

# ANNUAL REPORT 2022



**BIOHIT HealthCare**  
Innovating for Health



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# Biohit in Brief



...**globally** operating Finnish  
**biotechnology** company.”

Biohit Oyj is a globally operating Finnish biotechnology company that develops diagnostic and other health products. Biohit's mission is “Innovating for Health”. Biohit is headquartered in Helsinki and has subsidiaries in Italy and the United Kingdom. Biohit's Series B shares (BIOBV) have been listed on NASDAQ OMX Helsinki since 1999, in the Small Cap / Healthcare segment. The company was established in 1988.



# Global Operations



**Biohit** is a profitable **Finnish healthtech company** operating globally. 97.9% of total revenues are generated from international operations.

**Gebro Pharma** launched nicotine-free **Acetium® lozenge** for smoking cessation in **Switzerland** in May 2022. Gebro Pharma, a subsidiary of Austrian Gebro Holding, distributes both OTC and prescription medicines in Switzerland. The group was founded in 1947 and in 2021, its **revenue** was approximately **MEUR 212**.

Biohit participated **actively in healthtech fairs**. Biohit had pretentious stands in **AACC** in Chicago, **UEG** in Vienna and **Medica** in Düsseldorf.



# Highlights from 2022

## FEBRUARY

Biohit made a new multiannual distribution agreement for certain GastroPanel® products in China with Biohit HealthCare (Hefei) Co. Ltd.

## SEPTEMBER

CEO Päivi Siltala leaves the company, CFO Jussi Hahtela is appointed to new CEO. Controller Jussi Sorvo is appointed to CFO.

GastroPanel® availability expands substantially when Randox started the global sales of its CE-labelled MULTIPLEX GASROINTESTINAL PANEL-test based on the Biohit license. Randox is a British health technology enterprise operating on global market, with the annual turnover of around 730 million euro in 2021.

## AUGUST

Biohit gives a positive profit warning and raises its guidance for 2022.

Respected Maatsricht/Florence Consensus Report gives very strong scientific evidence of the benefits of GastroPanel® test in diagnosing *H. pylori* infection, finding causes for dyspepsia and reflux symptoms, as well as evaluating risks for gastric and esophageal cancer, and early perception of them.

## DECEMBER

R&D Director Minna Mäki resigns. Head of Technical Product Management Panu Hendolin is appointed to new R&D Director.

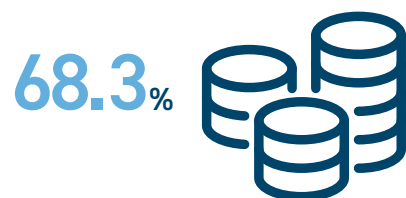


# Summary 2022

## REVENUE



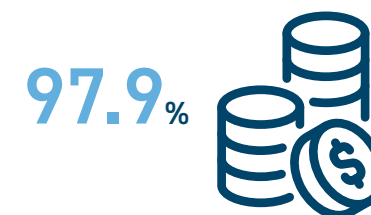
## EQUITY RATIO



## OPERATIVE EBITDA

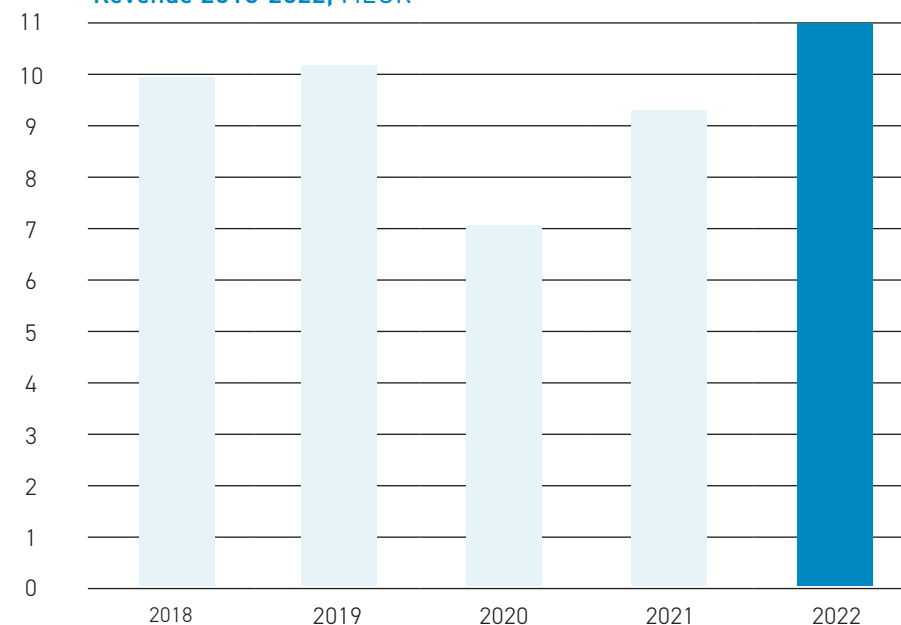


## REVENUE FROM INTERNATIONAL OPERATIONS



Key figures	2022	2021
Revenue (MEUR)	11.0	9.4
EBITDA (MEUR)	1.6	0.5
Operative EBITDA (MEUR)	1.8	0.5
Operating profit/loss (MEUR)	1.1	-1.5
Profit/loss before taxes (MEUR)	0.9	-1.3
Profit/loss for the period (MEUR)	0.6	-1.5
Average number of personnel	45	44
Number of personnel at the end of the period	43	41
Equity ratio (%)	68.3%	76.3%
Earnings per share (EUR), Undiluted	0.04	-0.10
Earnings per share (EUR), Diluted	0.04	-0.10
Shareholders' equity per share (EUR)	0.50	0.49
Average number of shares during the period	15,045,593	15,045,593
Number of shares at the end of the period	15,045,593	15,045,593

Revenue 2018-2022, MEUR





## President and CEO Jussi Hahtela



“ The significant **increase in revenue** and the turn to **profitability** are strong evidence that we are **on the right track.**”

The year 2022 marked a turning point for Biohit. We reorganised our operations and allocated our resources more efficiently than ever before. The significant increase in revenue and the turn to profitability are strong evidence that we are on the right track.

In 2022, our revenue grew by 17%, to a total of 11.0 million euros. The previous year's revenue was 9.4 million euros. Cost control and making sales a priority area were positively reflected in the profitability figures. Our EBITDA margin was 14.7 percent and our operating margin 10.3 percent. In euros, operative EBITDA was 1.8 million (2021: 0.5 million) and operating profit 1.1 million (2021: -1.5 million).

The most encouraging thing about the rapid improvement of the result is that there are several drivers behind the growth. More royalty revenues from China were recorded compared to previous year and the sales of the parent company and British subsidiary grew rapidly. The combined sales of different quick tests increased by 30% and the traditional ELISA versions of our flagship product GastroPanel® reached the same growth rate. Geographically, the growth curves were steepest in Europe and in Asia.



### New management group

The composition of Biohit's management group changed last year. CEO Päivi Siltala left the company at the beginning of September and I started as CEO immediately thereafter. Jussi Sorvo, who previously worked as a controller in the company, was appointed as CFO in my place. Product development director Minna Mäki resigned in December and the job went to Panu Hendolin, who previously worked as product management director.

All the positions were filled from within the company, which enabled quick and smooth changes without interruptions affecting operational activities. The new management group has excellent strategic and operational pre-conditions for developing business and profitability even further.

### Lagging production chains and shadows in Italy

We did not make it through last year without some bumps along the way. Especially in the second half of the year, we suffered from production chain-related challenges which affected our revenue. We worked hard to solve the logistical challenges and to identify operational risks in general. In the future, we will be better prepared for the various challenges we may face.

It was in Italy that we experienced the most frustrating moments of the year. The Italian

state is demanding ex post compensation from suppliers of medical equipment for the budget overruns of the Italian administrative regions in the years 2015–2019. Like other operators in the field, we have vehemently denied the absurd demands, which are contrary to common sense. Despite this, due to the claims for compensation, we had to make a reservation of 250 thousand euros in the financial statements. Our reported revenue is thus 250 thousand euros lower than our actual sales.

### Our gaze is tightly focused on the future

Last year was strong for Biohit by all measures, and I am confident that the positive trend will continue in the future. Biohit is a growth-oriented company, and above all, it is a company that has the ability to grow.

Our main themes of the year were clearing obstacles to sales and cost control. We have changed our operating methods to make them more market oriented. Sales are at the centre of operations and the rest of the organisation supports sales. We will continue on this tried and tested path also in 2023.

Our fixed costs are still quite high, but this is a conscious and reasoned choice. Health technology is heavily regulated, and the in-house production of regulation-related operations is expensive. On the other hand, our existing regulatory structure is easily scaled to larger

volumes. For a growth-oriented company with a strong balance sheet and strong liquidity, the current arrangement is therefore justified.

Biohit develops, manufactures and sells cost-effective and easy-to-use diagnostics for the gastrointestinal tract which reduces the cost burden of health care and helps to optimally allocate scarce health care resources.

Up to 40 percent of the world's population suffers from upper stomach problems. There is a clear demand in the market for modern diagnostics that save costs and improve the effectiveness of treatment. With determined work, we will take a bigger share of this market for ourselves every year.

### Towards the new year with positive expectations

The past year has been full of work, but our eye has been kept firmly on the goals. A big thank you to our staff, Team Biohit, who have committed to moving the changes forward. It is a joy and an honour to work with you all. Thanks also to our customers, owners and partners for your support.

We expect our EBIT to increase in 2023 compared to 2022 (in 2022: EUR 1.1 million). The risks are primarily related to high inflation and the global economic trends.







# Strategy 2023

IN 2023, BIOHIT'S STRATEGY  
SHIFTS TO THE NEW ERA:

Innovation based customer  
centric health technology  
pioneer - profitability as  
the foundation of business

**“Mission: Innovating for health.”**

Biohit's strategy, which emphasizes customer orientation, quality, and improving operational agility and cost-effectiveness remains unchanged; implementation of the strategy will now be intensified and closely monitored.

The main priorities for ensuring profitable growth in the coming years are:

EXPANSION OF THE  
MARKETING  
NETWORK FOR  
OUR MAIN  
PRODUCTS

Our main markets are China, the EU, the UK, and the Middle East

IMPROVING THE  
COST STRUCTURE  
OF OUR DISTRIBUTION CHAIN

Streamlining our processes by digitizing and automating operations

QUALITY AND  
EFFICIENCY AS  
THE BASIS OF  
OUR OPERATIONS

A continuous approach to developing and evolving

REFINING OUR  
PRODUCT  
DEVELOPMENT

Streamlining operations by concentrating resources on those projects critical to our business

**“Our products aim to promote medical research and early diagnosis, and prevent serious illnesses.** Our portfolio includes innovative *in vitro* diagnostics related to digestive tract, and products that bind acetaldehyde.”



# Innovative Products



## GASTROPANEL®

### Gastric Health Test

GastroPanel® is a unique test developed by Biohit for the diagnosis of upper abdominal disorders. GastroPanel reliably evaluates the health of the gastric lining. Launched in 2021, the GastroPanel rapid tests can deliver results in just 15 minutes.

GastroPanel combines four tests to analyze the health of the stomach from a blood sample. The quick test is performed with a fingerprick blood sample. GastroPanel is suitable for diagnosing atrophic gastritis and *Helicobacter pylori* infections, as well as for assessing the risk of stomach cancer. The GastroPanel test determines the levels of type I and II pepsinogens, gastrin-17, and antibody levels for *Helicobacter pylori* found in the blood.

## ACETIUM® -LOZENGE

### – Quit Smoking Without Nicotine

Carcinogenic acetaldehyde is one of the harmful substances in tobacco smoke. Acetium® lozenge binds up to 90% of the acetaldehyde in saliva. Acetium reduces the pleasure received from smoking, making it easier to quit.

The effect of Acetium lozenge on smoking cessation has been investigated in two clinical studies. Regular use of the lozenge during smoking increased the likelihood of quitting smoking by a factor of 1.5 compared to the placebo. Acetium lozenge does not have the side effects associated with other methods of quitting smoking, such as nicotine addiction or possible side effects from medicines.



Biohit's R&D cooperation across different scientific fields, innovations and applications have established valuable results for the healthcare worldwide.

GastroPanel® tests and Acetium® lozenges are examples of our innovative products for the pro-motion of health and prevention of diseases.



# Corporate Governance Statement 2022

## INTRODUCTION

Biohit Oyj has prepared this Corporate Governance Statement based on Section 54 of the Finnish Corporate Governance Code for listed companies issued by the Securities Market Association. The company will publish separate remuneration report for the financial year 2022 for governing bodies according to new shareholders right directive. The existing remuneration policy and information on the remuneration to the rest of the management team the company publishes on its website [www.biohithealthcare.com/investors](http://www.biohithealthcare.com/investors).

The Board of Directors reviewed the remuneration report in its meeting on February 6, 2023.

The Report of the Board of Directors, the Auditor's Report, and the full Corporate Governance Statement, the remuneration policy and the rest of the management team remuneration are available at [www.biohithealthcare.com/investors](http://www.biohithealthcare.com/investors).

## RULES OBSERVED BY BIOHIT

Biohit Oyj is a Finnish public limited company whose series B shares are listed on Nasdaq Helsinki in the Small cap/Healthcare group. Biohit Group (hereinafter referred to as "Biohit") comprises the parent company, Biohit Oyj, and its foreign subsidiaries, which primarily focus on sales and marketing for Biohit Oyj's products. Biohit is headquartered in Helsinki.

Biohit's governance complies with applicable legislation, standards and recommendations concerning public listed companies, the regulations of Nasdaq Helsinki Ltd, and Biohit Oyj's Articles of Association. Biohit Oyj has administered its affairs in compliance with the corporate governance code 2020 for Finnish listed companies, and this Statement has been prepared in accordance with the code. The Corporate Governance Code is available at [www.cgfinland.fi](http://www.cgfinland.fi).

None of the members of the five-person Board of Directors is independent of the company, so the company does not fulfil recommendation number 10 stating that the majority of

the members of the Board of Directors must be independent of the company. The company deviates from the recommendation because the current Board composition has the best available competence to lead the company on its existing strategy. Biohit's Board of Directors is one of the best in its size according to the Nordic Business Diversity Index, which measures Board diversity in Finland, Sweden, and Denmark through four different variables: age, gender, education background and nationality.

The company strives to comply with high international standards of corporate governance and the key principles of corporate governance among Finnish listed companies.

## BIOHIT'S ADMINISTRATIVE BODIES IN 2022

The highest decision-making power at Biohit Oyj is exercised by the company's shareholders at the Annual General Meeting. The company's Board of Directors supervises the administration and organisation of the company and the Group's earnings trends. The President & CEO is responsible for operative management and is assisted by the Management Team.



### Annual General Meeting

Biohit Oyj held its 2022 Annual General Meeting on June 15<sup>th</sup> in Helsinki. 2,686,488 shares and 42,738,488 votes were represented at the meeting, corresponding to 17.86% of all the shares in the company and 59.71% of the votes. The meeting was attended by one of the six members of the Board of Directors, the President & CEO, and the principal auditor.

### Board of Directors

The Board of Directors, which comprises 5–7 members elected by the Annual General Meeting, is responsible for the administration and appropriate organisation of Biohit's business operations. Proposals concerning membership of the Board of Directors are prepared by the Board of Directors. Biohit has defined the principles applying to diversity within the Board of Directors in accordance with recommendation 9 of the corporate governance code. Biohit's objective is for both sexes to be represented on the company's Board of Directors. In line with this objective, the Board of Directors had members of both sexes.

The Board of Directors elects a chairman from amongst its members.

Board members' terms of office run from the date of their election by the AGM until the end of the next AGM.

The Board's areas of responsibility are stated in the written rules of procedure approved by the Board. They are as follows:

- Increasing shareholder value
- Ensuring the appropriate organisation of accounting and financial management
- Approving Biohit Oyj's financial statements, consolidated financial statements and the Report of the Board of Directors for the most recent financial period
- Approving the half year financial report annually for the period ending at the end of June
- Deciding on Biohit's business plan, budget, and investment plan
- Deciding on Biohit's financing and risk management policies
- Approving the remuneration and incentive schemes for senior managers
- Appointing the President & CEO
- Deciding on Biohit's strategy, organisational structure, investments, and other wide-reaching and significant issues

The Board's decision-making is based on reports prepared by the company's operative management on the operational development of the Group and its business units.

The Chairman is responsible for convening Board meetings and arranging the work of the Board. The Board convenes 5–12 times per year, usually meeting once every month

or once every two months, and the meeting schedule for the entire term is confirmed in advance. When necessary, Board meetings are held more frequently or by teleconference.

### Board of Directors in 2022

Until the Annual General Meeting held on 15 June 2022, the following six people were on the Board of Directors: Eero Lehti (chairman), Franco Aiolfi, Liu Feng, Matti Härkönen, Lea Paloheimo and Osmo Suovaniemi. At the Annual General Meeting, Franco Aiolfi, Liu Feng, Lea Paloheimo and Osmo Suovaniemi were re-elected to the Board of Directors to serve until the end of the Annual General Meeting in 2023. Kalle Härkönen was elected as a new member to the Board of Directors. The Board of Directors elected Lea Paloheimo as its chairman.

Biohit Oyj's Board of Directors convened 6 times in 2022 (9 times in 2021). The average attendance was 92 per cent (92 per cent).

“...Board of Directors is one the best in its size according to the Nordic Business Diversity Index...”



### Biohit Oyj's Board of Directors on 31 December 2022

**Lea Paloheimo (b. 1951)**, Chairman  
PhD (clinical biochemistry), hospital chemist

- Member of the Board since 2019
- Independent of the major shareholders but non-independent of the company
- Employed by Biohit Oyj during 2001-2019, recently working as a Production and Product Development Director and Business Development Director.
- Attended 6 Board meetings in 2022
- Direct shareholding: series B shares: 7,000

**Franco Aiolfi (b. 1947)**, Degree in Pharmacy awarded by the University of Urbino

- Member of the Board since 2013
- Independent of the major shareholders but non-independent of the company
- Attended 5 Board meetings in 2022
- Direct shareholding: no Biohit shares
- Indirect shareholding: Majority owner of BioBrick S.p.A 31 December 2021. BioBrick S.p.A. owned 92,807 series B shares in 31 December 2021.

