



Oriola changes its financial reporting to better reflect its value creation and improve transparency

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Oriola is undertaking a change in its external financial reporting to better reflect its value creation and improve transparency and comparability.

The changes include adopting a new revenue recognition policy that reflects Oriola's service-driven business and implementing new reporting segments. These changes are a necessary step in Oriola's long-term modernisation.

Change in revenue recognition (IFRS 15 *Revenue from Contracts with Customers*)

Oriola is a health and wellbeing company and part of the critical infrastructure in Finland and Sweden. Oriola ensures the safe and efficient distribution of pharmaceuticals and health products. Oriola is fundamentally a service company offering value-adding logistics and advisory services and a wide portfolio of health products. Value is created by service excellence, reliability and efficiency.

Reasoning for adopting new revenue recognition policy:

- Oriola's management has made a judgement of customer contracts and is adopting a new revenue recognition policy.
- Net sales from agreements with pharmaceutical companies where Oriola buys the products into own stock, without full control, will now be recognised on a net basis as a distribution fee or commission.
- The new definition of net sales gives clarity on the actual transaction margins, the operational performance drivers and reports the segments by value creation.

The change clarifies the service-driven vs. product-driven nature of the business, makes performance easier to benchmark, reduces misinterpretation risks, and improves transparency around value creation. The new net sales model:

- Clarifies and reports only the value added by Oriola (service business).
- Reclassifies Oriola's role from principal to agent under IFRS15 and highlights risk as one of the main drivers of the judgement between agent and principal.
- For consignment agreements with pharmaceutical companies where Oriola already acts as an agent, the revenue recognition remains unchanged.
- For wholesale where Oriola buys the products into own stock, with full control, the revenue recognition remains unchanged.
- The new Services segment's KPIs are better aligned with other service companies.
- Has no impact on customer contracts.

The adoption of the new revenue recognition policy is a Group-level change and will only affect the Group's consolidated financial statements prepared under IFRS. The statutory financial statements of the individual legal entities in Finland, Sweden and Denmark will remain unchanged, as they are prepared in accordance with local GAAP. The company's EBITDA and cash generation is unaffected, and the total net working capital will be unchanged.

Impact of the new revenue recognition policy on key performance indicators is as follows:

- Invoicing – no change
- Net sales – new net sales adopted
- Sales margin – not to be reported
- EBITDA – no change
- Profit for the period – no change
- Cash flow statement – no change
- Balance sheet – inventory and trade payables will decrease, and other receivables (prepayments) will increase. The impact is calculated on pharmaceutical company level.
- Equity ratio – will improve

Changes in segment reporting

The change in segment reporting clarifies the reporting of service- and product-driven businesses and the value created by these two business models.

The two reporting segments from 1 January 2026 are comprised of commercial units as follows:

Services segment

- The Services segment consists of distribution of pharmaceuticals, value-adding services and parallel import in the Nordics. The segment also includes advisory services and commercial data solutions.

Products segment

- The Products segment consists of wholesale of traded goods and over-the-counter (OTC) products covering Oriola's own brands and special licensed medicines in Finland and Sweden. The segments also include the dose dispensing business in Finland.
- Note: The Products segment includes the Swedish dose dispensing business until the sale of Svensk dos AB was completed on 1 April 2025.

“Presenting changes in our reporting and segments, is an excellent bridge to being more transparent and clearer in the company's financial reporting and communication,” says Oriola's CFO Mats Danielsson.

Restated financial information

Attached to this release, Oriola provides restated annual financial information for 2025 and 2024. The restated quarterly financial information will be published in April before the publication of Oriola's Interim Report January-March 2026. The financial information presented in this release are unaudited.

“The timing of the reporting change is a logical continuation of the transformation already underway, including the renewal of the ERP and warehouse management systems, the new highly automated and state-of-the-art distribution centre in Järvenpää and the long-term plan on capital allocation, that we will be presenting in the upcoming Capital Markets Day in May,” says Oriola's CEO Katarina Gabrielson.

Starting from the first quarter of 2026, Oriola will report according to the new revenue recognition policy and segment reporting. Oriola's Interim Report January-March 2026 will be published on 29 April 2026. Oriola's Capital Markets Day will be held on 12 May 2026 in Helsinki: www.oriola.com/cmd.

Invitation to management presentation

Analysts, investors and media are invited to join a Microsoft Teams call where Oriola's management will talk through and answer questions on the financial reporting changes. The call will take place on Monday 23 March 2026 at 2:00 p.m. EET. Click [here](#) to join the call.

Oriola Corporation

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