 million to be paid at an optimal time for the company on 10 June 2021, regardless of company's cash funds at the time of closing the annual accounts.