**Liu Feng (b. 1972)**, General Manager of Hefei Medicine Co., Ltd, Owner of Biohit Healthcare Hefei

- Member of the Board since 2018
- Non-independent of the major shareholders and of the company n
- Attended 4 Board meetings in 2022

- Indirect shareholding via Biohit Healthcare (Hefei) Co., Ltd.: series A shares: 850,000, B shares: 4,095,415

**Kalle Härkönen (b. 1968)**, MSc (Tech.)

- Member of the Board since 2022
- Non-independent of the company
- CEO at Uusioaines Oy
- Attended 3 Board meetings in 2022
- Direct shareholding: series B shares: 4,333

**Professor Osmo Suovaniemi (b. 1943)**, MD, PhD

- Member of the Board since 1988 and Chairman 2011-2021
- Non-independent of major shareholders and of the company
- Founder of Biohit and its former President & CEO
- Attended 6 Board meetings in 2022
- Direct shareholding: series A shares: 2,018,310; series B shares: 0

### Board committees

The Board of Directors have assessed that the scope of the Biohit Oyj's business does not require the appointment of a separate Audit Committee, and consequently no separate committees have been appointed to increase the efficiency of the Board.

### President & CEO

The President & CEO is responsible for the day-to-day management of the company in accordance with the instructions and regulations issued by the Board of Directors. The President & CEO of the parent company is elected by the Board and acts as Group President. He also ensures the appropriate organisation and legality of the company's accounting and asset management. The terms of employment of the President & CEO are based on a written contract that is approved by the Board of Directors. The President & CEO cannot be elected Chairman of the Board. During the financial period Päivi Siltala MSc (until 1 September 2022) and Jussi Hahtela MSc. (starting 2 September 2022) have acted as the CEO.



#### Jussi Hahtela, (b. 1973)

- MSc
- With Biohit Oyj since 2021 (CEO from 2 September 2022)
- Previously: Chief Strategist, Head of FX & Money Markets Sales Finland, Nordea Markets
- No direct shareholding

#### Päivi Siltala, (b. 1974)

- MSc
- CEO until 1 September 2022
- Previously: Sales Director at Johnson & Johnson and Cook Medical Endoscopy. Business Development Director at Pentax Medical
- No direct shareholding

#### Group Management Team

The composition and areas of responsibility of the Group's Management Team were as follows: Jussi Hahtela (President & CEO), Jussi Sorvo (finance, ICT, HR), Suvi Elomaa (production), Panu Hendolin (R&D), Ilari Patrakka (sales and marketing) and Daniela Söderström (quality and registration).

#### Jussi Sorvo (b. 1990)

- MSc (Econ.)
- Finance, HR, ICT
- With Biohit Oyj since 2021
- Previously: Accountant, PwC
- No direct shareholding

#### Suvi Elomaa (b. 1985)

- Biotechnology and food engineer
- Production Director
- With Biohit Oyj since 2013
- Previously: Project engineer at the Institute of Biomedicine, Department of Physiology at University of Turku
- No direct shareholding

#### Ilari Patrakka (b. 1980)

- MSc (Econ.)
- Sales and Marketing Director
- With Biohit Oyj since 2012
- Previously: retail sales channel manager at Marioff Corporation Oy, marketing and export manager at Gasmot Technologies Oy, sales manager at Gasmot Technologies (Asia) Ltd.
- Direct shareholding: series B shares: 4,116

#### Panu Hendolin (b. 1971)

- Ph.D. (Molecular medicine)
- R&D Director
- With Biohit Oyj as R&D and Production Director 2007-2008 as well as 2014-2017. Head of Technical Product Management from February to December 2022.
- Previously: Production Director at United Medix Laboratories Oy and Chief Technology Officer at Sulapac Oy
- No direct shareholding

#### Daniela Söderström (b. 1987)

- MSc (Tech.)
- Quality and Regulatory Affairs Director
- With Biohit Oyj in the field of quality management since 2014.
- Direct shareholding: series B shares: 30,000

#### Management of subsidiaries

The Managing Directors of the subsidiaries are responsible for the management of subsidiary operations and report to the President & CEO of the parent company. The subsidiaries are responsible for the sales and marketing of Biohit's products in their market areas. The managers of subsidiaries operate under the management and supervision of Biohit's President & CEO. In 2022, the Managing Directors of Biohit's subsidiaries were: Graham Johnson (United Kingdom) and Franco Aiolfi (Italy).

The personal details and shareholdings of Biohit Oyj's Board of Directors and operative management are available at [www.biohithealthcare.com/investors](http://www.biohithealthcare.com/investors).



### Decision-making procedure concerning remuneration

The remuneration policy and the rest of the management team remuneration are available at [www.biohit.fi/investors](http://www.biohit.fi/investors).

### Remuneration of members of the Board of Directors

The Annual General Meeting approves the fees of Biohit Oyj's Board of Directors. The remuneration paid to the other members of Biohit Oyj's Board of Directors is decided by the company's Board of Directors in accordance with the company's rules on related party transactions, which are described on section "related party transactions".

### President & CEO and other company management

The Board approves the President & CEO's remuneration and terms of employment. The severance payment is dependent on the duration of the CEO's term.

The Board approves the remuneration and terms of employment of members of the Management Team. Biohit Oyj's Board of Directors approves the principles of the incen-

tive schemes for Management Team members and the President & CEO.

The President & CEO approves the salaries and profit-based incentives of subsidiaries' Managing Directors in accordance with the instructions provided by Biohit's Board of Directors. Profit-based incentives are dependent on sales and profitability trends for each unit.

### Pension plans

No other pension arrangements, beyond those mandated by law, have been made with the Managing Directors of Group companies.

### MAIN CHARACTERISTICS OF INTERNAL CONTROL OF THE FINANCIAL REPORTING PROCESS AND RISK MANAGEMENT

Biohit's internal control is responsible for ensuring that the Group carries out its business operations within the framework of current regulations and legislation and in accordance with the instructions of the Board of Directors. Internal control seeks to ensure that the Group operates with maximum efficiency and

that efforts are made at various levels of the organisation to achieve the objectives set in the strategy approved by the Board of Directors. Risk management is geared towards supporting the achievement of these objectives by anticipating and managing business-related risks.

### Control environment

Biohit's business operations and administration aim to realise the company's values, of which the most important is to promote health and wellbeing through innovation. Biohit will continue to focus on its diagnostics business and products that bind acetaldehyde – the areas where the company conducts global operations in manufacturing, sales and marketing.

“...the most important is to promote health and wellbeing through innovation.”



Biohit's control environment is defined by the Board of Directors, which, as the highest administrative body, is responsible for organising internal control. The President & CEO is responsible for maintaining the efficiency of the control environment and the functionality of internal control. Biohit's financial department is responsible for the functionality of financial reporting as well as the interpretation and application of financial statement standards in line with the separately approved instructions.

#### Risk assessment

In the assessment of risks related to financial reporting, Biohit's objective is to identify the major risks associated with the Group's business operations and environment. The cost-effective management and monitoring of these risks will then ensure that the company's strategic and operational targets can be reached as intended.

The Board of Directors carries the main responsibility for risk assessment and monitoring the implementation of risk management. The President & CEO works with the parent company's operative management and subsidiaries' managers to ensure that the Group's risk management is duly arranged. The parent company's 17 operative management is responsible for identifying and managing the risks

involved within each business area, while the subsidiaries' Management Teams are responsible for those in their own market areas.

Risk management is one of the areas covered by Biohit's internal control processes, which regularly monitor the risks associated with the company's business operations, identify any changes and, if necessary, take appropriate action to hedge against them. Risk management focuses on ensuring the continuity of business operations and preventing financial misconduct.

#### Control measures

Internal control measures are integrated into the Group's general business management and reporting process. The subsidiaries report to Group Management on business and earnings trends and the most significant deviations on a monthly and quarterly basis. The Group's Management Team reports to the Board of Directors on the overall development of business; these two bodies, together with the President & CEO, decide on overall corporate strategies and procedures guiding the operations of the Group.

The subsidiaries' Boards follow business developments and ensure that the parent company's approved instructions and guidelines are followed. As a rule, the Boards of Direc-

tors of the subsidiaries meet monthly. Board work in the subsidiaries is based on financial reports and the written monthly and annual reports drawn up by subsidiary management.

Biohit's business control is carried out in accordance with the management system described above. The company provides the reporting systems necessary for business and financial management. The financial department of the parent company provides instructions for drawing up annual and interim financial statements and prepares the consolidated financial statements.

The parent company's finance department retains central control of funding and administrative matters within the framework of the instructions provided by the Board of Directors and the President & CEO and is also responsible for the management of interest and exchange rate risks. The Managing Directors of the subsidiaries ensure that the subsidiaries' reporting is carried out in accordance with the instructions given by the Group's Management Team.

The parent company's administration department controls and provides instructions on Group-level personnel policies and any-magreements made within the Group.





### Disclosure policy

Biohit aims to provide all its stakeholders with information about the company's operations in a proactive, consistent and timely manner. The company seeks to take the special requirements and interests of all its stakeholders into account in its communications in order to increase confidence in the company and thereby promote its business operations. Biohit's Board of Directors has approved an information release policy with a view to ensuring the accuracy and reliability of any information released. The policy also specifies who is responsible for communications in different situations.

Biohit's financial department regularly provides information on processes related to financial administration reporting. This ensures the real-time availability of data, which is a prerequisite for efficient internal control.

Financial administration guidelines and the company's information release policy aim to ensure the promptness and comprehensiveness of communications and the release of information required for internal control purposes.

### Monitoring

The efficiency of internal controls on financial reporting is overseen by the Board of Directors, the President & CEO, Management Team members, and the Managing Directors of subsidiaries. Control focuses on following weekly and monthly financial reports and forecasts and analysing any deviations from business plans. Monitoring is performed at all Board and Management Team meetings where reports are reviewed. It is supported by regular contact between Group Management and the company's auditor, and analysis of any deviations, which occurs at least once per quarter.

The audit frameworks for the Group's subsidiaries and key audit areas are jointly defined by the Group's financial management and the chief auditor. Biohit has not appointed a separately organised function for internal auditing purposes, but Biohit's financial department has responsibility to implement it in practise.

The Group has internal control reporting systems required for financial management and monitoring business development. The reporting systems produce monthly financial data, so that financial management can ensure compliance with the parent company's approved instructions on matters such as authorisation.

The Group's auditor and the auditors of each subsidiary evaluate the effectiveness of the internal control system in connection with the external audit.

### AUDIT 2022

The auditor elected by the AGM is responsible for Biohit's statutory audit. According to the Articles of Association, the company must have one auditing body approved by the Central Chamber of Commerce. The 2022 Annual General Meeting re-elected auditing firm PricewaterhouseCoopers Oy as the company's auditor for a one-year term, with Tiina Puukkonieni, Authorised Public Accountant, as chief auditor.

### Auditor and auditor's fees

The 2022 Annual General Meeting decided to pay auditor's fees in accordance with the auditor's invoice. The Group's invoiced auditors' fees for the 2022 financial period totalled EUR 59,000 (EUR 54,000 in 2021). In addition to this, PricewaterhouseCoopers Oy was paid a total of EUR 66,000 for other services (EUR 60,000 in 2021).



### RELATED-PARTY TRANSACTIONS

Biohit Oyj's Board of Directors made following decision on 2022 related party transactions

1. As part of his work as the head of scientific advisory board, Osmo Suovaniemi's compensation amounted 129,000 EUR (2021: 200,000 EUR).
2. As part of his work as the managing director of Biohit Healthcare S.r.l, Franco Aiolfi will be paid a fixed fee of 18,000 EUR (2021: 36,000 EUR).
3. The members of the scientific advisory board will be paid 85 EUR per hour for the work outside the scientific advisory board.

### INSIDERS

Biohit applies the Guidelines for Insiders approved by Nasdaq Helsinki Ltd, as well as any relevant amendments.

Biohit's President & CEO is responsible for insider control. He ensures that people who handle insider information are aware of insider regulations and adhere to trading restrictions. Insiders are not allowed to trade Biohit Oyj securities for 30 days before the publication of the company's financial statement bulletin and interim reports. Insiders participating in projects are not allowed to trade shares in Biohit before an announcement has been made of the continuation or discontinuation of a project.

Information on the shareholdings of Biohit's insiders and their trading activity is available on Biohit's website at [www.biohithealthcare.com/investors](http://www.biohithealthcare.com/investors).





# Information for Shareholders

## General meeting of shareholders

Biohit Oyj's Annual General Meeting has been planned for Wednesday 14 June 2023 in Helsinki, Finland. The Board of Directors will call the General Meeting.

## Board of directors' proposal regarding the distribution of profits

On 31 December 2022, the parent company's distributable assets (unrestricted equity) amounted to EUR 4,711,504.69, including the loss for the financial period of EUR 934,640.55. The Board of Directors proposes to the Annual General Meeting that no dividend be distributed by the company for the most recent financial period.

## Shares

**Total number of shares:** 15,045,593  
(15,045,593 in 2021)

**Series A shares (20 votes per share):**  
2,975,500 (2,975,500 in 2021)

**Series B shares (1 vote per share):**  
12,070,093 (12,070,093 in 2021)

Biohit Oyj's series B shares are listed in the Nasdaq Helsinki Ltd Small Cap group. The shares are traded under the symbol BIOBV. More detailed information about Biohit Oyj's shares is provided in the notes to the consolidated financial statements and on the company's website at [www.biohithealthcare.com/investors](http://www.biohithealthcare.com/investors).

## Financial communication

The financial reviews and other stock exchange releases published by Biohit are available on the company's website at [www.biohithealthcare.com/investors](http://www.biohithealthcare.com/investors). You can also subscribe to receive financial communications by email using the subscription form on the website.

## Publication dates for financial report in 2023

Wednesday 9 August 2023: Interim report, January–June (H1).

## Silent period

Biohit observes a silent period of 30 days before results are published. During this period, Biohit's management and other personnel will not provide information about the company's financial position or market-related comments, nor will they meet with representatives from equity markets or the financial media. However, if an event that requires immediate publication takes place during the silent period, Biohit will publish information without delay in accordance with disclosure regulations. In such cases, the company is able to comment on the event.





# Boards of Directors



## Lea Paloheimo

born in 1951

PhD (clinical biochemistry), hospital chemist

Chairman of Biohit Oyj's Board of Directors

Member of the Board of Biohit Oyj since 2019

Non-independent of the company but independent of major shareholder.

### Other relevant experience:

- With Biohit Oyj during the years 2001-2019. Production and Product Development Director, Business Development Director.



## Franco Aiolfi

born in 1947

Degree in Pharmacy awarded by Urbino University

Member of the Board of Biohit Oyj since 2013

Non-independent of the company, but independent of a major shareholder.

### Other relevant experience:

- Managing Director of BioAir S.p.A. in 31.12.2020 and majority owner through Arsfin Consult Srl



## Liu Feng

born in 1972

General manager of Hefei Medicine Co., Ltd, Owner of Biohit Healthcare Hefei

Member of the Board of Biohit Oyj since 2018

Non-independent of the company and major shareholder

### Other relevant experience:

- Special researcher at the Counselor's Office of Anhui Provincial People's Government
- The vice chairman of the Chinese National Early Gastrointestinal Cancer Prevention & Treatment Center Alliance
- Member of the council of the China Health Promotion Foundation.
- In 2013, Liu Feng and his companies and Biohit Oyj established a joint venture Biohit Healthcare (Hefei) Co., Ltd



# Boards of Directors



## Kalle Härkönen

born in 1968

Foamit Group Oy, CEO, and MD Uusioaines Oy 2020 –

Member of the Board of Biohit Oyj since 2022

### Other relevant experience:

More than 25 years of experience in international business in various industries, especially in managing and developing companies and their global supply chains through digitalization and innovation.

- **Teknos Group Oy**, Deputy CEO, COO, Head of Group Operation and Logistics, 2016 – 2020
- **Fazer Confectionery Ltd**, Vice President Supply chain & sourcing, 2013 – 2016
- **Sartorius Biohit Liquid Handling Oy, part of Sartorius Lab Holding GmbH**, Vice President, Liquid Handling Operation, 2012 – 2013
- **Biohit Oyj**, Chief Operational Officer (COO), 2001 – 2012



## Osmo Suovaniemi

born in 1943

MD, PhD, Professor

Member of the Board of Biohit Oyj since 1988,  
Chairman 2011-2021

Non-independent of both company and major shareholder

### Other relevant experience:

- The founder of Biohit Oyj
- The founder, main shareholder, chairman, and CEO of Labsystems Oyj and Eflab Oy.
- Received an award in 1992 for having most patents in Finland.
- A board member, vice-chairman, and chairman of the General Industry Group in Finland in 1978-1986.
- A board member of the Confederation of Finnish Industry in 1986.
- A member of the Academy of Technical Sciences from 2003.



# Group Management Team



## Ilari Patrakka

born in 1980

MSc (Econ.), Sales and Marketing Director

With Biohit Oyj since 2012.

## Daniela Söderström

born in 1987

MSc (Tech.), Quality and Regulatory Affairs Director

With Biohit Oyj since 2014.

## Jussi Hahtela

born in 1973

MSSc, President and CEO

With Biohit Oyj since 2021.

## Panu Hendolin

born in 1971

Ph.D. (Molecular medicine), R&D Director

With Biohit Oyj since 2022.

## Suvi Elomaa

born in 1985

Biotechnology and food engineer, Production Director

With Biohit Oyj since 2013.

## Jussi Sorvo

born in 1990

MSc (Econ.), CFO

With Biohit Oyj since 2021.



# Financial Statements

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\* Part of the financial statements



# 1. Report by the Board of Directors 2022

## Summary

- Revenue EUR 11.0 million (EUR 9.4 million)
- Revenue grew by 17.0% compared to 2021
- Operative EBITDA EUR +1.8 million (EUR 0,5 million)
- Cash at the end of the period EUR 2.1 million (EUR 1.1 million)
- ROE 8.1% (-18.7%)
- Fair value of Genetic Analysis AS investment EUR 0.3 million (EUR 0.9 million 31 December 2021)
- Revenue from international operations 97.9% (97.5%) of total revenue
- Equity ratio 68.3% (76.3%)

## BIOHIT GROUP KEY FIGURES

	1-12/2022	1-12/2021
Revenue (MEUR)	11.0	9.4
EBITDA (MEUR)	1.6	0.5
Operative EBITDA (MEUR)	1.8	0.5
Operating profit/loss (MEUR)	1.1	-1.5
Profit/loss before taxes (MEUR)	0.9	-1.3
Profit/loss for the period (MEUR)	0.6	-1.5
Average number of personnel	45	44
Number of personnel at the end of the period	43	41
Equity ratio (%)	68.3%	76.3%
Earnings per share (EUR), Undiluted	0.04	-0.10
Earnings per share (EUR), Diluted	0.04	-0.10
Shareholders' equity per share (EUR)	0.50	0.49
Average number of shares during the period	15,045,593	15,045,593
Average number of shares end of the period	15,045,593	15,045,593

Year 2022 Biohit's revenue grew 17.0% from the previous year. Solid balance sheet creates good conditions to business development and utilizing of products' commercial potential. Biohit's equity ratio was 68.3% (76.3%) at the end of financial year 2022. Company's financial assets totalled EUR 5.9 million (EUR 4.6 million).





## REPORTING

Biohit's product portfolio consists of diagnostic tests, analysis systems, products binding carcinogenic acetaldehyde into a harmless compound, monoclonal antibodies, as well as laboratory operations for research and development. The entire product portfolio is reported under a single segment.

## REVENUE AND EBIT

Revenue grew by 17.0% from 2021. Revenue from international operations was 97.9% (97.5%) of total revenue. EBIT was EUR 1.1 million (EUR -1.5 million).

## CONSOLIDATED REVENUE AND OPERATING PROFIT

	2022	2021
Revenue MEUR	11.0	9.4
Operating income MEUR	1.1	-1.5

## ALTERNATIVE PERFORMANCE MEASURES

### Bridge calculation of operative EBITDA

EUR million	1-12/2022	1-12/2021
Operating profit/loss	1.1	-1.5
Depreciation and amortization	0.5	2.0
IFRS 2 Share based payments	0.2	0.0
Operative EBITDA	1.8	0.5

## BALANCE SHEET, FINANCING AND OPERATIONAL CONTINUITY

On the 31 December 2022 the balance sheet totalled EUR 11.0 million (EUR 9.6 million 31 Dec 2021). At the end of the reporting period our equity ratio stood at 68.3% (76.3% 31 Dec 2021).

Profitable financial period increased the balance sheet.

Biohit Oyj has a stable financing position. On the 31 December 2022 company's financial assets totalled EUR 5.9 million (EUR 4.6 million) which does not include Genetic Analysis AS shares.

The company has managed to keep its working capital on a good level and the management believes that working capital will cover the operations for the next 12 months and the company is not dependent on external financing to be able to guarantee the continuity of its operations.

Cash flow from operating activities was EUR 1.8 million during the review period and EUR 0.9 million during the second half of the year. Company's management assessment is that company's ability to continue its operations is good and there are no indications towards events or circumstances that alone or together might give a significant reason to doubt the organisation's ability to continue its operations.

## INVESTMENTS

Gross investments during the 1-12/2022 reporting period totalled EUR 0.0 million (EUR 0.0 million).

## PERSONNEL

During the review period the Biohit Group employed on average 45 (44) people of whom 36 (35) were employed by the parent company and 9 (9) by the subsidiaries.



### SHORT-TERM RISKS AND UNCERTAINTY FACTORS

Biohit's key risks are related to global economic trends, the success of product registrations and the selection and development of new market areas and distribution channels.

Rising inflation and especially higher cargo tariffs are a threat to Biohit's competitiveness. The diagnostic industry is heavily regulated, and this may have an effect on Biohit's sales. The duration of the product registration process is different in each market area. For this reason, it is not possible to accurately assess the time taken for the authorities to handle registrations and for product sales to begin.

It is also critical in the short-term to implement the changes in Biohit's product portfolio and processes according to new IVDR EU regulation, so that the sales of the existing products can continue.

When investing liquid assets, the objective is to gain a return on investment with a low risk of equity loss. The investment portfolio consists of deposits, investment funds and corporate loans. A fundamental aspect in portfolio management is sufficient diversification across different asset classes, investment instruments and counterparties. The investment portfolio is subject to equity risk that is managed by diversification and allocation decisions. The portfolio is also subject to interest rate risk, which is managed by adjusting the duration of the portfolio. In addition, general instability in the financial markets impacts negatively on the value of the investment portfolio.

The Group's investment in listed Genetic Analysis AS is subject to changes in share price and EUR/NOK foreign exchange rate.

Biohit's customer base is widely diversified, with the exception of GastroPanel® sales in China, which currently represents a major single business for Biohit. Biohit HealthCare (Hefei) Co. Ltd. has, based

on a security agreement signed on 8 February 2022, pledged to Biohit 1,500,000 class B Biohit shares as security for its obligations referred to therein. The pledge decreases significantly risks that are related to sales in China.

Otherwise the company is not significantly dependent on individual customers or project deliveries.

Balance sheet and sales of the Biohit's UK subsidiary are in GBP. As a result, Biohit is exposed to risk of GBP weakening. Otherwise, most of the company's business is conducted in EUR and the indirect effects of currency exchange rate fluctuations are considered insignificant.

### OUTLOOK FOR 2023

Biohit expects its EBIT to increase in 2023 compared to 2022 (2022: EUR 1.1 million).

The risks are primarily related to high inflation and the weakening growth of the global economy.

### MAIN EVENTS IN THE FINANCIAL YEAR

Biohit's revenue continued to grow reaching EUR 11.0 million (2021: EUR 9.4 million, growth 17%). Profitability improved, EBITDA was EUR 1.8 million. Growth from previous year was EUR 1.3 million. EBIT was EUR 1.1 million, EUR 2.6 million higher than in 2021. Gross margin rose to 62.2% from 59.3% in 2021.



Growth in revenue was broad based. New multi-annual distribution agreement with Biohit HealthCare (Hefei) Co. Ltd signed in February regarding certain GastroPanel products played important role. Product and raw material sales and royalty payments boosted net sales.

Biohit was granted funding for two R&D projects by the European Union and Business Finland in 2021. The total amount of these grant fundings is EUR 0.9 million, of which EUR 0.3 million was deferred as a revenue to the reporting period. Centre for Economic Development, Transport and the Environment decided to grant Biohit Oyj EUR 0.2 million support for corporate development, this support had no financial impact on the reporting period.

Italian subsidiary made EUR 0.3 reservation regarding Italian state's demand of ex post compensation from suppliers of medical equipment for the budget overruns of the Italian administrative regions in the years 2015-2019. Like other operators in the field, Biohit has denied the demands. Reservation decreases H2 revenues.

Biohit owns 5.71% of the listed Norwegian Genetic Analysis AS. Valuation of the shareholding decrease by EUR 0.6 million to EUR 0.3 million in 2022.

In comparison period 2021 the financial result was affected by the patent depreciation regarding the divestment of Biohit Healthcare (Hefei) Co. Ltd capitalized in 2017. Annual depreciations of EUR 1.5 million ended 2021.

#### Expanding distribution network and CE mark for GastroPanel® Quick Test

GastroPanel quick test is the further development of the unique Biohit GastroPanel examination which is the most important product for us in terms of revenue. GastroPanel quick test is based on immunoassay meth-

od detecting GastroPanel biomarkers from EDTA-plasma or finger prick blood 5 in only 20 minutes. In August 2021 we received CE mark for the plasma version and in May 2022 for the finger brick version.

The global need in health care is evident for reliable quick tests intended for diagnosing *Helicobacter pylori* infection, atrophic gastritis and cancer risk from patients with dyspeptic symptoms.

Biohit has actively widened the coverage of its sales activities in the global markets. Three new significant distribution agreements were signed in 2022. These agreements expand our markets to Poland, Singapore and Peru.

#### New CEO

CEO Päivi Siltala resigned on September 1, 2022. CFO Jussi Hahtela was appointed as the new CEO starting on September 2, 2022.

Before Biohit Hahtela has worked at Nordea Markets as a Chief Strategist and Head of FX and Money Market Sales Finland.

#### RESEARCH AND DEVELOPMENT AND CLINICAL STUDIES

R&D operations focus on innovations, as well as product development and further improved usability. Biohit also employs external experts and subcontractors in its R&D operations.

Development expenditure has not been capitalized. Research and development expenditure during the 1-12/2022 reporting period amounted to EUR 1.2 million (EUR 1.2 million) of which the second half-year accounted for EUR 0.7 million (EUR 0.5 million).



Finger brick version of GastroPanel quick test was CE-marked in 2022. The Quick test system comprises an immunological test and dedicated GP Reader device which interprets the result. The Quick test enables first-line diagnosis and screening of dyspeptic patients easier than ever before.

2022 was an unconventional year in R&D. We continued to develop new products and to do lifecycle updates to existing products, but IVDR and MDR related regulation compliance consumed resources more than usually. However, this allocation need was known beforehand, and we were prepared.

## FINANCIAL REPORTING

In 2023 Biohit will publish the half-year financial report for period January - June 2023 (H1) at 9:30 am local time (EET) on Wednesday 9 August 2023.

## MAJOR EVENTS AFTER THE CLOSE OF THE REVIEW PERIOD

The company's management is not aware of any other material events since the balance sheet date.

## GOVERNMENT

### Annual General Meeting in 2022

AGM decided on June 15, 2022 as suggested by the Board of Directors, that no dividend will be paid on the financial year 2021.

The AGM resolved that five (5) members are elected to the Board of Directors and that CEO Franco Aiolfi, CEO Liu Feng, CEO Kalle Härkönen, PhD Lea Paloheimo and professor h.c., MD, PhD Osmo Suovaniemi are elected as members of the Board of Directors until the end of the next AGM.

AGM decided to choose PricewaterhouseCoopers as an audit firm.

### Biohit Oyj's Management Team

The members of Biohit's Management Team are: CEO Jussi Hahtela, CFO Jussi Sorvo, Production Director Suvi Elomaa, Research and Development Director Panu Hendolin, Sales and Marketing Director Ilari Patrakka and Quality and Regulatory Affairs Director Daniela Söderström

## SHARES AND SHAREHOLDERS

Biohit Oyj's number of shares is 15,045,593 (15,045,593), of which 2,975,500 (2,975,500) are Series A shares and 12,070,093 (12,070,093) are Series B shares. The Series B shares are quoted on NASDAQ Helsinki in the Small cap/Healthcare group under the code BIOBV.

“The Quick test enables **first-line diagnosis** and screening of dyspeptic patients **easier than ever before.**”



BIOBV/NASDAQ OMX Helsinki	1-12/2022	1-12/2021
High (EUR)	2.15	2.54
Low (EUR)	1.05	1.82
Average (EUR)	1.71	2.11
Latest (EUR)	1.57	1.84
Turnover (EUR)	6,398,774	8,892,806
Turnover volume	3,751,374	4,213,424

## SHAREHOLDERS

At the end of the reporting period on 31 December 2022 the company had 7,734 shareholders (7,669 on 31 December 2021). Private households held 60.2% (59.2%), companies 5.3% (5.3%) and public sector organisations 0.0% (0.0%). Foreign ownership or nominee registrations accounted for 33.1% (33.2%) of shares.

Further information on the shares, major shareholders and management shareholdings is available on the company's website.

[www.biohithealthcare.com/en/investors](http://www.biohithealthcare.com/en/investors)

## BOARD'S PROPOSAL FOR DISTRIBUTIONS OF PROFIT

The parent company's distributable funds (unrestricted equity) on 31 December 2022 are EUR 4,711,504.69 of which the period net profit is EUR 934,640.55. The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the fiscal year.

## AGM in 2023

Biohit Oyj's Annual General Meeting has been planned for Wednesday 14th of June 2023. The Board of Directors will call the General Meeting later.

## Corporate governance statement

Biohit Oyj will release a separate Corporate Government Statement in its internet site: [www.biohithealthcare.com/investors/corporate-governance/](http://www.biohithealthcare.com/investors/corporate-governance/)

Helsinki 14 February 2023

Biohit Oyj  
Board of Directors



## 2. Consolidated Financial Statements

### CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

€ 1,000	Note	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2021
<b>Revenue</b>	2.3	<b>10,951</b>	<b>9,361</b>
Change in inventories of finished and unfinished products		-16	-305
Other operating income	2.5	299	258
Materials and services	2.6	-3,823	-3,141
Expences arising from employment benefits	2.7	-3,618	-3,450
Other operating expenses	2.8	-2,184	-2,215
<b>EBITDA</b>		<b>1,610</b>	<b>508</b>
Depreciation and amortization	2.10	-481	-1,988
<b>Operating profit/loss</b>		<b>1,129</b>	<b>-1,480</b>
Financial income	2.11	92	209
Financial expenses	2.11	-352	-33
<b>Profit/loss before taxes</b>		<b>868</b>	<b>-1,305</b>
Income taxes	2.12	-267	-195
<b>Profit/loss for the financial period</b>		<b>601</b>	<b>-1,500</b>
<b>Other items of comprehensive income</b>			
Items that may later be reclassified through profit and loss			
Translation differences		-31	12
Items that will not be reclassified through profit and loss			
Changes in the fair value of equity instruments measured at fair value through other comprehensive income		-609	74
<b>Total comprehensive income for the period</b>		<b>-39</b>	<b>-1,414</b>
Distribution of profit/loss for the financial period			
To the owners of the parent company		601	-1,500
Total		601	-1,500
Distribution of comprehensive income for the financial period			
To the owners of the parent company		-39	-1,414
Total		-39	-1,414
Earnings per share calculated from earnings attributable to the owners of the parent company			
Undiluted earnings per share (EUR)	2.13	0.04	-0.10
Diluted earnings per share (EUR)	2.13	0.04	-0.10



## CONSOLIDATED BALANCE SHEET

€ 1,000	Note	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	2.14	41	137
Property, plant and equipment	2.15	140	201
Right-of-use assets	2.15, 2.16	853	219
Other non-current financial assets	2.17	58	58
Deferred tax assets	2.19	22	14
<b>Total non-current assets</b>		<b>1,115</b>	<b>629</b>
<b>Current assets</b>			
Inventories	2.20	920	750
Trade and other receivables	2.17, 2.21	2,753	2,720
Other current financial assets	2.17	4,105	4,413
Cash and cash equivalents	2.17, 2.18	2,122	1,102
<b>Total non-current assets</b>		<b>9,900</b>	<b>8,984</b>
<b>Total assets</b>		<b>11,015</b>	<b>9,613</b>



€ 1,000	Note	31 Dec 2022	31 Dec 2021
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	2.22	2,350	2,350
Fair value reserve	2.22, 2.23	-1,701	-1,092
Invested unrestricted equity fund	2.22, 2.23	5,138	5,138
Translation differences		-107	-76
Retained earnings		1,777	979
<b>Shareholders' equity attributable to shareholders of the parent company</b>		<b>7,458</b>	<b>7,300</b>
<b>Total shareholders' equity</b>		<b>7,458</b>	<b>7,300</b>
<b>Long-term liabilities</b>			
Lease liabilities	2.16, 2.18, 2.24	686	155
Deferred tax liabilities	2.19, 2.25	2	2
Other liabilities	2.18, 2.25	8	7
<b>Total long-term liabilities</b>		<b>696</b>	<b>164</b>
<b>Short-term liabilities</b>			
Trade payables	2.17, 2.25	676	577
Tax liabilities	2.17, 2.25	139	180
Short-term interest-bearing liabilities	2.16, 2.17, 2.24	257	66
Other liabilities	2.25	1,789	1,324
<b>Total short-term liabilities</b>		<b>2,862</b>	<b>2,149</b>
<b>Total shareholders' equity and liabilities</b>		<b>11,015</b>	<b>9,613</b>





## STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

## SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

€ 1,000	Share capital	Invested unrestricted equity fund	Translation differences	Fair value reserve	Retained earnings	Total shareholders' equity
Shareholders' equity 1 January 2022	2,350	5,138	-76	-1,092	979	7,300
Share-based payments	-	-	-	-	195	195
Adjustments of translation differences	-	-	-	-	1	1
Total comprehensive income for the period	-	-	-31	-609	601	-39
<b>Shareholders' equity 31 December 2022</b>	<b>2,350</b>	<b>5,138</b>	<b>-107</b>	<b>-1,701</b>	<b>1,777</b>	<b>7,458</b>

## SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

€ 1,000	Share capital	Invested unrestricted equity fund	Translation differences	Fair value reserve	Retained earnings	Total shareholders' equity
Shareholders' equity 1 January 2021	2,350	5,138	-88	-1,165	2,468	8,703
Share-based payments	-	-	-	-	17	17
Adjustments of translation differences	-	-	-	-	-5	-5
Total comprehensive income for the period	-	-	12	74	-1,500	-1,414
<b>Shareholders' equity 31 December 2021</b>	<b>2,350</b>	<b>5,138</b>	<b>-76</b>	<b>-1,092</b>	<b>979</b>	<b>7,300</b>



## CONSOLIDATED CASH FLOW STATEMENT

€ 1,000	Note	2022	2021
<b>Cash flow from operating activities</b>			
Profit/loss for the financial period		601	-1,500
Adjustments to profit for the financial period			
Business activities with no payment transactions*		206	-12
Depreciation and impairment	2.10	481	1,988
Unrealised exchange rate gains and losses		-2	-3
Financial income and expenses		248	-193
Income taxes	2.12	267	195
Total adjustments to income for the financial period		1,199	1,976
Change in working capital			
Increase (-)/ decrease (+) in short-term interest-free trade receivables		-29	-1,395
Increase (-)/ decrease (+) in inventories		-165	161
Increase (+)/ decrease (-) in short-term interest-free liabilities		547	213
Total change in working capital		353	-1,021
Interest paid		-106	-25
Interest received		122	120
Realised exchange rate gains and losses		-9	24
Income tax paid		-313	-18
<b>Net cash flow from operating activities</b>		<b>1,848</b>	<b>-444</b>



€ 1,000	Note	2022	2021
<b>Cash flow from investments</b>			
Investments in tangible and intangible assets		-59	-33
Income from disposal of tangible and intangible assets		0	20
Investments in funds and deposits		-2,900	-1,592
Profit from the sale of investments in funds and deposits		2,334	2,365
<b>Net cash flow from investments</b>		<b>-625</b>	<b>760</b>
<b>Cash flow from financial activities</b>			
Repayment of lease liabilities		-186	-266
<b>Net cash flow from financial activities</b>		<b>-186</b>	<b>-266</b>
<b>Change in financial assets</b>			
Cash and cash equivalents at the beginning of the period		1,102	1,038
Effects of changes in exchange rates		-16	13
<b>Cash and cash equivalents at the end of the period</b>		<b>2,122</b>	<b>1,102</b>

\* Includes EUR 195 thousand option costs (year 2022)



## NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

### 2.1 BASIC INFORMATION ON THE COMPANY

Biohit Oyj is a Finnish public limited company that manufactures that bind acetaldehyde, diagnostic products and systems for diagnostic analysis for the use of research institutions, healthcare and industry. The parent company's domicile is Helsinki, Finland.

A copy of the consolidated financial statements is available on the website, [www.biohithealthcare.com](http://www.biohithealthcare.com), and at the headquarters of the Group's parent company at Laippatie 1, Helsinki, Finland.

Biohit Oyj's Board of Directors approved the financial statements for publication on February 14th 2022. In accordance with the Finnish Limited Liability Companies Act, shareholders have the opportunity to approve or reject the financial statements at the Annual General Meeting, which is to be held after the financial statements have been published. At the Annual General Meeting, it is also possible for a decision to be made to alter the financial statements.

### 2.2 ACCOUNTING PRINCIPLES

#### Accounting principles

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Union. The IAS and IFRS standards that were valid on 31 December 2022 have been followed, as well as SIC and IFRIC interpretations. The IFRS refer to standards and interpretations thereof approved for application in the EU in compliance with the proceedings stipulated

in Regulation (EC) 1606/2002, as referred to in the Finnish Accounting Act and subsequent regulations. The notes to the consolidated financial statements also comply with Finnish accounting and corporate legislation.

The consolidated financial statements have been prepared in compliance with the principle of operational continuity. Despite its loss-making financial periods, the company has succeeded in keeping its working capital at a good level and the company believes that it is sufficient to cover the next 12 months of operations. The company is not dependent on external financing to guarantee operational continuity. In the assessment of the company's senior management, the company's capacity to continue operating is good, and there are no foreseeable events or conditions that could occur individually or in combination to give major cause to doubt the company's ability to continue operating.

The consolidated financial statements have been prepared on the basis of acquisition cost with the exception of equity investments recognised at fair value through other comprehensive income and financial assets and liabilities recognised at fair value through profit or loss. The financial statements are presented in thousands of euros. The figures presented in the financial statements are rounded from precise figures, so the combined total of individual figures may differ from the total sum presented. Indicators have been calculated using precise values.

The preparation of IFRS-compliant financial statements requires the Group management to make certain estimations and judgments when applying the Group's accounting policies. Information on judgements that the management has made when applying the Group's accounting



principles and that have the most significant effect on the figures presented in the financial statements are presented under "Accounting policies calling for judgements by the management and key sources of estimation uncertainty".

### Presentation method

The Group's income statement is presented as a single calculation in which the share of the income accounted for by the Group's ongoing operations is presented first and income due to discontinued operations is then presented on a single line. In the 2021 and 2022 financial periods Biohit had no discontinued operation to present.

### Consolidation principles

The consolidated financial statements include the parent company, Biohit Oyj, and all its subsidiaries. Subsidiaries are companies over which the Group exercises control. The Group has a controlling interest in a company if, by being involved in the company, it is exposed to fluctuating returns or is entitled to such fluctuating returns and it is able to influence these returns by exercising its control over the company.

Mutual shareholdings of Group companies have been eliminated using the acquisition cost model. Acquisition costs include transferred assets at fair value, generated or assumed liabilities and equity-based instruments that are issued. Acquired subsidiaries are consolidated from the moment that the Group gains control over them and divested subsidiaries are consolidated until this control ends. All internal Group business transactions, receivables, liabilities, unrealised profits and internal profit distribution are eliminated when preparing the consolidated financial statements. Unrealised losses are not eliminated if the loss results from impairment. The distribution of profits for the financial period to

the parent company's owners and minority interest-holders is presented in the income statement, and the minority interest-holders' share of equity is presented as a separate item in the balance sheet under equity. The minority interest-holders' share of accumulated losses is recognised in the consolidated financial statements up to the amount of the investment. The Group has no associated companies or minority shareholders.

### Subsidiaries

Subsidiaries are consolidated into the financial statements from the moment that the Group gains control over them until this control ends. The consolidated financial statements have been prepared using the acquisition-cost method. The Group's share of assets, liabilities and contingent liabilities on the date of acquisition is recognised at fair value and the amount in excess of the fair-value acquisition cost is recognised as goodwill. If the acquisition cost of a subsidiary is less than the value of the net assets on the date of acquisition, the difference is recognised in the income statement. Internal Group business transactions, receivables, liabilities and unrealised profits from internal sales are eliminated in the consolidated financial statements. Unrealised losses are also eliminated unless an internal business transaction demonstrates that an asset has become impaired. The share of a subsidiary owned by minority interest-holders is presented in the consolidated balance sheet under equity, separately from shareholders' equity. The accounting principles applied by subsidiaries have been adapted to correspond to the Group's principles. On 31 December 2022, the company had no goodwill on its balance sheet.

### Translating items denominated in foreign currencies

The profit and financial position of the Group's units are measured in the currency of the main operating region of the unit in question. The



consolidated financial statements are presented in euro, which is the functional and presentation currency of the Group's parent company.

Foreign currency business transactions are recorded in the functional currency at the exchange rate on the date of transaction. Monetary receivables and liabilities are translated at the exchange rate on the closing date of the financial period. Non-monetary foreign currency items have been translated into the functional currency at the exchange rates on the transaction date. Any exchange differences arising from translation are recognised in the income statement. Any exchange differences arising from the translation of accounts receivable and accounts payable within the Group are recognised as financial items, while corresponding external items are treated as sales or purchase adjustment items. The income statements of foreign subsidiaries have been translated into euro at the average exchange rate for the financial period and the balance sheets have been translated at the exchange rate on the closing date of the financial period. The exchange difference resulting from translating income statement items using the average exchange rate and balance sheet items at the exchange rate on the closing date of the financial period has been recognised as a separate item under translation differences in equity. Exchange differences from monetary items calculated as net investments made in foreign subsidiaries are recognised as translation differences.

### Business segments

Biohit's product portfolio consists of diagnostic tests, analysis systems, products that bind carcinogenic acetaldehyde into harmless compounds, monoclonal antibodies and service laboratory operations. The company classifies its entire product and service portfolio into one segment.

Segment information is provided to the most senior operative decision-making body as part of internal reporting in a consistent manner.

The Group's Management Team is the most senior operative decision-making body. It is responsible for allocating resources to business segments.

### Revenue recognition

The Group applies IFRS 15 Revenue from contracts with customers. The new standard establishes a five-step model for recognizing revenue from contracts with customers.

Revenue is recognised on a gross basis, as Biohit acts as a principal towards customers. The transaction price is estimated separately for each contract at the amount of consideration that Biohit is expected to be entitled to in exchange of the goods or services transferred. The determination of the transaction price is normally straightforward, as Biohit's contracts include no variable consideration such as retrospective discounts. Biohit applies the practical expedient and therefore does not recognise a significant financing component, i.e. does not adjust the promised consideration for time value of money when the time between the delivery of the promised good or service to the customer and the payment by the customer is less than one year.

Revenue for each good or service as well as royalty from license-based business is recognised as a distinct performance obligation, as those are separately identifiable and Biohit's customers can benefit from them individually. Revenue from goods sold is recognised at a point of time when control over them is transferred to the customer in accordance with the commercial terms of delivery, i.e. when the goods leave the warehouse in accordance with "ex-works".

Biohit also has licensing agreement, in which Biohit fulfills the performance obligation at one point in time. In that case, the sales revenue is recorded in full when the license is granted to the customer. The consid-



eration is then variable up to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty is subsequently resolved. Biohit values the variable consideration as an expected value that corresponds to the sum of the amounts weighted by probabilities. The variable amount of money is based on the management's estimate of the annual payments that Biohit will likely receive.

For laboratory services, Biohit considers that control is transferred to the customer when the results of an analysis are delivered to the customer, and revenue is recognised at a point of time. Revenue from licence-based contracts is recognised based on a so-called subsequent sale, i.e. on the basis of revenue generated from the sales of the licenced goods by the customer or on the basis of the number of goods sold. Where Biohit is unable to receive from the customer the information regarding the amount of sales or the number of goods sold that forms the basis for royalty income, royalty income is estimated based on historical data. In the financial year 2020, royalty income is based on information submitted by the customers.

Biohit has a contractual obligation to withdraw defective goods from the market and replace them with new products without a separate compensation. Costs relating to the withdrawal are accounted for in accordance with IAS 37 Provisions, contingent liabilities and contingent assets. The amount of costs relating to goods withdrawn has not been material in Biohit's business.

Biohit recognises a contract asset when the right to a consideration is not unconditional. The asset is recognised within sales receivables when the right to a consideration is unconditional, i.e. when only passage of time is required before payment of the consideration is due. A contract liability is recognised for payments received from customers for which no goods or services have yet been delivered by Biohit.

Biohit has not incurred any significant costs to obtain the contracts, such as sales commissions. Biohit applies a practical expedient and recognises the incremental costs of obtaining a contract as an expense as incurred, if the amortisation period for the related asset would be one year or less.

Biohit applies the practical expedient and does not disclose information about partly or completely unsatisfied performance obligations that relate to contracts with a duration one year or less. Biohit's contracts with a duration of more than one year consist of distribution agreements that are framework contracts by nature and do not meet the criteria in IFRS 15 for the existence of a contract without specific purchase orders for quantities to be delivered. In this case, future sales relating to distribution agreements are not accounted for as unsatisfied performance obligations, and no transaction price is allocated to them.

### Public grants

Public grants are recognized according to the IAS20-standard.

Public grants are recognized as fair value when it reasonably certain that they will be granted and that the company fulfils the requirements for them. Public grants are accrued and recognised in the profit and loss statement for the financial period in which the right to receive the grant is fulfilled based on actual costs.

Product development grants e.g., Business Finland, are recognizes as Other operating income. Cost support e.g. The State Treasury's business cost support is recognized as Other operating costs deductibles.



### Estimates made relating to revenue recognition

Biohit uses management's estimate when recognizing sales revenue from customer contracts that include a variable amount of money. The variable amount of money is based on the management's estimate of the annual payments that Biohit will likely receive. The management uses the customer's previous payment behavior as the basis for the estimate.

### Property, plant and equipment

Property, plant and equipment are recognised at original acquisition cost, less accumulated depreciation and impairments. Acquisition cost includes the direct costs arising from acquisition. Costs that arise subsequently are included in the book value of the asset or recognised as separate assets only if it is likely that the future financial benefit associated with the asset will benefit the Group and the acquisition cost of the asset can be reliably determined. Other repair and maintenance costs are recognised through profit or loss in the period during which they have materialised.

Straight-line depreciation is applied to assets according to the estimated useful life. No depreciation is made on land. The estimated useful lives are as follows:

Machinery and equipment: 3–10 years

The residual value and the useful life of assets are checked in every financial statement and, if necessary, adjusted to represent changes that have occurred in the expectations of financial benefit. Sales gains and losses accumulated from the disposal or transfer of tangible fixed assets are included in other operating income or expenses.

### IFRS 16 Leases

Biohit implemented IFRS 16 for the first time for the reporting period beginning on 1 January 2019. It will result in almost all leases being recognised on the balance sheet by lessee as the distinction between operating and finance leases is removed.

Under the new standard, lessee recognises a right-of-use asset (the right to use the leased item) and a lease liability to pay rentals. The standard includes optional recognition exemptions for short-term leases (12 months or less) and leases for which the underlying asset is of low value. Biohit has decided to apply the optional exemptions and recognises these expenses as straight-line basis over the period of the lease.

The most significant impact of adopting the standard was that Biohit recognises new liabilities and right-of-use assets, relating to office premises and company cars from existing lease contracts.

According to IFRS 16 -standard, the lessee's lease period is the period during which the lease cannot be terminated. Also, a potential extension or termination option should be considered, if the use of such option is estimated to be reasonable certain. The lease term for ongoing contracts is based on estimate by Biohit's management. Management regularly estimates the length of those leases.

The lessee should value the lease agreement by discounting the future lease payments to the present value at the inception of the contract. The internal interest rate implicit in the lease is not easily available which is why the future minimum lease payments are discounted using Biohit's incremental borrowing rate. According to the standard, the incremental borrowing rate is defined as the interest that the lessee would have to pay when borrowing for a similar term and with similar security to obtain an asset of an equivalent value to the right-of-use asset in similar economic environment. Biohit has determined the incre-





mental borrowing rate for leases based on the debt based financing offers received from the 3rd party. Biohit has applied a single discount rate to a portfolio of leases with similar characteristics.

## INTANGIBLE ASSETS

### Research and development expenses

Research expenditure is recognised as an expense in the balance sheet. Development expenditure related to designing new and more advanced products is capitalised in the balance sheet as an intangible asset when the product can be technically realised and commercially exploited, and the product is expected to generate a future financial benefit. Development expenditure that has previously been recognised as an expense cannot be capitalised at a later date. Depreciation is booked for an asset from the time it is ready for use. No development expenditure was capitalised on the balance sheet on 31.12.2022.

### Other intangible assets

Intangible assets are only entered in the balance sheet if the acquisition cost of the asset can be reliably determined and if it is likely that the expected financial benefit from the asset will benefit the company. Other intangible assets with a limited useful life are entered in the balance sheet at original acquisition cost, and costs are booked in the income statement based on straight-line depreciation over the course of the known or estimated useful life of the asset. The Group has no intangible assets with indefinite useful lives.

### The depreciation periods are as follows:

Patents: 4–10 years

IT software: 3 years

Other intangible assets: 5–10 years

### Impairments of tangible and intangible assets

On the closing day of each financial period, the Group assesses whether there are indications of impairment in the value of a particular asset. If there are such indications, the recoverable amount from the said asset is estimated. Additionally, the recoverable amount is estimated annually for goodwill, regardless of whether there is any indication of impairment. The need for impairment is reviewed at the level of cash-generating units, that is, the lowest unit level that is largely independent of other units, and whose cash flow can be separated from other cash flows. The discount rate used is the interest rate that is determined before taxes and that describes the market's view of the time value of money and the risks incorporated in the tested asset.

The recoverable amount is the asset's fair value, less costs arising from transfer or a higher utility value. Value in use is the estimated future net cash flow from the asset or cash-generating unit, which is discounted to its present value. Impairment loss is recognised if the book value of the asset is higher than the recoverable amount. Impairment loss is recognised immediately in the income statement. If the impairment loss is allocated to a cash-generating unit, it is first allocated to reduce the goodwill of the cash-generating unit and then to reduce the other assets of the unit pro rata. The impairment loss is cancelled if there is a change in the conditions and the recoverable amount from the asset has changed since the impairment loss was booked. However, the impairment loss may not be reversed in excess of what the asset's book value would be without the recognition of the impairment loss. Impairment losses recognised for goodwill are never reversed.



### Inventories

Inventories are measured at acquisition cost or net realisable value, whichever is lower. The acquisition cost is determined using the FIFO method. The acquisition cost for finished and unfinished products consists of raw materials, direct labour costs, other direct costs, and the appropriate share of manufacturing-related variable overheads and fixed overheads at a normal level of operations. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs for completing the product and costs related to sales.

### Pension obligations

In Group companies, pension cover is arranged in accordance with the pension legislation and practices of the country in question. The pension arrangements are defined-contribution plans. The payments related to defined-contribution pension plans are recognised as costs in the financial period in which they arise.

### Share-based payments

In the future the Group might have incentive plans where payments are made in the form of equity instruments. The benefits granted under the plans are recognised at fair value on the date on which they were granted and entered as costs evenly throughout the period during which they were earned. The effect of the plans on profit or loss is presented under costs of employee benefits.

The cost determined on the date on which the options were granted is based on the Group's estimate of the number of options for which rights are presumed to arise at the end of the incentive-earning period. The

Group updates the presumption of the final number of options on the final day of every reporting period. Changes in estimates are treated through profit or loss. The fair value of option plans is defined on the basis of the Black-Scholes option pricing model. Terms that are not market-based, such as profitability and specific growth targets, are not taken into consideration when determining the fair value of options. Instead, they affect the estimate of the final number of options.

When option rights are exercised, the assets obtained from share subscriptions are entered into the invested unrestricted equity fund in accordance with the terms of the plan.

### Provisions

A provision is entered when the Group has, due to a past event, a legal or factual obligation, and the obligation is likely to materialise and the sum of the obligation can be reliably estimated. The amount to be recognised as a provision corresponds to the best estimate of the costs required to meet existing obligations on the closing date of the financial period. If the time value of money has a material impact, the amount of the provision is recognised as the present value of anticipated expenses.

### Taxes based on taxable income for the period and deferred taxes

The tax expense in the income statement consists of the current tax expense and deferred tax. The amount of tax based on the taxable profit for the period is calculated from the taxable profit based on the applicable tax rate in each country. The tax is adjusted by possible taxes related to previous periods. Deferred taxes are calculated from all temporary differences between the book value and tax base. The biggest



temporary differences arise from the depreciation of property, plant and equipment, deferred tax assets and internal margins on inventory.

No deferred tax is recognised for non-deductible goodwill impairment or for the undistributed profits of subsidiaries if the temporary difference is not likely to dissolve in the foreseeable future.

Deferred tax is calculated using the tax rates enacted by the balance sheet date. Deferred tax assets are recognised to the amount for which it is likely that taxable profit will be generated in the future against which the temporary difference can be utilised.

### Financial Assets

Group's financial assets are classified in the following measurement categories: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The classification depends on used business model for managing the financial assets and the contractual terms of the cash flows. Assets are classified as current assets, except for maturities over 12 months after balance sheet date, which are classified as non-current assets. Purchases and sales of financial assets are recognised on the settlement date. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

**Amortized cost** category consists of cash and cash equivalents, trade receivables and loan receivables where the business model is to hold the asset to collect the contractual cash flows. Financial assets recognised at amortized cost are valued using the effective interest method.

**Assets at fair value through profit or loss** consist of interest or equity funds or investments into listed bonds. All gains or losses of fair value

changes investments in the category is included in financial income and expenses.

**Assets at fair value fair value through other comprehensive income** consist from equity investments to unlisted Genetic Analysis AS shares. All fair value changes in this category are recognised in equity and any potential future gain or loss from sale of assets will lead to transfer between equity to retained earnings without impact to the profit and loss statement. Dividends from equity investments are recognised at profit and loss statement.

### Financial Liabilities

Group's financial liabilities are classified as amortized cost and measured at fair value net of transaction cost at settlement date. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Financial liabilities at amortized cost consist from loans from financial institutions. Financial liabilities are included in non-current liabilities, except for items with maturities less than 12 months after the balance sheet date, which are included in current liabilities. A financial liability is derecognised when the related obligation is discharged, cancelled or expires. The group does not have any derivative liabilities.

The fair values of other interest-bearing liabilities at amortized cost are determined by using the discounted cash flow method employing market interest rates at the balance sheet date.

### Impairment

The credit loss is recognised based on individual assessment of receivable. The simplified expected credit loss model is applied for



trade receivables. The impairment process is based on historical credit loss experience combined with current conditions and forward looking macroeconomic analysis.

Realised loss levels are adjusted based on history, so that they represent the current and future information and macroeconomic factors, that influence the customers ability to make the payments for receivables. Financial items based on trade receivables and contracts are recognised off the balance sheet as final credit loss., when it is not plausible to expect to receive payment e.g. in the process of bankruptcy.

The impairment or credit loss is recognised in the consolidated statement of income within other expenses.

Maturity analyses for trade receivables, movement in allowance account and general provisioning matrix is presented at note 2.26 under section credit risk. The Other financial assets at amortized cost consist from cash at banks.

### Concept of operating profit and loss

IAS 1 Presentation of Financial Statements does not define the concept of operating profit. The Group has defined it as follows: operating profit or loss is a net total that can be calculated by adding other operating income to net sales, subtracting purchase expenses adjusted by the change in the stock of finished and unfinished products as well as expenses caused by production for own use, subtracting expenses from employee benefits, depreciation and potential impairment losses, as well as other operating expenses. All other items, including discontinued operations, are presented beneath operating profit or loss. Exchange differences and changes in the fair value of derivatives are included in operating profit or loss providing they arise from business-related items. Otherwise, they are recognised as financial items. Exchange differences related

to the Group's internal receivables and liabilities are recognised as financial items.

### Accounting policies calling for judgements by the management and key sources of estimation uncertainty

When preparing the financial statements, the management must make assessments and assumptions concerning the future, and the outcome may deviate considerably from the original assessments and assumptions. In addition, discretion must be used in applying the accounting policies. Although the estimates are based on the most recent information available, the realised values may differ from these estimates. The most important areas in which estimates, and discretion are used are described below.

### Revenue recognition of license agreements

If the consideration of the license agreements includes a variable amount of money, Biohit values the amount of money as an expected value, which corresponds to the sum of the amounts of money weighted by probabilities. The variable amount of money is based on the management's estimate of the annual payments that Biohit will likely receive.

### Impairment testing

The Group conducts impairment tests as required on intangible assets. It also assesses any indication of impairment in accordance with the aforementioned accounting policies. The recoverable amounts of cash-generating units are measured on the basis of value-in-use calculations. Preparing these calculations requires the use of estimates.



### Deferred tax assets

Deferred tax assets for unused tax losses and temporary differences in regard to recognised deferred tax assets are estimated by the Group at least once per year to determine the likelihood of the company in question generating sufficient taxable income before the unused tax losses expire.

### Other liabilities

Biohit uses judgement when evaluating the size of the expense provision for the subsidiary Biohit Healthcare S.r.l. The expense provision is based on the compensation demanded by the Italian state from suppliers of medical equipment for the budget overruns of the Italian administrative regions in 2015-19. There is uncertainty about the size of the actual cost effect, but since the counterparty is the Italian state, the provision has been recorded in full under other liabilities and to reduce turnover.

### Measurement of assets at fair value fair value through other comprehensive income where senior managers' judgement is required

After being listed on 1.10.2021 the Genetic Analysis AS share price is based on the stock quote, and as follows does not require the senior managers' judgement anymore. Before being listed, the input data for the valuation of Genetic Analysis AS consisted of transactions involving the company's shares on market terms between third parties. If there were no third-party transactions the assessment was based on the discounted cash-flow model based on the budgets by the management of Genetic Analysis AS.

### Application of new or amended IFRS standards and IFRIC interpretations

Biohit will begin applying new or amended IFRS standards and interpretations as of the date on which they enter into force or when they are approved for adoption in the EU. The consolidated financial statements were prepared in compliance with the same principles used in 2021.

No significant new standards or interpretations were introduced in 2022.

## 2.3 REVENUE AND SEGMENT INFORMATION

The company's product portfolio consists of diagnostic tests, products that bind acetaldehyde and monoclonal antibodies. The company classifies its entire product portfolio into one segment.

### REVENUE BY MARKET AREA

€ 1,000	2022	2021
Finland	235	238
Europe, Other	4,591	4,286
North and South America	274	282
Asia	4,731	3,614
Other Countries	1,121	941
Revenue from contracts with customers total	10,951	9,361



The majority of Biohit's revenue is generated from distributor agreements for diagnostic products. Biohit's customers, i.e. the distributors, buy and resell the products. Biohit has no post-sales rights or obligations relating to the control over the products, except for a right of return relating to some distribution agreements. The goods that are sold include several various tests for diagnostics of diseases in the gastrointestinal tract, such as celiac quick test, lactose intolerance test, Vitamin D test, GastroPanel® test for the first-line diagnosis of dyspepsia measured on simple blood test. Furthermore, the product portfolio includes Acetium® lozenges and Acetium capsule, which are acetaldehyde-binding products sold under the trademark Acetium.

In licencing agreements, Biohit transfers licensed immaterial rights to a customer, and the customer both produces and sells the products. Licencing agreements cover both diagnostic products and Acetium products.

Biohit also has contracts that include both a distribution agreement and a licensing agreement. In this case, Biohit sells to the customer finished products and raw materials needed for production and, in addition, receives a royalty fee based on the sale of the product. Revenue from the sale of finished products, raw materials and royalty income from licences are recognised as separate performance obligations. In the case of the licensing agreement, Biohit fulfills the performance obligation at one point in time. In that case, the sales revenue is recorded in full when the licence is granted to the customer. The consideration is then variable up to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty is subsequently resolved. Biohit values the variable consideration as an expected value that corresponds to the sum of the amounts weighted by probabilities. The variable amount of money is based on the management's estimate of the annual payments that Biohit will likely receive.

Sales to one of the most important customers is presented in note 2.27 (Related party transactions)

#### Contract assets and liabilities:

Biohit recognises revenue at a point of time when goods and services are delivered. The payment terms in Biohit's contracts with customers vary from a payment to be made one month in advance to payment in 60 days.

A contract liability is recognised for payments received where the goods or services have not yet been delivered. This is the case, among others, with countries outside Europe, where as a result of a higher credit risk relating to customers, an advance payment is received, on the average, one month before the delivery of the goods. The timing difference between the receipt of the advance payment by Biohit and the delivery of the products or the results of a service does not exceed one year.

€ 1,000	31 Dec 2022	31 Dec 2021
Contract Assets	1,200	-
Trade receivables	1,140	2,260
<b>Contract assets and receivables total</b>	<b>2,340</b>	<b>2,260</b>

€ 1,000	31 Dec 2022	31 Dec 2021
Contract liabilities	104	50
<b>Contract liabilities / total</b>	<b>104</b>	<b>50</b>

The items included in contract liabilities at the beginning of the period have been recognised as revenue during the financial year.



## 2.4 ACQUIRED BUSINESSES

No new businesses were acquired in the 2021 and 2022 financial periods.

## 2.5 OTHER OPERATING INCOME

€ 1,000	2022	2021
Subsidies	294	238
Capital gain from property, plant and equipment	-	20
Others	5	-
<b>Total</b>	<b>299</b>	<b>258</b>

## 2.6 MATERIALS AND SERVICES

€ 1,000	2022	2021
Materials, supplies and goods	2,630	2,038
External manufacturing services	1,194	1,104
<b>Total</b>	<b>3,823</b>	<b>3,141</b>

## 2.7 EXPENSES ARISING FROM EMPLOYMENT BENEFITS

€ 1,000	2022	2021
Salaries	3,083	2,916
Pension expenses – defined-contribution plans	441	431
Options and share bonuses realised and paid in shares	199	17
Other personnel expenses	94	86
<b>Total</b>	<b>3,817</b>	<b>3,450</b>

## Average number of Group employees in the financial period

	2022	2021
Group total	45	44

Details of the employment benefits enjoyed by senior managers are presented in note 2.27 (Related-party transactions).

## 2.8 OTHER OPERATING EXPENSES

€ 1,000	2022	2021
Travel expenses and other personnel expenses	212	203
Rents and maintenance expenses	139	107
Sales and marketing expenses	448	511
Other external services	1,008	1,242
Other operating expenses	376	151
<b>Total</b>	<b>2,184</b>	<b>2,215</b>

Other operating expenses include research and development expenses of EUR 1,238 thousand (EUR 1,219 thousand).

## 2.9 AUDITORS' FEES

€ 1,000	2022	2021
Companies belonging to the Pricewaterhouse Coopers chain		
Auditors' fees	59	54
Other services	66	60
<b>Total fees paid to the auditor</b>	<b>125</b>	<b>114</b>



## 2.10 DEPRECIATION AND IMPAIRMENT

€ 1,000	2022	2021
Intangible assets	106	1,626
Right-of-use assets	269	258
Plant and equipment	105	105
<b>Total</b>	<b>481</b>	<b>1,988</b>

## 2.11 FINANCIAL INCOME AND EXPENSES

€ 1,000	2022	2021
<b>Financial income</b>		
Exchange rate gains from financial assets and liabilities	20	25
Net loss on investments recognised at fair value through profit or loss	69	69
Other financial income	3	114
<b>Total</b>	<b>92</b>	<b>209</b>
<b>Financial expenses</b>		
Interest expenses on financial liabilities		
Net loss on investments recognised at fair value through profit or loss	-34	-9
Exchange rate losses from financial assets and liabilities	-29	-2
Other financial expenses	-289	-23
<b>Total</b>	<b>-352</b>	<b>-33</b>
<b>Total financial income and expenses</b>	<b>-260</b>	<b>175</b>

Other financial expenses mainly consists of impairment of investments.

## 2.12 INCOME TAXES

€ 1,000	2022	2021
<b>Direct taxes</b>		
Tax based on taxable income for the financial period	-77	-64
Withholding tax liabilities	-204	-131
Change in deferred taxes	14	-1
<b>Total Direct taxes</b>	<b>-267</b>	<b>-195</b>

### Reconciliation of tax expenses on the income statement

€ 1,000	2022	2021
Profit before taxes	868	-1,305
Consolidated income taxes at Group's domestic tax rate (20%)	-174	261
Impact of different tax rates of foreign subsidiaries	3	2
Non-deductible expenses	-81	-0
Tax-exempt income	0	14
Non-creditable withholding taxes	-204	-131
Effect of deferred tax assets not recognised	189	-341
<b>Taxes on the income statement</b>	<b>-267</b>	<b>-195</b>

The group has depreciation expenses that have been entered in accounting but not in taxation. Of these, no deferred tax assets have been recorded.





## 2.13 EARNINGS PER SHARE

Undiluted earnings per share are calculated by dividing the profit attributable to shareholders of the parent company in the financial period by the weighted average number of shares in circulation during the financial period.

	2022	2021
Profit for the period attributable to the owners of the parent company (EUR thousand)	601	-1,500
Average number of shares. undiluted	15,045,593	15,045,593
Average number of shares. diluted	15,065,486	15,045,593
Earnings per share. undiluted (EUR)	0.04	-0.10
Earnings per share. diluted (EUR)	0.04	-0.10

## 2.14 INTANGIBLE ASSETS

2022 € 1,000	Intangible rights	Total
Acquisition cost 1 January 2022	8,986	8,986
<b>Increases</b>	<b>11</b>	<b>11</b>
Acquisition cost 31 December 2022	8,997	8,997
Accumulated depreciation and impairment 1 January 2022	-8,849	-8,849
Depreciation	-106	-106
Accumulated depreciation and impairment 31 December 2022	-8,955	-8,955
Book value 1 January 2022	137	137
Book value 31 December 2022	41	41

2021 € 1,000	Intangible rights	Total
Acquisition cost 1 January 2021	8,986	8,986
Acquisition cost 31 December 2021	8,986	8,986
Accumulated depreciation and impairment 1 January 2021	-7,223	-7,223
Depreciation	-1,626	-1,626
Accumulated depreciation and impairment 31 December 2021	-8,849	-8,849
Book value 1 January 2021	1,763	1,763
Book value 31 December 2021	137	137

Intangible rights consist of patents.



## 2.15 TANGIBLE ASSETS

<b>2022</b> € 1,000	Right-of-use assets	Plant and equipment	Total
Acquisition cost 1 January 2022	917	1,733	2,650
Increases	904	44	948
Acquisition cost 31 December 2022	1,820	1,777	3,598
Accumulated depreciation and impairment 1 January 2022	-698	-1,532	-2,230
Depreciation	-269	-105	-375
Accumulated depreciation and impairment 31 December 2022	-967	-1,637	-2,604
Book value 1 January 2022	219	201	420
Book value 31 December 2022	853	140	993

<b>2021</b> € 1,000	Right-of-use assets	Plant and equipment	Total
Acquisition cost 1 January 2021	811	1,697	2,508
Increases	286	37	322
Decreases	-180	-	-180
Acquisition cost 31 December 2021	917	1,733	2,650
Accumulated depreciation and impairment 1 January 2021	-440	-1,428	-1,868
Depreciation	-258	-105	-362
Accumulated depreciation and impairment 31 December 2021	-698	-1,532	-2,230
Book value 1 January 2021	371	269	640
Book value 31 December 2021	219	201	420



## 2.16 LEASES

Below stated information is based on the leasing contracts where the Biohit Group is the lessee. The Group has committed to a lease that has not yet to begun. The lease begins on 1 January 2023, the duration is 2 years and it is worth EUR 54 thousand in total. The previous lease has been paid in full 31 December 2022.

<b>Right-of-use assets</b>		
€ 1,000	31 Dec 2022	31 Dec 2021
Buildings	649	78
Equipment	5	14
Vehicles	199	127
<b>Total</b>	<b>853</b>	<b>219</b>
<b>Depreciation charge of right-of-use assets</b>		
€ 1,000	31 Dec 2022	31 Dec 2021
Buildings	196	206
Equipment	9	22
Vehicles	65	29
<b>Total</b>	<b>269</b>	<b>258</b>
<b>Amounts recognised in the income statement</b>		
€ 1,000	31 Dec 2022	31 Dec 2021
Depreciation of right-of-use assets	269	258
Expenses relating to short-term leases and leases of low value assets	14	1
Interest expenses on lease liabilities	33	6
<b>Total</b>	<b>317</b>	<b>264</b>
<b>Amounts presented in the consolidated cash flow statement</b>		
€ 1,000	31 Dec 2022	31 Dec 2021
Payment of principal portion of lease liabilities	186	266
Interest expenses on lease liabilities	33	6
<b>Total</b>	<b>219</b>	<b>271</b>



The maturity analysis of lease liabilities is presented in note 2.26 (Management of financing risks).

The Group leases mainly company cars and premises. Rental contracts are typically made for fixed periods of 12 months to 5 years but may have extension options.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- the exercise price of a purchase option if the group is reasonably certain to exercise that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

According to the standard, the incremental borrowing rate is defined as the interest that the lessee would have to pay when borrowing for a similar term and with similar security to obtain an asset of an equivalent value to the right-of-use asset in similar economic environment. Biohit has determined the incremental borrowing rate for leases based on the debt-based financing offers received from the 3rd party. Biohit has applied a single discount rate to a portfolio of leases with similar characteristics.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The standard includes optional recognition exemptions for short-term leases (12 months or less) and leases for which the underlying asset is of low value. Biohit has decided to apply the optional exemptions and recognises these expenses as straight-line basis over the period of the lease.

According to IFRS 16 -standard, the lessee's lease period is the period during which the lease cannot be terminated. Also, a potential extension or termination option should be considered, if the use of such option is estimated to be reasonably certain. The lease term for ongoing contracts is based on estimate by Biohit's management. Management regularly estimates the length of those leases.



## 2.17 FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The Group categorised its financial assets and liabilities into the following categories on 31 December 2022:

	Amortized cost € 1,000	Fair value through profit and loss € 1,000	Fair value through OCI € 1,000	Hierarchical level
<b>Non-current assets</b>				
Other non-current assets	58			Level 2
<b>Current assets</b>				
Fund shares	-	1,374	-	Level 1
Investment to Genetic Analysis AS	-		280	Level 1
Bonds	-	2,451	-	Level 2
Trade receivables	2,340	-	-	
Other receivables	413	-	-	
Cash and cash equivalents	2,122	-	-	

The Group categorised its financial assets and liabilities into the following categories on 31 December 2021:

	Amortized cost € 1,000	Fair value through profit and loss € 1,000	Fair value through OCI € 1,000	Hierarchical level
<b>Non-current assets</b>				
Other non-current assets	58			Level 2
<b>Current assets</b>				
Fund shares	-	1,117	-	Level 1
Investment to Genetic Analysis AS	-	-	889	Level 1
Bonds	-	2,407	-	Level 2
Trade receivables	2,260	-	-	
Other receivables	460	-	-	
Cash and cash equivalents	1,102	-	-	



The company has classified the hierarchies of financial assets according to the availability of data on market terms and other price data.

The fair values on level 1 of the hierarchy are based on the quoted (unadjusted) prices of identical assets or liabilities on active markets. The group has mainly used valuations provided by its asset management partner as a source of price data for determining the fair value of these instruments, and the company has verified that the price data represents genuine, frequent market transactions involving the instruments in question.

In significant part, the fair values of level 2 instruments are based on other input data than the quoted prices included in level 1, although this data can be obtained for the assets or liabilities in question either directly (as a price) or indirectly (as a derivative of the price). The Group uses generally accepted valuation models to determine the fair values of these instruments, and the input data for these models are based in significant part on observable market data.

## 2.18 NET LIABILITIES

€ 1,000	2022	2021
Cash and cash equivalents	2,122	1,102
Other investments	3,825	3,523
Non-current liabilities	-8	-7
Lease liabilities	-943	-222
<b>Net liabilities</b>	<b>4,996</b>	<b>4,396</b>
Liquid assets and other financial assets	5,947	4,625
Gross liabilities - fixed interest	-951	-229
<b>Net liabilities</b>	<b>4,996</b>	<b>4,396</b>

Other investments are short-term money market investments that are traded on active markets and that are measured at fair value through profit and loss.

The level in the fair value hierarchy at which a certain item measured at fair value is classified overall is determined on the basis of the significant input data on the lowest level with regard to the entire item measured at fair value. The significance of input data is evaluated in its entirety in relation to the item valued at fair value.

The original book value of other receivables corresponds to their fair value because the effect of discounting is negligible view of the maturity of the receivables.

Genetic Analysis AS was listed year 2021. The hierarchical level was changed from level 3 to level 1. Fair value at the time was EUR 889 thousand.

Financial liabilities include trade payables EUR 676 thousand (EUR 577 thousand).



## 2.19 DEFERRED TAXES

<b>Deferred tax assets</b> € 1,000	1 Jan 2022	Recognised through profit and loss	Recognised under other items of compre- hensive income	Other adjustments	31 Dec 2022
Internal inventory margin	8	-1	-	-	7
Other items	6	15	-	-5	16
<b>Total</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>-5</b>	<b>22</b>

<b>Deferred tax liabilities</b> € 1,000	1 Jan 2022	Recognised through profit and loss	Recognised under other items of compre- hensive income	Other adjustments	31 Dec 2022
Capitalisation of tangible assets	2	1	-	-	2
Financial securities measured via the fair value reserve	0	-	-	-	0
<b>Total</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>2</b>

<b>Deferred tax assets</b> € 1,000	1 Jan 2021	Recognised through profit and loss	Recognised under other items of compre- hensive income	Other adjustments	31 Dec 2021
Internal inventory margin	9	-2	-	-	8
Other items	7	-1	-	-	6
<b>Total</b>	<b>17</b>	<b>-3</b>	<b>-</b>	<b>-</b>	<b>14</b>

<b>Deferred tax liabilities</b> € 1,000	1 Jan 2021	Recognised through profit and loss	Recognised under other items of compre- hensive income	Other adjustments	31 Dec 2021
Capitalisation of tangible assets	3	-1	-	-	2
Financial securities measured via the fair value reserve	0	-	-	-	0
<b>Total</b>	<b>3</b>	<b>-1</b>	<b>-</b>	<b>-</b>	<b>2</b>

The Group has tax-deductible losses of EUR 20.1 million for the periods from 2012 to 2022 for which no deferred tax assets have been recognised. In addition the group has entered R&D costs for EUR 4.7 million in accounting but not in tax deduction. No deferred tax assets has been recognised for these R&D costs.



The table for tax losses carried forward is presented below.

<b>Tax losses carried forward</b>	
€ 1,000	
<b>Expiring year</b>	<b>Losses</b>
2022	787
2023	2,828
2024	4,241
2025	3,395
2026	2,421
2027	1,684
2028	2,247
2029	296
2030	2,188
2031	299
2032	288

## 2.20 INVENTORIES

€ 1,000	2022	2021
Materials and supplies	533	352
Work in progress	13	27
Finished products/goods	374	371
<b>Total inventories</b>	<b>920</b>	<b>750</b>

The amount of inventories recognised as an expense during the period was EUR 56 thousand (EUR 143 thousand).

## 2.21 TRADE AND OTHER RECEIVABLES

<b>Short-term receivables</b>	2022	2021
€ 1,000		
Trade receivables	1,140	2,260
Contract assets	1,200	-
Accrued income	383	434
Other receivables	30	27
<b>Total</b>	<b>2,753</b>	<b>2,720</b>

The age analysis of the trade receivables is presented in note 2.26 (Management of financing risks).

## 2.22 NOTES RELATED TO SHAREHOLDERS' EQUITY

Biohit Oyj's share capital is EUR 2,350,350.81 (EUR 2,350,350.81) and there are 15,045,593 (15,045,593) shares, of which 2,975,500 (2,975,500) belong to Series A and 12,070,093 (12,070,093) belong to Series B. Series B is listed on the stock exchange.

The shares have no nominal value. Shares in Series A and B differ from each other in that each Series A share entitles its holder to twenty (20) votes at general meetings, while each Series B share carries one (1) vote. The dividend paid for Series B shares is, however, two (2) per cent of the nominal value higher than that paid for Series A shares. When this regulation is applied, the nominal value of the shares is taken to be EUR 0.17, which was the nominal value of the company's shares when it decided to discontinue using nominal values for shares.

The shareholders' equity has been paid in full.





#### Description of shareholders' equity funds:

**The translation differences reserve** includes the translation differences arising when the financial statements of foreign subsidiaries and joint ventures are translated into euros.

**The invested unrestricted equity fund** includes other investments similar to shareholders' equity and the subscription prices of shares insofar as no specific decision is taken to recognise these under shareholders' equity.

**The fair value** reserve consists of Genetic Analysis AS stocks. Dividends on equity investments are recognised in the income statement.

#### Capital management

For capital management purposes Biohit defines capital as total equity and interest-bearing liabilities less cash and cash equivalents and current financial investments.

The main objectives of Biohit's capital management are to maintain a solid overall financial position and to ensure sufficient financial flexibility to implement long-term business strategy.

### 2.23 SHARE-BASED PAYMENTS

#### Share-based payments terms and conditions

During the financial period 2021 Biohit Oyj established an option programme within the framework of the share-based incentive scheme. In accordance with the terms of the option programme, options are granted without cash payment, but a subscription price is set for the shares. The key terms and conditions of the incentive scheme are shown in the table below.

#### Options granted during the 2021 financial period:

Scheme	I 2021	I 2021
	Types A, B, C, D, E	Types A, B, C, D
Nature of the scheme	Share options	Types A, B, C, D, E
Date of granting	7 December 2021	7 December 2021
Number of instruments granted	440,000	440,000
Subscription price	EUR 1.00	EUR 2.00
Share price at the time of granting	EUR 1.93	EUR 1.93
Period of validity (years)	6.24	6.24
Realisation	In shares	In shares

#### Options granted during the 2022 financial period:

Scheme	I 2022	I 2022
	Types A, B, C, D, E	Types A, B, C, D
Nature of the scheme	Share options	Share options
Date of granting	29 November 2022	29 November 2022
Number of instruments granted	80,000	80,000
Subscription price	EUR 1.00	EUR 2.00
Share price at the time of granting	EUR 1.76	EUR 1.76
Period of validity (years)	5.26	5.26
Realisation	In shares	In shares

For series I 2021 and I 2022 the share subscription is 1.3.2023-1.3.2028 and for series II 2021 and II 2022 1.3.2024-1.3.2028. The right to exercise shares requires the fulfilment of specifically determined profit objectives. If a option rights holders employment ends for whatever reason, they are obligated to return those option rights whose subscription period has not begun when the employment or management position ceases to the Company.



### Options in circulation

Number of options	2022	2021
In circulation at the beginning of the financial period	880,000	-
Granted during the financial period	160,000	880,000
Forfeited	-280,000	-
Options in circulation at the end of the financial period	760,000	880,000

### Determining fair value

The Group uses the Black-Scholes model to determine the fair value of its option schemes.

### Presumptions used to determine fair value during the 2022 financial period

Scheme	I 2022	II 2022
Anticipated volatility	44.4%	44.4%
Anticipated average period of validity of options on the issue date (years)	5.26	5.26
Risk-free rate (%)	2.25%	2.25%
Fair value of the instrument defined on the date of issue (EUR)	1.05	0.68

### Presumptions used to determine fair value during the 2021 financial period

Scheme	I 2021	II 2021
Anticipated volatility	36.4%	36.4%
Anticipated average period of validity of options on the issue date (years)	6.24	6.24
Risk-free rate (%)	0.00%	0.00%
Fair value of the instrument defined on the date of issue (EUR)	1.09	0.65

The amount recognised as expenses is included in note 2.7 (Expenses arising from employment benefits).



## 2.24 INTEREST-BEARING LIABILITIES

Balance sheet values of interest-bearing liabilities € 1,000	2022	2021
<b>Long-term interest-bearing liabilities</b>		
Lease liabilities	686	155
Total interest-bearing long-term liabilities	686	155
<b>Short-term interest-bearing liabilities</b>		
Lease liabilities	257	66
Total interest-bearing short-term liabilities	257	66
Total interest-bearing liabilities	943	222

### Covenants connected to long-term loans

There are no special covenants attached to the company's long-term financial lease liabilities.

### Subordinated loans

The company has no subordinated loans.

## 2.25 TRADE PAYABLES AND OTHER LIABILITIES

Long-term interest-free liabilities € 1,000	2022	2021
Other long-term liabilities	8	7
Total	8	7
<b>Short-term interest-free liabilities € 1,000</b>	<b>2022</b>	<b>2021</b>
Trade payables	676	577
Other payables	250	53
Advances received	104	50
Tax liabilities	139	180
Accruals and deferred income	1,435	1,272
Total	2,604	2,132
Total interest-free liabilities	2,612	2,139

The most substantial item included in accruals and deferred income is the deferral of employment benefits EUR 666 thousand (EUR 605 thousand).

Other payables include Biohit Healthcare S.r.l. cost accrual 250 thousand euros. This accrual has been recognised in revenue.

The Italian state is demanding ex post compensation from suppliers of medical equipment for the budget overruns of the Italian administrative regions in the years 2015-2019.



## 2.26 MANAGEMENT OF FINANCING RISKS

Biohit's management of financing risks focuses on analysing and minimising the following financing risks:

### Exchange rate risk

Exchange rate risks are associated with international business activities. When calculated using comparable currencies, Biohit's net revenue not materially different to the reported values. Overall, exchange rate changes did not significantly affect the company's profitability in the last financial period. The company's sales are primarily denominated in euros and the company does not have any exchange rate hedging.

Most of the Group's trade receivables and payables are in functional currency of each group company and do not involve significant transaction risk. The Group monitors the translation risk related to Biohit Healthcare Ltd, but the risk is not hedged.

### Analysis of the maturities of financial liabilities in 2022

€ 1,000	<1 year	1-5 year	>5 year	Total
Accounts payable and other interest-free liabilities	676	-	-	676
Lease contracts	276	719	-	995
Total	952	719	-	1,671

### Analysis of the maturities of financial liabilities in 2021

€ 1,000	<1 year	1-5 year	>5 year	Total
Accounts payable and other interest-free liabilities	577	-	-	577
Lease contracts	52	155	-	208
Total	630	155	0	785

### Interest rate risk

Interest rate changes have a minor effect on Biohit's earnings. For this reason, the Group did not use any separate hedging against this risk in the financial period.

### Liquidity risk

Liquidity risk management aims to safeguard the Group's finances under all circumstances. The Group's current financial assets on the balance sheet date amounted to EUR 5.9 million (EUR 4.6 million).

The company also holds shares in Genetic Analysis AS worth EUR 0.3 million (EUR 0.9 million). The aim of the investment activities related to the company's current liquid assets is to achieve profit at very low risk of capital loss.

The Group's equity ratio was 68.3% (76.3%).



### Commodity risk

The company is not using derivatives to hedge against commodity risks because the company is not exposed to commodity risks by virtue of the nature of its business.

### Credit and counterparty risk

The business units are responsible for the credit risks connected to their trade receivables, and they have evaluated the risk of credit losses for each customer.

Biohit's customer base primarily consists of solvent companies. As such, Biohit's risk of credit losses cannot be considered significant. The company has not used credit insurance. The majority of customer relationships are long-term in nature and business relations are active, so the company will become aware of changes in customers' credit-worthiness at an early stage.

The investment portfolio consists of direct corporate bond loans, structured products, corporate loan funds, money market funds and cash in bank accounts. Some of the products in the investment portfolio are listed, while others are not. Sufficient diversification of investments between asset categories, investment instruments and counterparties is essential. The company uses at least two partners in its investment activities. Approximately 35% of the investment portfolio is cash, low-risk money market fund investments and investment-grade investments. Approximately 50% of the portfolio is investments rated BB-B, while investments without credit ratings account for 15%.

On 31 December 2022, trade receivables totalled EUR 1.1 million (EUR 2.3 million).

The maximum amount of credit risk is the book value of the trade receivables.

Age distribution of trade receivables € 1,000	Impairment			Impairment		
	2022	loss	Net 2022	2021	loss	Net 2021
Not yet at maturity	800	-1	799	2,087	-1	2,085
Less than 30 days overdue	101	0	101	83	0	83
30–60 days overdue	89	-5	85	40	0	39
61–90 days overdue	64	-5	59	29	-1	28
More than 90 days overdue	100	-3	98	26	0	25
<b>Total</b>	<b>1,155</b>	<b>-14</b>	<b>1,140</b>	<b>2,264</b>	<b>-4</b>	<b>2,260</b>

The impairment loss is calculated on the basis of historical data and is based on the payment behavior of Biohit's customers in previous years. EUR 10 thousand was recognised in credit losses for 2022.

EUR 5 thousand was recognised in credit losses for 2021, but simultaneously 19 thousand of previously recognised credit losses were returned.



### Capital structure management

The equity ratio – an indicator of the company's capital structure – is calculated by dividing the Group's equity by the balance sheet total less advances received. The result of this calculation is then multiplied by one hundred.

<b>Equity ratio</b> € 1,000	2022	2021
Total shareholders' equity	7,458	7,300
Balance sheet total	11,015	9,613
Advances received	-104	-50
Equity ratio	68.3%	76.3%

### 2.27 RELATED-PARTY TRANSACTIONS

Parties are considered to be related parties if one of the parties is able to exercise control or considerable influence over the other's decision-making related to finances and business. The Group's related parties include the members of the Board of Directors and the Group Management Team, as well as the President & CEO. In addition the Group's related parties include Biohit HealthCare (Hefei) Co. Ltd and subsidiaries.

<b>Management remuneration 2022</b> € 1,000	Salaries and other short-term employment benefits	Post-employment and termination benefits	Share-based remuneration
<b>Parent company</b>			
Management teams	579	108	152
President & CEO	197	37	26
Members of the scientific advisory board	129	-	-

<b>Management remuneration 2021</b> € 1,000	Salaries and other short-term employment benefits	Post-employment and termination benefits	Share-based remuneration
<b>Parent company</b>			
Management teams	455	80	14
President & CEO	187	33	2
Members of the scientific advisory board	197	-	-



Share-based remuneration includes expenses recorded for the share-based incentive option programme.

Osmo Suovaniemi has been employed by the company as a member of the scientific advisory board by the Board of Directors' decision. The compensation, including fringe benefits, is EUR 129 thousand (EUR 197 thousand) "In addition, the members of the scientific advisory board are paid an hourly compensation of 85 euros for work outside the advisory board. Will be paid 85 EUR per hour for the work outside the scientific advisory board."

Market-based long term loans of EUR 57 thousand (EUR 57 thousand) have been granted to group management team members.

Loan interest rate is 12-month Euribor plus 0.3%. Interest is paid annually in arrears.

Loan period is five years. The borrower is entitled to pay back loan early.

### Subsidiaries

<b>Management remuneration 2022</b>		Salaries and other short-term employment benefits	Post-employment and termination benefits	Share-based remuneration
€ 1,000				
Managing Directors		177	17	21
<b>Management remuneration 2021</b>		Salaries and other short-term employment benefits	Post-employment and termination benefits	Share-based remuneration
€ 1,000				
Managing Directors		128	13	2
<b>Board of Directors' remuneration</b>				
€ 1,000		2022		2021
<b>Parent company</b>				
Lea Paloheimo	Chairman		8	15
Eero Lehti	Member		3	11
Osmo Suovaniemi	Member		8	15
Franco Aiolfi	Member		18	11
Matti Härkönen	Member		3	15
Liu Feng	Member		5	12
Kalle Härkönen	Member		5	-
Timo Joensuu	Member		-	12
<b>Total board remuneration</b>			<b>48</b>	<b>90</b>

Liu Feng is the owner of Biohit HealthCare (Hefei) Co. Ltd, and he exercises control over the company.

On 31 December 2022, the members of the Board of Directors and President & CEO owned a total of 2,868,310 Series A shares and 4,236,748 Series B shares, either directly or through companies under their control. These correspond to 47.2% of all of the shares in the company and 86.1% of all of the votes.



### The Group's parent company and subsidiaries

	Group ownership	
<b>Parent company Biohit Oyj, Finland</b>		
Biohit Healthcare Ltd, United Kingdom	100%	
Biohit Healthcare S.r.l., Italy	100%	
<b>Sales of goods and licenses to related party companies</b>		
€ 1,000	2022	2021
Sales of goods		
Biohit HealthCare (Hefei) Co. Ltd	2,283	2,150
License sales		
Biohit HealthCare (Hefei) Co. Ltd	2,205	1,300
<b>Total</b>	<b>4,488</b>	<b>3,450</b>
<b>Trade receivables and other receivables from related party companies</b>		
€ 1,000	2022	2021
Trade receivables		
Biohit HealthCare (Hefei) Co. Ltd	-	1,500
Contract assets		
Biohit HealthCare (Hefei) Co. Ltd	1,200	-
<b>Total</b>	<b>1,200</b>	<b>1,500</b>

Biohit HealthCare (Hefei) Co. Ltd owns 32.87 percent of Biohit's shares. Biohit and Biohit HealthCare (Hefei) Co. Ltd have signed a distribution agreement in 2022. Based on the agreement Hefei has pledged to Biohit 1.5 million Biohit series B shares (EUR 2.4 million) as security for its obligations under the agreement.

### Other operating expenses

€ 1,000	2022	2021
Consultancy, administration and logistics fees (companies under the control of members of the Board of Directors)		
Euroclone S.p.A. Franco Aiolfi	70	-
BioBrick S.p.A. Franco Aiolfi	-	69
BioAir S.p.A. Franco Aiolfi	-	13
Oy Tech Know Ltd. Matti Härkönen	4	48
<b>Total</b>	<b>74</b>	<b>130</b>

### 2.28 COLLATERAL AND CONTINGENT LIABILITIES

€ 1,000	2022	2021
Collateral pledged on the company's own behalf		
Guarantees	4	4
<b>Total collateral and contingent liabilities</b>	<b>4</b>	<b>4</b>

### 2.29 EVENTS AFTER THE FINANCIAL PERIOD

The company's management is not aware of material events since the balance sheet date.





## 3. Key Indicators

### 3.1 INDICATORS OF FINANCIAL TRENDS

	IFRS 2018	IFRS 2019	IFRS 2020	IFRS 2021	IFRS 2022
Revenue € 1,000	9,931	10,052	7,123	9,361	10,951
Change in revenue %	10.6%	1.2%	-29.1%	31.4%	17.0%
Operating profit/loss € 1,000	-1,965	-1,412	-3,174	-1,480	1,129
Proportion of revenue (%)	-19.8%	-14.0%	-44.6%	-15.8%	10.3%
Profit/loss before extraordinary items and taxes € 1,000	-2,024	-1,227	-3,261	-1,305	869
Proportion of revenue (%)	-20.4%	-12.2%	-45.8%	-13.9%	7.9%
Profit/loss before taxes € 1,000	-2,024	-1,227	-3,261	-1,305	602
Proportion of revenue (%)	-20.4%	-12.2%	-45.8%	-13.9%	5.5%
Return on equity (%)	-12.9%	-9.3%	-28.5%	-18.7%	8.1%
Return on investments (%)	-10.9%	-8.0%	-25.8%	-15.3%	15.3%
Equity ratio (%)	89.2%	83.9%	80.8%	76.3%	68.3%
Investments in fixed assets € 1,000	13	48	15	37	55
Proportion of revenue (%)	0.1%	0.5%	0.2%	0.4%	0.5%
Research and development expenditure € 1,000	1,290	1,232	1,043	1,219	1,237
Proportion of revenue (%)	13.0%	12.3%	14.6%	13.0%	11.3%
Balance sheet total € 1,000	17,887	17,372	10,777	9,613	11,015
Average number of personnel	50	46	45	44	45



### 3.2 SHARE-SPECIFIC INDICATORS

	IFRS 2018	IFRS 2019	IFRS 2020	IFRS 2021	IFRS 2022
Earnings per share, undiluted (EUR)	-0.14	-0.09	-0.22	-0.10	0.04
Shareholders' equity attributable to the owners of the parent company (EUR per share)	1.06	0.97	0.58	0.49	0.50
Price-to-earnings ratio (P/E)	-21.1	-37.3	-11.3	-18.5	39.3
Series B share price trend (EUR)					
- average		2.99	2.56	2.11	1.71
- low		2.10	1.90	1.82	1.05
- high		3.70	4.30	2.54	2.15
- price 31 December		3.36	2.48	1.84	1.57
Market capitalisation EUR 1,000 (presuming the same market value for Series A shares as for Series B shares)	44,258	50,553	37,313	27,609	23,622
Turnover of Series B shares (thousands)	8,616	3,362	5,518	4,213	3,751
- proportion of the total (%)	71.9%	27.9%	45.7%	34.9%	31.1%
Average ex-rights adjusted number of shares	14,901,904	15,005,253	15,045,593	15,045,593	15,045,593
- taking into consideration the diluting effect of options and convertible bonds	15,015,256	15,005,253	15,045,593	15,045,593	15,065,486
Ex-rights adjusted number of shares at the end of the financial period	14,952,041	15,045,593	15,045,593	15,045,593	15,045,593
- taking into consideration the diluting effect of options and convertible bonds	15,065,593	15,045,593	15,045,593	15,045,593	15,065,486

The company has had options that had a dilutive effect in previous financial years. As the company was loss making, no dilutive effect has been presented.



## 4. Share and Shareholders

### 4.1 FINAL MARKET VALUES OF SHARES



### 4.2 SHARES AND SHAREHOLDERS

#### Shareholdings by owner group 31 December 2022

	Number of owners shares	%	Number of shares	%
<b>Series A shares</b>				
1. Companies	2	22.2	874,990	29.4
2. Households	7	77.8	2,100,510	70.6
Shares on the waiting list				0.0
<b>Total number of Series A shares</b>	<b>9</b>	<b>100.0</b>	<b>2,975,500</b>	<b>100.0</b>
<b>Series B shares</b>				
1. Households	7,487	96.9	6,959,917	57.7
2. Financial and insurance institutions	6	0.1	39,083	0.3
3. Companies and housing companies	191	2.5	764,611	6.3
4. Non-profit organisations	6	0.1	2,761	0.0
5. Public corporations	0	0.0	0	0.0
6. Nominees and foreign owners	35	0.5	4,298,129	35.6
In joint and clearing accounts	0	0.0	5,592	0.0
<b>Total number of Series B shares</b>	<b>7,725</b>	<b>100.0</b>	<b>12,070,093</b>	<b>100.0</b>
<b>Total number of Series A and Series B shares</b>	<b>7,734</b>		<b>15,045,593</b>	



<b>Series A shares</b>	<b>Number of owners shares</b>	<b>%</b>	<b>Number of shares</b>	<b>%</b>
1-1,000	0	0.0	0	0.0
1,001-10,000	5	55.6	25,000	0.8
10,001-100,000	2	22.2	82,190	2.8
More than 100,001	2	22.2	2,868,310	96.4
<b>Total number of Series A shares</b>	<b>9</b>	<b>100.0</b>	<b>2,975,500</b>	<b>100.0</b>

<b>Series B shares</b>	<b>Number of owners shares</b>	<b>%</b>	<b>Number of shares</b>	<b>%</b>
1-1,000	6,635	85.9	1,585,286	13.1
1,001-10,000	963	12.5	2,752,463	22.8
10,001-100,000	124	1.6	3,061,903	25.4
More than 100,001	3	0.0	4,664,849	38.6
Shares in joint and clearing accounts	0	0.0	5,592	0.0
<b>Total number of Series B shares</b>	<b>7,725</b>	<b>100.0</b>	<b>12,070,093</b>	<b>100.0</b>
<b>Total number of Series A and Series B shares</b>	<b>7,734</b>		<b>15,045,593</b>	



### Largest registered shareholders 31 December 2022

10 largest owners in terms of the number of shares	Series A shares	Series B shares	Total number of shares	%
Biohit Healthcare (Hefei) Co., Ltd.	850,000	4,095,415	4,945,415	32.9
Suovaniemi Osmo Antero	2,018,310	0	2,018,310	13.4
Härkönen Matti	57,200	267,965	325,165	2.2
Interlab Oy	0	130,000	130,000	0.9
Suovaniemi Vesa Jukka Markku	0	85,353	85,353	0.6
Syrjälä Pekka	0	77,650	77,650	0.5
Jaakkola Sami Juhani	0	76,600	76,600	0.5
Virkkala Juha Jarkko	0	70,500	70,500	0.5
Ruusila Ari Tapio	0	70,000	70,000	0.5
Oy Tech Know Ltd	24,990	43,600	68,590	0.5

10 largest owners in terms of the number of votes	Series A shares	Series B shares	Total number of shares	%
Suovaniemi Osmo Antero	2,018,310	0	40,366,200	56.4
Biohit Healthcare (Hefei) Co.. Ltd.	850,000	4,095,415	21,095,415	29.5
Härkönen Matti	57,200	267,965	1,411,965	2.0
Oy Tech Know Ltd	24,990	43,600	543,400	0.8
Luostarinen Reijo	10,000	14,460	214,460	0.3
Interlab Oy	0	130,000	130,000	0.2
Suovaniemi Vesa Jukka Markku	0	85,353	85,353	0.1
Syrjälä Pekka	0	77,650	77,650	0.1
Jaakkola Sami Juhani	0	76,600	76,600	0.1
Virkkala Juha Jarkko	0	70,500	70,500	0.1

### Senior management ownership 31 December 2022

On 31 December 2022, the members of the Board of Directors and President & CEO owned a total of 2,868,310 Series A shares and 4,236,748 Series B shares, either directly or through companies under their control. These correspond to 47.2% of all of the shares in the company and 86.1% of all of the votes.



## 5. Formulae For Calculating Key Indicators

Return on equity, %	$\frac{\text{profit/loss for the financial period}}{\text{shareholders' equity (average for the year)}} \times 100$
Return on investments, %	$\frac{\text{profit before extraordinary items + interest and other financial expenses}}{\text{balance sheet total - interest-free liabilities (average for the year)}} \times 100$
Equity ratio, %	$\frac{\text{shareholders' equity on the balance sheet}}{\text{balance sheet total - advances received}} \times 100$
Earnings per share (EUR)	$\frac{\text{profit/loss for the financial period}}{\text{average number of ex-rights shares during the period}}$
Shareholders' equity per share (EUR)	$\frac{\text{shareholders' equity on the balance sheet}}{\text{number of shares on the balance sheet date}}$
Dividend per share	$\frac{\text{dividend distributed for the financial period}}{\text{number of shares on the balance sheet date}}$
Dividend payout ratio, %	$\frac{\text{dividend per share}}{\text{earnings per share}} \times 100$
Effective dividend yield, %	$\frac{\text{dividend per share}}{\text{last transaction rate in the financial period}}$
Price-to-earnings ratio (P/E)	$\frac{\text{last transaction rate in the financial period}}{\text{earnings per share}}$

The new instructions issued by the European Securities and Markets Authority (ESMA) on Alternative Performance Measures (APMs) took effect for the 2016 financial period. In conjunction with the transition to an income statement model based on expense types, Biohit will present APMs to describe the financial development of its business and improve comparability between different periods. APMs should not be considered substitutes for the key indicators specified in the IFRS norms for financial statements. The operational key indicators have been adjusted for certain measurement items that do not constitute part of ordinary business activities or that do not affect cash flow during the period but that affect comparability. The items that affect comparability and the APMs used by Biohit Oyj are defined as follows.

### Items that affect comparability:

Certain business transactions that do not constitute part of ordinary business activities or measurement items that do not affect cash flow but that have a significant effect on the income statement for the period have been adjusted for items that affect comparability. These items arise through non-recurring transactions such as:

- Asset impairments
- Asset sales or purchases
- Expense entries for benefits in accordance with IFRS 2

### In addition, Biohit Oyj presents the following APMs:

- EBITDA (EUR) = operating profit + depreciation and impairment
- Operative EBITDA (EUR) = operating profit + depreciation, impairment - items affecting comparability
- Free cash flow (FCF) (EUR) = Cash flow from operating activities - Investments and tangible and intangible assets + Revenue from disposal of tangible and intangible assets



## 6. Parent Company's Financial Statement

### PARENT COMPANY'S INCOME STATEMENT (FAS)

€ 1,000	Note	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2021
<b>Revenue</b>	<b>6.2</b>	<b>7,811</b>	<b>6,361</b>
Change in inventories of finished and unfinished products		-1	-221
Other operating income	6.3	749	598
Materials and services	6.4	-2,380	-1,836
Expenses arising from employment benefits	6.5	-2,765	-2,844
Other operating expenses	6.6	-1,894	-2,031
<b>EBITDA</b>		<b>1,519</b>	<b>28</b>
Depreciation and amortization	6.7	-142	-1,658
<b>Operating profit/loss</b>		<b>1,377</b>	<b>-1,629</b>
Financial income and expenses	6.9	-238	167
<b>Profit/loss before taxes</b>		<b>1,138</b>	<b>-1,462</b>
Withholding taxes	6.10	-204	-131
<b>Profit/loss for the financial period</b>		<b>935</b>	<b>-1,593</b>



## PARENT COMPANY'S BALANCE SHEET (FAS)

€ 1,000	Note	31 Dec 2022	31 Dec 2021	€ 1,000	Note	31 Dec 2022	31 Dec 2021
<b>Assets</b>				<b>Liabilities and shareholders' equity</b>			
<b>Non-current assets</b>				<b>Shareholders' equity</b>			
Intangible assets	6.11	18	42	Share capital	6.18	2,350	2,350
Tangible assets	6.12	154	221	Fair value reserve	6.18	-1,701	-1,092
Investments				Invested unrestricted equity found	6.18	4,042	4,042
Shares in Group companies	6.13	31	31	Retained earnings	6.18	1,435	3,028
Other investments	6.13	2	2	Profit/loss for the financial period	6.18	935	-1,593
<b>Total fixed assets</b>		<b>203</b>	<b>296</b>	<b>Total shareholders' equity Liabilities</b>		<b>7,062</b>	<b>6,736</b>
<b>Current assets</b>				<b>Liabilities</b>			
Inventories	6.14	742	548	Long-term liabilities	6.19	-	-
Long-term receivables	6.15	212	57	Short-term liabilities	6.21	1,787	1,542
Short-term receivables	6.15	2,204	2,463	<b>Total liabilities</b>		<b>1,787</b>	<b>1,542</b>
Financial securities	6.16	4,079	4,386	<b>Total liabilities and shareholders' equity</b>		<b>8,849</b>	<b>8,278</b>
Cash at bank and in hand	6.17	1,409	528				
<b>Total current assets</b>		<b>8,646</b>	<b>7,982</b>				
<b>Total Assets</b>		<b>8,849</b>	<b>8,278</b>				





## PARENT COMPANY'S CASH FLOW STATEMENT

€ 1,000	Note	2022	2021
<b>Cash flow from operating activities:</b>			
Profit/loss before appropriations and taxes		1,138	-1,462
Adjustments:			
Planned depreciation		142	1,658
Unrealised exchange rate gains and losses		-2	-3
Other income and expenses unconnected to payment		16	-66
Financial income and expenses		238	-167
Change in working capital:			
Increase (-)/decrease (+) in short-term interest-free trade receivables		-4	-1,183
Increase (-)/decrease (+) in inventories		-194	84
Increase (+)/decrease (-) in short-term interest-free liabilities		291	183
Interest paid and payments on other operating financial expenses		-104	-23
Dividends received		1	1
Income and interest received from business activities		124	133
Paid direct taxes		-237	-
<b>Cash flow from operating activities</b>		<b>1,409</b>	<b>-847</b>
<b>Cash flow from investments:</b>			
Investments in tangible and intangible assets		-55	-31
Investments in other instruments		-2,900	-1,577
Revenue from disposal of other investments		2,334	2,365
Loans		100	-
<b>Cash flow from investments</b>		<b>-521</b>	<b>757</b>
<b>Cash flow from financing activities:</b>			
Repayment of long-term loans		-8	-17
<b>Cash flow from financing activities</b>		<b>-8</b>	<b>-17</b>
Increase (+)/decrease (-) in cash and cash equivalents		881	-107
Cash and cash equivalents at the beginning of the period		528	636
Cash and cash equivalents at the end of the period	6.17	1,409	528



## NOTES TO PARENT THE COMPANY'S FINANCIAL STATEMENT

### 6.1 ACCOUNTING PRINCIPLES

When preparing the financial statements in accordance with good accounting practices, the company's senior managers are called upon to make estimates and assumptions that affect the content of the financial statements. The outcomes may differ from these estimates.

The parent company's financial statements have been prepared in accordance with the Finnish Accounting Act.

The financial statements present figures in thousands of euros based on the original values of business transactions, with the exception of financial securities, a component of current assets, which are measured at fair value.

#### Valuation of property, plant and equipment

Property, plant and equipment are recognised on the balance sheet at acquisition cost, less received contributions, planned depreciation and impairments. Planned depreciation is calculated using a straight-line model based on the useful life of the asset.

#### The planned depreciation periods are as follows:

Intangible rights	3 -10 years
Other long-term expenses	5 - 10 years
Plant and equipment	3 -10 years

#### Valuation on inventories

Inventories are presented in accordance with the FIFO principle at acquisition cost or replacement cost or likely sale price, whichever is lower. The acquisition cost of inventories includes variable costs as well as the allotted proportion of the fixed expenses of purchasing and manufacturing.

#### Valuation of financial securities

Financial securities, which belong to current assets, are measured at fair value in accordance with section 5.2a§ of the Finnish Accounting Act. The fair value of investments is determined based on price quotations on active markets, i.e., the buy quotation on the closing date of the financial period. Unrealised profits and losses due to changes in the fair value of money market investments are recognised in the income statement under financial income and expenses in accordance with the Group's updated accounting policies.

Investments recognised via the fair value reserve consist solely of the equity investment in the unlisted shares in Genetic Analysis AS.

Genetic Analysis AS was listed on the Spotlight Stock Market in Stockholm on 1 October 2021. Despite being traded in Sweden, the Genetic Analysis AS shares are listed in Norwegian krone. The valuation is consistent with the accounting principles of the Group.



### Research and development expenditure

Research expenses are recognised as annual expenses in the year in which they were incurred.

### Principle for revenue recognition

When calculating net sales, indirect sales taxes and discounts are deducted from sales revenues. Sales of work performances are recognised when they are handed over.

### Maintenance and repairs

Maintenance and repair expenses are recognised as expenses for the financial period.

### Pensions

The company's statutory pension cover and any applicable additional benefits is insured by a pension insurance company. Pension expenses are recognised on the basis of work performed by employees during working hours.

### Deferred taxes

No deferred taxes have been recognised on the balance sheet. In accordance with general guidelines issued by the Accounting Board on 12 September 2006, the amounts of deferred taxes that must be entered into the balance sheet are presented in the notes, along with the amounts of tax liabilities and assets that should not be entered into the balance sheet because they are unlikely to be realised.

### Items denominated in foreign currencies

Receivables and liabilities in foreign currencies have been translated into euros at the exchange rate quoted by the European Central Bank on the balance sheet date. Translation differences have been recognised through profit and loss.

## 6.2 REVENUE BY BUSINESS SECTOR

€ 1,000	2022	2021
Diagnostics	7,811	6,361
Total	7,811	6,361

## REVENUE BY MARKET AREA

€ 1,000	2022	2021
Finland	235	238
Europe, other	1,453	1,290
North and South America	271	280
Asia	4,731	3,612
Other countries	1,121	941
Total	7,811	6,361

## 6.3 OTHER OPERATING INCOME

€ 1,000	2022	2021
From Group companies	455	340
Grants	294	238
Gains from sales of fixed assets	-	20
Total	749	598



#### 6.4 MATERIALS AND SERVICES

€ 1,000	2022	2021
Purchases during the financial period	2,576	1,972
Change in inventories	-196	-137
Total materials and supplies	2,380	1,836
Total materials and services	2,380	1,836

#### 6.5 PERSONNEL EXPENSES AND NUMBER OF PERSONNEL

€ 1,000	2022	2021
Salaries	2,339	2,421
Pension expenses	380	373
Other personnel expenses	46	49
Total personnel expenses	2,765	2,844

In the financial period, the parent company employed an average of

	2022	2021
Office personnel	36	35
Average number of personnel	36	35
Number of personnel at the end of the financial period	34	32

#### 6.6 OTHER OPERATING EXPENSES

€ 1,000	2022	2021
Travel expenses and other personnel expenses	150	168
Rents and maintenance expenses	286	304
Sales and marketing expenses	246	405
Other external services	693	992
Change in value of trade receivables	16	-66
Other operating expenses	502	228
Total	1,894	2,031

#### 6.7 DEPRECIATION AND IMPAIRMENT

€ 1,000	2022	2021
Intangible assets	35	1,554
Plant and equipment	107	103
Total	142	1,658

#### 6.8 AUDITORS' FEES

€ 1,000	2022	2021
Companies belonging to the PricewaterhouseCoopers chain		
Auditors' fees	70	65
Other services	-	-
Total fees paid to the auditor	70	65



## 6.9 FINANCIAL INCOME AND EXPENSES

€ 1,000	2022	2021
Dividend income		
From Group companies	1	1
Total dividend income	1	1
Other interest and financial income		
From Group companies	5	6
From others	71	184
Other interest and financial income	76	190
Total financial income	77	191
Interest expenses and other financial expenses		
To Group companies	-	-
To others	-315	-23
Total financial expenses	-315	-23
Total financial income and expenses	-238	167
Financial income and expenses include foreign exchange gains/losses (net)	-29	-1

The items above operating profit include foreign exchange losses/gains (net) or EUR 20 thousand (EUR 24 thousand)

## 6.10 INCOME TAXES

€ 1,000	2022	2021
Withholding tax	-204	-131
Total	-204	-131



## 6.11 INTANGIBLE ASSETS

<b>2022</b> € 1,000	Intangible rights	Total
Acquisition cost at the beginning of the financial period	7,942	7,942
Increases	11	11
Acquisition cost at the end of the financial period	7,952	7,952
Accumulated depreciation and impairment in the financial period	-7,899	-7,899
Depreciation and impairment in the financial period	-35	-35
Accumulated depreciation at the end of the financial period	-7,934	-7,934
Book value at the beginning of the financial period	42	42
Book value at the end of the financial period	18	18
<b>2021</b> € 1,000	Intangible rights	Total
Acquisition cost at the beginning of the financial period	7,942	7,942
Acquisition cost at the end of the financial period	7,942	7,942
Accumulated depreciation and impairment in the financial period	-6,345	-6,345
Depreciation and impairment in the financial period	-1,554	-1,554
Accumulated depreciation at the end of the financial period	-7,899	-7,899
Book value at the beginning of the financial period	1,597	1,597
Book value at the end of the financial period	42	42



## 6.12 TANGIBLE ASSETS

<b>2022</b> € 1,000	<b>Plant and equipment</b>	<b>Total</b>
Acquisition cost at the beginning of the financial period	1,602	1,602
Increases	39	39
Acquisition cost at the end of the financial period	1,641	1,641
Accumulated depreciation and impairment in the financial period	-1,381	-1,381
Depreciation in the financial period	-107	-107
Accumulated depreciation at the end of the financial period	-1,488	-1,488
Book value at the beginning of the financial period	221	221
Book value at the end of the financial period	154	154

<b>2021</b> € 1,000	<b>Plant and equipment</b>	<b>Total</b>
Acquisition cost at the beginning of the financial period	1,566	1,566
Increases	36	36
Acquisition cost at the end of the financial period	1,602	1,602
Accumulated depreciation and impairment in the financial period	-1,278	-1,278
Depreciation in the financial period	-103	-103
Accumulated depreciation at the end of the financial period	-1,381	-1,381
Book value at the beginning of the financial period	289	289
Book value at the end of the financial period	221	221

## 6.13 INVESTMENTS

<b>Shares 2022</b> € 1,000	<b>Group companies</b>	<b>Others</b>	<b>Total</b>
Book value at the beginning of the financial period	31	2	32
Book value at the end of the financial period	31	2	32

<b>Shares 2021</b> € 1,000	<b>Group companies</b>	<b>Others</b>	<b>Total</b>
Book value at the beginning of the financial period	31	2	32
Book value at the end of the financial period	31	2	32



#### 6.14 INVENTORIES

€ 1,000	2022	2021
Materials and supplies	533	351
Work in progress	13	27
Finished products/goods	196	169
<b>Total inventories</b>	<b>742</b>	<b>548</b>

#### 6.15 RECEIVABLES

€ 1,000	2022	2021
<b>Long-term receivables</b>		
<b>Other receivables</b>		
Loan receivables	212	57
<b>Total non-current receivables</b>	<b>212</b>	<b>57</b>
<b>Short-term receivables</b>		
<b>Receivables from Group companies</b>		
Trade receivables	237	128
Loan receivables	-	255
Accrued income	-	-
<b>Other receivables</b>		
Trade receivables	1,590	1,660
Other receivables	178	225
Accrued income	199	195
<b>Total current receivables</b>	<b>2,204</b>	<b>2,463</b>





### 6.16 FINANCIAL SECURITIES

#### Assets measured at fair value

€ 1,000	2022	Level 1	Level 2
Traded securities and investment to Genetic Analysis AS *	4,079	1,654	2,425

\* Genetic Analysis AS 280 thousand euros on level 1

#### Assets measured at fair value

€ 1,000	2021	Level 1	Level 2
Traded securities and investment to Genetic Analysis AS *	4,386	2,006	2,380

\* Genetic Analysis AS 889 thousand euros on level 1

Financial securities consist of fixed-income investments, corporate loans and money market investments. The hierarchy levels are described in the Group's note 2.17

### 6.17 CASH AND CASH EQUIVALENTS

€ 1,000	2022	2021
Cash in hand and at bank	1,409	528



## 6.18 SHAREHOLDERS' EQUITY

€ 1,000	2022	2021
Share capital 1 January	2,350	2,350
Share capital 31 December	2,350	2,350
Fair value reserve 1 January	-1,092	-1,165
Increases	-	74
Decreases	-609	-
Fair value reserve 31 December	-1,701	-1,092
Invested unrestricted equity fund 1 January	4,042	4,042
Invested unrestricted equity fund 31 December	4,042	4,042
Retained earnings 1 January	1,435	3,028
Retained earnings 31 December	1,435	3,028
Reported profit/loss for the financial period	935	-1,593
<b>Total shareholders' equity</b>	<b>7,062</b>	<b>6,736</b>

### Shares and voting rights

Biohit's shares are divided into Series A and Series B shares. The series from each other in that each Series A share entitles its holder to twenty (20) votes at general meetings, while each Series B share carries one (1) vote. The dividend paid for Series B shares is, however, two (2) per cent of the nominal value higher than that paid for Series A shares. When this regulation is applied, the nominal value of the shares is taken to be EUR 0.17, which was the nominal value of the company's shares when it decided to discontinue using nominal values for shares.



### Calculation of distributable equity 31 December

€ 1,000	2022	2021
Retained earnings	1,435	3,028
Profit/loss for the financial period	935	-1,593
Invested unrestricted equity fund	4,042	4,042
Fair value reserve	-1,701	-1,092
Government granted cost support	-	-190
<b>Total</b>	<b>4,712</b>	<b>4,196</b>

Parent company's share capital structure	2022 shares	% of shares	% of votes	2021 shares
Series A shares (20 votes per share)	2,975,500	19.8	83.1	2,975,500
Series B shares (1 vote per share)	12,070,093	80.2	16.9	12,070,093
<b>Total</b>	<b>15,045,593</b>	<b>100.0</b>	<b>100.0</b>	<b>15,045,593</b>

The company's share capital is EUR 2,350,350.81. The company does not hold any of its own shares. Based on a resolution of the AGM held on 16 September 2020, the Board of the company is authorised to decide on the issue of shares and to issue the special rights referred to in Chapter 10 of the Limited Liability Companies Act so that the maximum number of new Series B shares to be issued pursuant to the special rights is 3,000,000, which corresponds to approximately 24.9% of all of the company's Series B shares. In 2021, the company issued shares options for 880,000 new shares.

### 6.19 LONG-TERM LIABILITIES

€ 1,000	2022	2021
Loans from Group companies	-	-
Loans from financial institutions	-	-
From others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



## 6.20 DEFERRED TAX ASSETS AND LIABILITIES

### Deferred tax liabilities

There are no deferred tax liabilities.

### Deferred tax assets

The tax-deductible losses have not been noted in the balance sheet. There is a total of EUR 19.9 million loss in Finland (Year 2012-2020: EUR 19.9 million)

## 6.21 SHORT-TERM LIABILITIES

€ 1,000	2022	2021
Loans from financial institutions. current proportion	0	8
Advances received	104	50
Trade payables	506	358
Accruals and deferred income	834	804
Other liabilities	343	323
<b>Total short-term liabilities</b>	<b>1,787</b>	<b>1,542</b>

The significant items of accruals and deferred income are salary-related deferred items valued at EUR 666 thousand (EUR 605 thousand).

## 6.22 PLEDGES, CONTINGENT LIABILITIES AND OTHER LIABILITIES

€ 1,000	2022	2021
<b>Debts for which mortgages have been pledged</b>		
The company has not pledged any collateral.		
<b>Leasing commitments</b>		
Payable in the next financial period	62	24
Payable later	120	62
<b>Total</b>	<b>182</b>	<b>87</b>
<b>Rental commitments</b>		
Payable in the next financial period	181	90
Payable later	724	724
<b>Total</b>	<b>905</b>	<b>814</b>
<b>Other contingent liabilities</b>		
Guarantees	4	4

Leasing and rental fees mainly consist of fixed-term leasing and rental agreements lasting longer than one year.

### Contingent liabilities on behalf of Group companies

The company has no contingent liabilities on behalf of Group companies.



## 7. Board of Director's proposal Regarding the Distribution of Profits

On 31 December 2022, the parent company's distributable assets (unrestricted equity) amounted to EUR 4,711,504.69, including the profit for the financial period of EUR 934,640.55. The Board of Directors proposes to the Annual General Meeting that the company distribute no dividend for the last financial year and that the profit for the financial year be transferred to retained earnings.

Helsinki, 14 February 2023

Lea Paloheimo  
Chairman of the Board of Directors

Franco Aiolfi  
Member of the Board of Directors

Liu Feng  
Member of the Board of Directors

Kalle Härkönen  
Member of the Board of Directors

Osmo Suovaniemi  
Member of the Board of Directors

Jussi Hahtela  
President & CEO

### Auditor's statement

A statement has been issued today on the completed audit.

Helsinki, 15 February 2023

PricewaterhouseCoopers Oy  
Firm of auditors

Tiina Puukkoniemi  
Authorised Public Accountant



# 8. Auditor's Report

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

In our opinion

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

Our opinion is consistent with the additional report to the Board of Directors.

### What we have audited

We have audited the financial statements of Biohit Oyj (business identity code 0703582-0) for the year ended 31 December 2022. The financial statements comprise:

- the consolidated balance sheet, consolidated comprehensive income statement, statement of changes in consolidated shareholders' equity, consolidated cash flow statement, and notes to the consolidated financial statements, including a summary of significant accounting policies

- the parent company's balance sheet, income statement, statement of cash flows and notes.

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

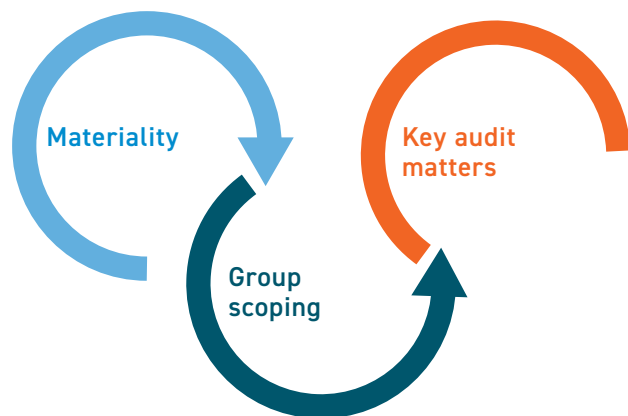
We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and to the group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 2.9 to the Financial Statements.



## OUR AUDIT APPROACH

### Overview



#### Materiality:

- Overall group materiality: € 110 thousand

#### Audit scope:

- In addition to the parent company, our group scope consists of two foreign subsidiaries.

#### Key audit matter:

- Cut-off of Revenue recognition
- Royalty income from License included in Distribution Agreement (Biohit HealthCare (Hefei) Co. Ltd)

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

## MATERIALITY

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.



### Overall group materiality

€ 110 thousand (€ 85 thousand in 2021)

### How we determined it

We used total assets as benchmark and 1 % rule of thumb to determine overall group materiality.

### Rationale for the materiality benchmark applied

Based on our assessment the total assets provide a more solid base for determining the materiality than the commonly used income statement based benchmarks.

### How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates. Biohit Oyj is a Finnish biotechnology company operating on global markets, which has foreign subsidiaries in Great Britain and Italy.

We determined the type of work that needed to be performed at group companies. This work was performed by the group audit team. Audit was performed for the parent company and for Biohit Healthcare Ltd, UK. For the Italian subsidiary, we performed selected audit procedures on specified account balances as well as analytical procedures. In addition, we performed audit procedures on the group level.

By performing the procedures above, we have obtained sufficient and appropriate evidence regarding the financial information of the Group as a whole to provide a basis for our opinion on the consolidated 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.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.





## KEY AUDIT MATTER IN THE AUDIT OF THE GROUP

### Cut-off of Revenue recognition

*Refer to the financial statements accounting principles and the financial statements note 2.3 Net sales and segment information*

Biohit Oyj ("Biohit") is a Finnish Biotechnology company operating on global markets. Biohit's product portfolio consists of diagnostic tests, analysis systems, products that bind carcinogen acetaldehyde in monoclonal antibodies and service laboratory operations. The Group's revenue is predominately generated from distribution agreements signed with several distributors who then sell the products further to health-care operators.

Revenue from distribution agreement-based product sales is recognised at a point of time when the control has transferred to a distributor in accordance with delivery terms.

We determined cut-off of revenue recognition as an audit focus area, as there is a risk that revenue in the financial statements is recognised in an incorrect period due to either errors or fraud.

### Royalty income from License included in Distribution Agreement (Biohit HealthCare (Hefei) Co. Ltd)

*Refer to the financial statements accounting principles and the financial statements note 2.3, Net sales and segment information and note 2.27 Related party transactions*

Biohit Oyj's shareholder Biohit HealthCare (Hefei) Co. Ltd ("Hefei") acts as the exclusive distributor of Biohit's certain GastroPanel® products in China. The parties have in February 2022 agreed on new multiannual distribution agreement for certain GastroPanel products in China.

## HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

We gained an understanding of the revenue recognition process and we performed substantive audit procedures to ensure revenue is recorded in the correct period. Our substantive audit procedures included:

- testing a sample of selected distribution agreements to ensure the correctness of revenue recognition criteria applied
- testing revenue transaction that occurred close to the year end
- testing certain revenue related balances recognised in the balance sheet
- testing a sample of revenue transactions occurred during the year
- testing the basis for revenue recognition cut-off for selected manual journal entries posted in revenue accounts
- auditing the notes and accounting principles regarding revenue recognition

We obtained understanding of the impact of the new distribution agreement to royalty income from license and related balance sheet items. Our substantive audit procedures included following procedures:

- we read the Distribution agreement signed 8 February 2022 and obtained evidence that Hefei pledged 1.5 million of its Biohit class B shares (value approximately 2.4 million euros) to Biohit, as a security for its payment obligations.
- we made an accounting analysis of the royalty income from license based on IFRS 15.



As disclosed in note 2.27 "Related parties", royalty income from license to Hefei has increased significantly to 2.2 million euros (1.3 million euros in 2021). This is based on the new distribution agreement, its IFRS-accounting interpretation, cash flow probabilities and timing (note 2.3).

As disclosed in note 2.27, Hefei has pledged 1.5 million of its Biohit class B (value approximately 2.4 million euros on December 31, 2022) shares to Biohit as a security for its payment obligations under the new distribution agreement.

Royalty income from License included significant management estimation.

We determined that Royalty income from License is a key audit matter due to the significance of the transaction and due to the estimation uncertainty relating to it.

- we reconciled the management calculation of estimated royalty income based on distribution agreement to the accounting records and financial statements and ensured those were correctly accounted for.
- we audited royalty payments by Hefei in 2022.
- we audited balance sheet items relating to royalty income from license
- we audited the notes and accounting principles regarding royalty income from license.

The above-mentioned Key audit matter "Royalty income from License included in Distribution Agreement (Biohit HealthCare (Hefei) Co. Ltd)" is also a key audit matters with respect to our audit of the parent company financial statements. Our audit procedures were aligned with the ones presented above.

There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.



### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional 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 Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- 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 to 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

### Appointment

We were first appointed as auditors by the annual general meeting on 14 April 2014. Our appointment represents a total period of uninterrupted engagement of 9 years.

### Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.



In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion

- the information in the report of the Board of Directors is consistent with the information in the financial statements
- 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, 15 February 2023

**PricewaterhouseCoopers Oy**

Authorised Public Accountants

Tiina Puukkoniemi

Authorised Public Accountant (KHT)



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